

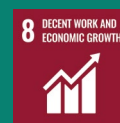


CAJA RURAL
DE NAVARRA



Sustainable Finance Framework

December 2024



This framework is intended for any type of liabilities (bonds and loans) that can finance or refinance, in whole or in part, sustainable use of proceeds as defined in the present document.

Table of contents

1	CAJA RURAL DE NAVARRA PROFILE	3
2	ESG IN CAJA RURAL DE NAVARRA	3
3	RATIONALE FOR SUSTAINABLE FINANCE AND BACKGROUND OF THE UPDATE	4
4	SUSTAINABLE FINANCE FRAMEWORK OVERVIEW	5
	4.1 USE OF PROCEEDS	6
	4.2 PROJECT EVALUATION AND SELECTION PROCESS	18
	4.3 MANAGEMENT OF PROCEEDS	18
	4.4 REPORTING	18
5	EXTERNAL REVIEWS	19
6	APPENDIX I – LIST OF KPIS	20
7	APPENDIX II – ESG FRAMEWORK TREASURY PORTFOLIO	20

1. CAJA RURAL DE NAVARRA PROFILE

Caja Rural de Navarra (CRN or the Bank) is a co-operative, regional and retail-focused bank, that provides banking and financial services in the regions of Navarre, Basque Country and La Rioja in northern Spain. It was established in 1910 as the central institution for local co-operative banks of the region. Since 1946, it evolved to become a regional co-operative bank, with its customers now based both in rural and in urban areas. Its customer segments include individuals, retailers, small and medium enterprises (SMEs), large corporates, and institutions. It offers a range of products and services such as mortgage and consumer loans, financing for businesses, demand and time savings products, investment services, guarantees, debit and credit cards, and also engages in insurance brokerage activities. The legal structure of CRN is that of a credit co-operative, i.e. borrowers are also shareholders or co-operative members of the Bank. Borrowers can take part in the corporate governance of CRN through a democratic, co-operative process managed through its governing bodies (General Assembly and Board of Directors). The borrowers' inputs are used to determine the strategy of the Bank, grounding it in an approach that engages all stakeholders.

Additionally, Caja Rural de Navarra is part of the Caja Rural Group (the Group), a financial group for Spanish co-operative banking institutions, whose model is based on the European co-operative credit movement.

CRN, as a member of the Group, is subject to Spanish and European laws and the Group's articles of association. In accordance with these, Caja Rural de Navarra maintains a Social Welfare Fund, to which it donates 10% of its annual profits. The objective of this Social Welfare Fund is to promote the co-operative model, foster relationships between co-operative entities, and develop social and environmental initiatives that are beneficial to our community.

2. ESG IN CAJA RURAL DE NAVARRA

CRN is an integral part of the society in the regions it operates and, by virtue of its origins and deep roots in its regions of operation, is an important contributor to social development. It is fully committed to its environment, on which the Bank is completely dependent for its own development, while always taking a long-term strategic view.

CRN's social vocation is grounded in its legal form as co-operative and its corporate mission. It carries out its business in all economic sectors through its local footprint, thus creating a form of symbiosis that is essential for its development. The regions of operation generate initiatives for development and we support these initiatives financially and socially. This helps encourage sustainability and embodies its commitment to local economic development which, in turn, helps shape the present and future environment in which we operate.

Caja Rural de Navarra's ESG commitment is part of our engagement with society and with our main stakeholders (customers, employees, investors and suppliers), strengthening our relationships with them and our community.

CRN publishes annually its Corporate Social Responsibility (CSR) report based on the Global Reporting Initiative (GRI) or applicable legal requirements under EU reporting directives and regulations. The CSR report is a transparency exercise to show our commitment with our stakeholders and the whole society by managing environmental, social

and governance issues in a conscious way. The CSR report complies with ESG legal reporting requirements, as established by applicable European or national legislation (NFRD 2014/95/EU and CSRD 2022/2464).

The Bank's Sustainability Committee, which is made up of representatives from the Capital Markets, Compliance, Human Resources, Marketing, Risk Management and Social Action departments, ensures the integration of the most relevant ESG issues for our stakeholders and the alignment with the sustainable eligibility criteria.

All CRN's ESG relevant documents can be found on the website¹.

3. RATIONALE FOR SUSTAINABLE FINANCE

The financing and promotion of sustainable activities are a fundamental part of CRN, as the Bank is an integral part of society. Caja Rural de Navarra is convinced that sustainable finance in general, and Sustainable Bonds in particular, are excellent instruments for channelling capital flows to tackle the environmental and social challenges of our time. As part of Caja Rural de Navarra's commitment to ESG, which determines the focus, objectives and policies for different aspects of its strategy, the Bank drafted its first Sustainable Finance Framework (the Framework) in 2016. This way, the Bank aims to promote those financing lines that have the greatest social and environmental impact in the regions in which it operates. In addition, Sustainable Bonds and Loans offer investors the opportunity to diversify their portfolios in favour of sustainable investments. The proceeds from Sustainable Bonds and Loans issued by CRN are used specifically to promote green and social projects that support, among others, the Paris Climate Agreement and the following UN Sustainable Development Goals (SDGs)²:

- SDG 1: No poverty
- SDG 2: Zero hunger
- SDG 4: Quality education
- SDG 6: Clean water and sanitation
- SDG 7: Affordable and clean energy
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 10: Reduced inequalities
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible consumption and production
- SDG 13: Climate action
- SDG 15: Life on land

¹ <https://www.cajaruraldenavarra.com/en/information-investors>

² In alignment with the ICMA "Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals" (June 2023 edition)

4. SUSTAINABLE FINANCE FRAMEWORK OVERVIEW³

Caja Rural de Navarra develops this Framework with the aim to issue Green, Social and/or Sustainability Bonds or Loans in the form of covered bonds, senior unsecured bonds, subordinated bonds and also senior or subordinated loans, to finance and refinance Eligible Assets as defined in section 4.1. Use of Proceeds. This Framework is aligned with CRN's strategy as a European co-operative regional bank, and also in accordance with the priorities of its Social Welfare Fund.

As a co-operative, regional and retail focused bank, CRN is committed to generating a positive Social and Environmental impact through its lending activities. Moreover, the strategy for loan origination sets up priorities that are coherent and complementary with those of the Social Welfare Fund. These priorities include (among others) social housing, energy efficiency, entrepreneurship, sustainable agriculture, renewable energy, SME and micro finance, and social inclusion.

Under the Sustainable Finance Framework a Green Bond may be issued if proceeds are allocated to Green Eligible Assets; a Social Bond may be issued if proceeds are allocated to Social Eligible Assets; and a Sustainability Bond may be issued if proceeds are allocated to any of the Use of Proceeds detailed in this Framework (Green and Social Eligible Assets). CRN assumes the commitment to apply under a portfolio approach an amount equivalent to the net proceeds of those bonds included in the Sustainable Finance Framework to finance or refinance, in whole or in part, new or existing Eligible Assets, as well as reporting on them according to the procedures established in the following sections.

Under this Framework, every lending project or activity financed or refinanced by a bond will be eligible for a green, social or sustainability objective taking into account the nature of the particular financing.

CRN focuses on the following sustainable lines which have the greatest social and environmental impact in the regions where we operate:

GREEN ELIGIBLE ASSET CATEGORIES

- a. Sustainable agriculture
- b. Renewable energy
- c. Energy efficiency
- d. Sustainable forest management
- e. Waste management

SOCIAL ELIGIBLE ASSET CATEGORIES

- a. Affordable housing
- b. Social inclusion
- c. Education
- d. Economic inclusion

³This framework is intended for any type of liabilities (bonds and loans) that can finance or refinance, in whole or in part, sustainable use of proceeds as defined in the present document.

Caja Rural de Navarra regularly tracks its loans to ensure adherence to the Framework. The tracking is based on internal guidelines and/or officially defined external criteria (as is the case with social housing and SME financing).

CRN also strives to align its definitions to market practices, in particular to ICMA's criteria, United Nations' Sustainable Development Goals (SDGs) and the EU Taxonomy.

Every bond or loan issued under Caja Rural de Navarra's Sustainable Finance Framework will be aligned with the four core components of ICMA's Green Bond Principles 2021 (2021 GBP), Social Bond Principles 2023 (2023 SBP) and Sustainability Bond Guidelines 2021 (2021 SBG) and LMA/APLMA/LSTA's Green Loan Principles 2023 (2023 GLP) and Social Loan Principles 2023 (2023 SLP).

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

The following section summarises CRN's Sustainable Finance Framework, focusing on ICMA's and LMA/APLMA/LSTA's four core components.

4.1. USE OF PROCEEDS




An amount equivalent to the net proceeds of the bonds will be allocated to finance or refinance, in whole or in part, new or existing loans, investments or projects within the eligibility categories of the Framework (Eligible Assets, as specified below in point 4.1.1.), that are also recognised in the 2021 GBP, 2023 SBP and 2021 SBG⁴.

Where a business or project derives 90% or more of its revenues from activities that align with the eligibility criteria below, financing can be considered as eligible for a Green, Social or Sustainability bond. In these instances, the Use of Proceeds can be used by the business for general purposes, so long as this financing does not fund activities listed in the Exclusionary section below.



4.1.1. Eligibility Criteria

Eligible loans within this Framework should finance or refinance projects or activities taking place in Spain and meeting one or more of the following criteria:

⁴For the avoidance of doubt, any change to the Framework will not affect eligible projects retroactively. Each updated Framework will be applied from the date of its publication.




STANDARD		SUSTAINABLE AGRICULTURE
ELIGIBILITY CRITERIA		<p>The criteria to select projects in this category will include practices in which a range of stakeholders are involved, ensuring greater efficiency in the use of resources and more sustainable management of natural and human-created processes, increasing biodiversity and agriculture productivity and resilience to climate change. EU Organic certification is also an eligibility criterion. FAO's <i>Climate smart agriculture</i>⁵ approach and practices will be taken into consideration for this Framework.</p> <ol style="list-style-type: none"> 1. Reduce methane or green house gas (GHG) emissions resulting from agriculture. These projects/technologies include those under the "smart agriculture" approach and are mainly related to: <ol style="list-style-type: none"> a. Irrigation by gravity (avoiding the use of motor engines for water pumping) b. Shared use of machinery c. Electric vehicles. This includes hybrid vehicles with expenditures limited to vehicles at or below the threshold of 75g CO₂/km based on lab tests WLTP or NEDC or FTP-75 procedure. d. Solar and wind generation in agricultural activities 2. Adopt management practices that increase the efficiency in the use of resources and/or decrease the GHG emissions of core agricultural inputs and processes, such as cooperative and other communal property/management projects, irrigation, warehousing, transportation, crop protection and reduction of fertilisers' use, collecting and re-using agricultural waste, and rehabilitating degraded lands.
SDG	NO HUNGER 	<ul style="list-style-type: none"> • End hunger, achieve food security and improved nutrition and promote sustainable agriculture. <p>2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.</p>
	CLEAN WATER AND SANITATION 	<ul style="list-style-type: none"> • Ensure availability and sustainable management of water and sanitation for all. <p>6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.</p>
	RESPONSIBLE CONSUMPTION 	<ul style="list-style-type: none"> • Ensure sustainable consumption and production patterns. <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p>
GBP		<ul style="list-style-type: none"> • Environmentally sustainable management of living natural resources and land use. • Sustainable water and wastewater management.
SBP		<ul style="list-style-type: none"> • Food security.
EU TAXONOMY ENVIRONMENTAL OBJECTIVES		<ul style="list-style-type: none"> • Sustainable use and protection of water and marine resources. • Climate change mitigation • Climate change adaptation
EU TAXONOMY SOCIAL OBJECTIVES ⁶		<ul style="list-style-type: none"> • Adequate living standards and wellbeing for end-users



⁵ Food and Agricultural Organization of the United Nations <http://www.fao.org/climate-smart-agriculture/knowledge/practices/en/>
⁶ Based on Platform on Sustainable Finance's Final Report by Subgroup 4: Social Taxonomy.



STANDARD	RENEWABLE ENERGY	
ELIGIBILITY CRITERIA		<p>1. Generate electricity from the following technologies: solar, wind, hydro, geothermal, hydrogen and bioenergy. It is included the acquisition, construction, operation, maintenance or repowering of facilities operating with life cycle emissions below 100gCO₂e/kWh. Selection criteria:</p> <p>a. Hydroelectric power shall always comply with most recent CBI's criteria⁷. As of today, it differentiates between the dates of commencement of operation:</p> <p>I. Operational pre 2020 with power density greater than 5 W/m² or GHG emissions intensity is below 100gCO₂e/kWh or</p> <p>II. Commencement of operation during or post 2020 with power density greater than 10W/m² or GHG emissions intensity is below 50gCO₂e/kWh and</p> <p>III. The financed projects have undergone an ESG gap analysis by an accredited assessor where not more than 10 significant gaps were identified, not more than 2 significant gaps were identified in any section assessed, nor the requirements related to Free, Prior and Informed consent were violated.</p> <p>b. Manufacture of hydrogen with life cycle GHG emissions lower than 3tCO₂e/tH₂, through:</p> <p>i. Water electrolysis powered by renewables.</p> <p>ii. Biogas/renewable natural gas</p> <p>c. Biomass cogeneration facilities operating above 80% of GHG emissions-reduction in relation to the relative fossil fuel comparator set out in RED II⁸ increasing to 100% by 2050. Bioenergy can include high-efficiency biomass co-generation, for which feedstock is limited to i) certified sources that do not deplete existing terrestrial carbon stocks and/or ii) those that do not compete with food production. Bioenergy feedstock will be primarily waste biomass from agricultural waste.</p> <p>2. Develop, construct, equip, operate, and maintain new or additional Energy Transmission and Distribution networks (electricity only) from renewable sources, with average emissions intensity of the network under 100 gCO₂e/kWh or more than 67% of newly enabled generation capacity in the system that is below the generation threshold value of 100 gCO₂e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period.</p> <p>3. Manufacture of renewable energy technologies according to sub-category 3.1 "Manufacture of renewable energy technologies" of the Annexes of the Commission Delegated Regulation 04.06.2021 supplementing Regulation (EU) 2020/852.</p>
SDG	RENEWABLE ENERGY 	<ul style="list-style-type: none"> • Ensure access to affordable, reliable, sustainable and modern energy for all. <p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.</p> <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</p>
	CLIMATE ACTION 	<ul style="list-style-type: none"> • Take urgent action to combat climate change and its impact. <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>
GBP		<ul style="list-style-type: none"> • Renewable energy. • Pollution prevention and control.
EU TAXONOMY ENVIRONMENTAL OBJECTIVES		<ul style="list-style-type: none"> • Climate change mitigation and adaptation
EU TAXONOMY SOCIAL OBJECTIVES⁹		<ul style="list-style-type: none"> • Adequate living standards and wellbeing for end-users

⁷ <https://www.climatebonds.net/standard/hydropower>
⁸ <https://ec.europa.eu/jrc/en/jec/renewable-energy-recast-2030-red-ii>
⁹ Based on Platform on Sustainable Finance's Final Report by Subgroup 4: Social Taxonomy

STANDARD		ENERGY EFFICIENCY	
ELIGIBILITY CRITERIA	<div>1. Develop, manufacture or acquire products, technologies or equipment that reduce the energy consumption of the underlying asset/system, such as electrification of machinery and vehicles, new processes with less energy and/or inputs consumption, or less waste generation, where those investments are not related to technologies powered by fossil fuels.</div> <div>2. Buildings Energy Efficiency. Acquire, develop and construct buildings and renovate existing buildings according to sub-categories 7.1, 7.2 and 7.7 of the Annexes of the Commission Delegated Regulation 04.06.2021 supplementing Regulation (EU) 2020/852:<div>a. Acquisition and ownership (7.7)<div>I. For properties built before 31st December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31st December 2020 and at least distinguishes between residential and non-residential buildings.</div><div>II. For buildings built after 31st December 2020, the building meets the criteria specified in Section 7.1 ("Construction of new buildings") that are relevant at the time of the acquisition.</div><div>III. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment</div></div><div>b. Construction of new buildings (7.1)<div>Constructions of new buildings for which:<div>I. The Primary Energy Demand (PED), defining the energy performance of the building resulting from the construction, is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council.</div><div>II. The energy performance is certified using an as built EPC.</div></div></div><div>c. Renovation of existing buildings (7.2).<div>The building leads to a reduction of primary energy demand (PED) of at least 30%.</div></div></div>		
	SDG	<div>RENEWABLE ENERGY</div> <div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div></div></div>	<div>• Ensure access to affordable, reliable, sustainable and modern energy for all.</div> <div>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.</div> <div>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</div>
		<div>INNOVATION AND INFRASTRUCTURE</div> <div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div>	<div>• Take urgent action to combat climate change and its impact.</div> <div>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</div>
		<div>SUSTAINABLE CITIES AND COMMUNITIES</div> <div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div>	<div>• Renewable energy.</div> <div>• Pollution prevention and control.</div>
GBP	<div>• Energy efficiency.</div> <div>• Pollution prevention and control</div> <div>• Clean transportation.</div> <div>• Green buildings.</div>		




STANDARD		SUSTAINABLE FOREST MANAGEMENT
ELIGIBILITY CRITERIA		<p>Companies whose projects may qualify for this category should present the endorsement of an official forest certification (such as PEFC Programme for the Endorsement of Forest Certification) to be eligible. Their activities should be in accordance with sub-category 1.3 (Annexes of the Commission Delegated Regulation 04.06.2021 supplementing Regulation (EU) 2020/852). Forestry operations that are FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) certified are likely to meet the Sustainable Forest Management and Do No Significant Harm criteria of the forest Taxonomy.</p> <ol style="list-style-type: none"> 1. Undertake certified forest operations for working forest (timber producing activities), either FSC or PEFC certified. 2. Undertake conservation projects whose aim is to increase or improve the forested land (without involving timber extraction)
SDG	CLEAN WATER AND SANITATION 	<ul style="list-style-type: none"> • Ensure availability and sustainable management of water and sanitation for all. <p>6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.</p>
	RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> • Ensure sustainable consumption and production patterns. <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p>
	LIFE ON LAND 	<ul style="list-style-type: none"> • Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat. <p>15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.</p>
GBP		<ul style="list-style-type: none"> • Environmentally sustainable management of living natural resources and land use.
EU TAXONOMY ENVIRONMENTAL OBJECTIVES		<ul style="list-style-type: none"> • Climate change mitigation and adaptation • Protection of healthy ecosystems.

STANDARD		WASTE MANAGEMENT
ELIGIBILITY CRITERIA		<p>1. Build, develop or use technology/equipment and processes that increase resource use efficiency or reduce waste production, such as waste-reducing technology in the industrial sector or reducing harvest waste in agriculture. An example is the repurposing of wasted human food as animal feed. Landfilling or incineration will be excluded, as well as fossil fuel operations or carbon intensive industries.</p> <p>2. Undertake projects that generate inputs from used materials, such as recycling and circular economy processes. The projects can include the acquisition and upgrading of water treatment plants, recycling systems, waste water treatment facilities, sewer network, etc. Where these projects include the manufacture of new products, plastic production will be excluded.</p>
SDG	SUSTAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> • Make cities and human settlements inclusive, safe, resilient and sustainable. <p>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p>
	RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> • E• Ensure sustainable consumption and production patterns. <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p>12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>
GBP		<ul style="list-style-type: none"> • Pollution prevention and control. • Eco-efficient and/or circular economy adapted products, production technologies and processes
EU TAXONOMY ENVIRONMENTAL OBJECTIVES		<ul style="list-style-type: none"> • Climate change mitigation and adaptation


STANDARD		AFFORDABLE HOUSING
ELIGIBILITY CRITERIA		Provide affordable housing to disadvantaged populations, as defined by the requirements set by regional governments ¹⁰ . These requirements can include criteria such as income level, number of family members, number of aged/disabled people within the family, relevant immigrant background of the family, violence experienced by women in households, and single parent households.
SDG	REDUCED INEQUALITIES 	<ul style="list-style-type: none"> • Reduce inequality within and among countries. <p>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.</p> <p>10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>
	SUSTAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> • Make cities and human settlements inclusive, safe, resilient and sustainable. <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p>
GBP		<ul style="list-style-type: none"> • Affordable housing
EU TAXONOMY SOCIAL OBJECTIVES ¹¹		<ul style="list-style-type: none"> • Adequate living standards and wellbeing for end-users


¹⁰ http://www.navarra.es/home_es/Temas/Vivienda/Ciudadanos/Censo+de+vivienda/Que+es+el+censo/
<https://larioja.org/vivienda/es/plan-vivienda-2009-2012/guia-ayudas/informacion/compra-vivienda-prottegida>
https://www.etxebide.euskadi.eus/x39-contgen/es/contenidos/informacion/presentacion_etxebide/es_etxecont/presentacion.html

¹¹ Based on Platform on Sustainable Finance's Final Report by Subgroup 4: Social Taxonomy

STANDARD		SOCIAL INCLUSION
ELIGIBILITY CRITERIA	<ol style="list-style-type: none"> 1. Construct cultural facilities such as community centres for socially/economically marginalised groups such as physically or mentally disabled populations. 2. Provide job training programmes or facilities to young, unemployed, physically or mentally disabled populations, or any other socially/economically marginalised groups. 3. Improve the teaching and use of languages, including minority regional languages, immigrant languages, and Spanish language learning activities for immigrants. 4. Provide affordable housing / care to the elderly either in the form of old age residences or day-care centres or similar facilities or services. <p>All above-mentioned activities will allow for a public access and will be available either free of cost or at subsidised rates for targeted vulnerable populations.</p>	
SDG	DECENT JOBS AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> • Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>
	REDUCED INEQUALITIES 	<ul style="list-style-type: none"> • Reduce inequality within and among countries. <p>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.</p>
	SUSTAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> • Make cities and human settlements inclusive, safe, resilient and sustainable. <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p> <p>11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage.</p>
GBP	<ul style="list-style-type: none"> • Employment generation including through the potential effect of SME financing and microfinance • Socioeconomic advancement and empowerment. • Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services). 	
EU TAXONOMY SOCIAL OBJECTIVES ¹²	<ul style="list-style-type: none"> • Decent Work • Adequate living standards and wellbeing for end-users • Inclusive and sustainable communities and societies 	

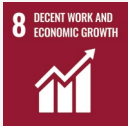



¹² Based on Platform on Sustainable Finance's Final Report by Subgroup 4: Social Taxonomy

STANDARD		EDUCATION
ELIGIBILITY CRITERIA	<ol style="list-style-type: none"> Construct buildings or lab facilities in schools. Examples of school buildings include (but are not limited to) gyms, computer labs, libraries, vocational school buildings. Construct university campus buildings or facilities at any public and non-profit university campus. <p>All educational projects under this section will be accessible to all students and will be free for all, regardless of their ability to pay.</p>	
	QUALITY EDUCATION 	<ul style="list-style-type: none"> Ensure availability and sustainable management of water and sanitation for all. 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. 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. 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.
GBP	<ul style="list-style-type: none"> Socioeconomic advancement and empowerment. Access to Essential Services (Education) 	
EU TAXONOMY SOCIAL OBJECTIVES ¹³	<ul style="list-style-type: none"> Adequate living standards and wellbeing for end-users 	

STANDARD		ECONOMIC INCLUSION
ELIGIBILITY CRITERIA	<p>Following ICMA's Social Bond Principles (SBP), social projects are those promoting positive social outcomes especially for target populations, including "Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance". As socioeconomic crisis such as the Great financial crisis and Covid-19 pandemic have shown, SMEs are critical for the maintenance of employment and social cohesion, especially in the Spanish and regional context. Caja Rural de Navarra will remain committed to support SMEs according to the below-mentioned criteria:</p> <ol style="list-style-type: none"> Provide loans to increase financial inclusion that are granted to individuals through branches of Caja Rural de Navarra located in villages with a population below 3,000 and with income lower than 80% of the median income of the region. Provide micro enterprise financing and lending to micro-entrepreneurs, as per the definition specified by the European Union (EU)¹⁴. The EU defines a micro-enterprise as an organisation that has fewer than 10 employees and a balance sheet below EUR 2 million or a turnover below EUR 2 million. Provide financing and lending to small and medium enterprises (SMEs), as per the definition specified by the EU¹⁵. The EU defines a SME as an organisation that has fewer than 250 employees and a balance sheet below EUR 43 million or a turnover below EUR 50 million. CRN will strive to prioritise within its SME financing those loans specifically devoted to (i) providing finance to SME and sectors suffering from economic, geopolitical, health or social shocks; (ii) financing SMEs located in rural, remote areas (meaning those outside the EU definition for "urban centers"¹⁶ with a reduced access to finance and physical infrastructure. 	
	NO POVERTY 	<ul style="list-style-type: none"> End poverty in all its forms everywhere 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

¹³ Based on Platform on Sustainable Finance's Final Report by Subgroup 4: Social Taxonomy

¹⁴ <https://eur-lex.europa.eu/EN/legal-content/summary/micro-small-and-medium-sized-enterprises-definition-and-scope.html>
¹⁵ <https://eur-lex.europa.eu/EN/legal-content/summary/micro-small-and-medium-sized-enterprises-definition-and-scope.html>
¹⁶ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Urban_centre#:~:text=Short%20definition%3A%20a%20cluster%20of,000%20inhabitants%20after%20gap%2Dfilling

STANDARD		ECONOMIC INCLUSION
SDG	DECENT JOBS AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. <p>8.1 Sustain per capita economic growth in accordance with national circumstances and, developed countries.</p> <p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.</p> <p>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</p> <p>8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</p>
	INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. <p>9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.</p> <p>9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.</p> <p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increases resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p>
	REDUCED INEQUALITIES 	<ul style="list-style-type: none"> Reduce inequality within and among countries. <p>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.</p>
	STAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> Make cities and human settlements inclusive, safe, resilient and sustainable. <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.</p>
GBP	<ul style="list-style-type: none"> Employment generation including through the potential effect of SME financing and microfinance Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services). 	
EU TAXONOMY SOCIAL OBJECTIVES ¹⁷	<ul style="list-style-type: none"> Decent Work Inclusive and sustainable communities and societies 	

¹⁷ Based on Platform on Sustainable Finance's Final Report by Subgroup 4: Social Taxonomy

4.1.2. Exclusionary Criteria

CRN commits to not knowingly be involved in financing or refinancing any of the following projects/activities through the proceeds of a sustainable bond or loan issued under this Framework:

- Large scale hydro projects (i.e. projects that have an installed capacity greater than 20 MW of electricity).
- Technology and equipment for large scale hydro projects.
- Transmission infrastructure and systems where 25% or more of electricity transmitted to the grid is fossil-fuel-generated.
- Fossil-fuel and nuclear power generating facilities.
- Agricultural or afforestation operations located on land designated as primary forest, high conservation value areas, or legally preserved areas.
- Landfilling or incineration as waste management practices.
- Payday loans and predatory lending activities.
- Lending to micro-enterprises or SMEs that manufacture alcohol, or are wholesalers of alcoholic beverages.
- Lending to micro-enterprises or SMEs that manufacture tobacco products, or are wholesalers of tobacco products.
- Lending to micro-enterprises or SMEs that own or operate gambling establishments/activities.
- Lending to micro-enterprises or SMEs that are involved in the manufacture or sale of weapons
- Lending to micro-enterprises or SMEs that are involved in the extraction, refining, or transportation of fossil fuels.
- Lending to micro-enterprises or SMEs that are involved in the production or refining of palm oil.
- Lending to micro-enterprises or SMEs that are involved in other controversial activities, such as pornography, or fast fashion.
- Lending to micro-enterprises or SMEs that are involved in the generation of nuclear power.

4.1.3. Framework alignment

ALIGNMENT WITH ICMA'S 2021 GBP, 2023 SBP AND 2021 SBG AND LMA/APLMA/LSTA'S 2023 GLP And 2023 SLP

The Sustainable Finance Framework is aligned with ICMA's 2021 GBP, 2023 SBP and 2021 SBG in order to achieve transparency and public commitment with the green social and sustainability bond markets. CRN's Framework includes not only the use of proceeds, disclosure and reporting practices recommended by ICMA but also the definitions of the nine criteria within the lines detailed before as eligible by the GBP and SBP.

This Framework is also aligned with the Green Loan Principles and the Social Loan Principles administered by LMA, APLMA and LSTA.

ALIGNMENT WITH THE EU TAXONOMY AND THE EUROPEAN GREEN BOND STANDARD (EuGBS)

In June 2020, the European Parliament and the Council adopted regulation 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment.

On June 4th 2021, the European Commission published the delegated regulation supplementing the aforementioned

Taxonomy regulation, establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

On June 27th 2023, the European Commission adopted a Taxonomy Environmental Delegated Act, including a new set of EU taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems. The Commission has also adopted amendments to the Taxonomy Climate Delegated Act, covering the environmental objectives of climate change mitigation and adaptation.

On November 30th 2023, the European Commission published the European Green Bond Standard (EuGBS) Regulation in the Official Journal of the EU, laying down uniform requirements for issuers of bonds that wish to use the designation 'European green bond' or 'EuGB' for their environmentally sustainable bonds. The regulation applies from December 21st 2024.

Caja Rural de Navarra will strive to follow the EU criteria so that the Framework's green criteria follow the specific eligibility thresholds and selection methodology guidance.

CRN is aware of the "Do No Significant Harm" (DNSH) criteria included in the Taxonomy. The criteria specify the minimum requirements to be met to avoid significant harm to other environmental objectives relevant to each economic activity. Caja Rural de Navarra will make its best efforts to comply with these criteria.

CRN will monitor the development of the EuGBS and its incorporation in the Sustainable Bond market. As the EuGBS is mainly based on the Green Bond Principles, CRN already complies with several key aspects of the EuGBS and will make its best efforts to increase the level of compliance going forward.

In February 2022, the Platform on Sustainable Finance published the Final Report on Social Taxonomy¹⁸, proposing a structure for a social Taxonomy within the present EU legislative environment on sustainable finance and sustainable governance. Although the development of a social Taxonomy within the EU has been suspended for the time being and will not be resumed within the Platform on Sustainable Finance in the foreseeable future, the final report contains noteworthy approaches. One of these approaches is the consideration of the concept of Availability, Accessibility, Acceptability and Quality (AAAQ). Initially developed for the healthcare sector, the aim of the AAAQ approach is to address all possible obstacles for the fulfilment of social, economic and cultural rights and to find ways to overcome these obstacles. CRN intends to integrate the AAAQ concept on a best-efforts basis in the process of project evaluation and selection for the Social-eligible project categories.

¹⁸ Platform on Sustainable Finance (2022, p. 41). Final Report by Subgroup 4: Social Taxonomy

4.2. PROJECT EVALUATION AND SELECTION PROCESS

The loans financed or refinanced through the proceeds will be evaluated for financial viability at origination by the Credit Risk department, and for alignment with the eligibility criteria annually by the Sustainability Committee. The Sustainability Committee, which meets on a quarterly basis, is made up of representatives from the Capital Markets, Compliance, Human Resources, Marketing, Risk Management and Social Action departments¹⁹, and the process through which loan eligibility is assessed and monitored includes a detailed analysis of the compliance of each loan with the Framework as well as the compliance with the exclusionary criteria.

The Sustainability Committee has an internal review process embedded within the loan selection procedures to identify and mitigate environmental and social risks associated with the eligible projects, which apply to all allocations under the Framework. Where meaningful risks are identified and not properly mitigated, those loans are excluded.

4.3. MANAGEMENT OF PROCEEDS

CRN will manage the proceeds of its Green, Social and Sustainability Bonds issued under this Framework on a portfolio basis. The proceeds from the bonds will be allocated directly to new or existing loans; CRN confirms that at the time of issue, based on the experience of Green, Social and Sustainability bond issuances so far, it expects to have a sufficient number of existing loans to utilise the entire proceeds of the green, social or sustainability bond. CRN intends to fully allocate the proceeds of bonds issued under this Framework to Eligible Assets existing or originated up to two years after issuance.

Caja Rural de Navarra will also manage any potential unallocated funds within its liquidity book in line with the standard processes of the Treasury department which include internal ESG guidelines (see Appendix II). Liquidity will be managed mainly by investing in OECD sovereigns and sub-sovereigns.

Caja Rural de Navarra's Sustainability Committee has established an internal process to manage the allocation of net proceeds to eligible loans. CRN's system classifies and tags all green, social and sustainability loans as either by the nature of the client, or by the purpose of the loan.

Loans tagged by their purpose are categorised into a database where each loan is a separate line item, and each eligible category is marked by a separate column.

Each loan is then matched to an eligible category described under the Use of Proceeds section of this Framework (section 3.1).

Loans that comply with multiple sustainable categories will be assigned only to one primary eligible category, avoiding any duplicity.

Caja Rural de Navarra ensures continuous allocation such that, as the underlying eligible loans/assets in the pool are amortized or removed for any reason, the pool is replenished such that the value of outstanding eligible loans/assets remains at the minimum greater than the net proceeds (of Green, Social, Sustainability and regular bonds or loans issued), until the maturity of the bonds or loans.

¹⁹ Representatives from other departments could be added to the Committee if deemed appropriate

4.4. REPORTING

Allocation Reporting

Caja Rural de Navarra will disclose the allocation of proceeds to each eligible category outlined in this Framework until full allocation.

Specifically, it will disclose the following information (i) the outstanding amount of its loan book, disaggregated into eligible categories; (ii) the outstanding number of loans, disaggregated into eligible categories; and (iii) number of borrowers (individuals and SMEs), disaggregated into eligible categories.

This disclosure will be made yearly, it will be externally verified and publicly available on Caja Rural de Navarra's website²⁰.

Impact Reporting

Where feasible, Caja Rural de Navarra will report on Key Performance Indicators (KPIs) in aggregate form for each eligible category. This disclosure will be made in a separate section in the ongoing reporting to investors, which will be available on Caja Rural de Navarra's website. We commit to making our best efforts to improve KPI reporting over time. On a best effort basis CRN intends to align Impact Reporting with the portfolio approach described in the June 2024 edition of the "ICMA's Handbook - Harmonised²¹ Framework for Impact Reporting" and the June 2023 edition of the "Harmonised Framework for Impact Reporting for Social Bonds". Please see Appendix I for a full list of KPIs.

This disclosure will be made yearly, and it will be publicly available on Caja Rural de Navarra's website.

5. EXTERNAL REVIEW

As the categories covered by this Framework change, evolve and develop, and to keep pace with responsible social and environmental practices, the Framework is regularly assessed and updated as needed.

Second-Party Opinion

Sustainalytics has been chosen to issue a Second-Party Opinion (SPO) on this Framework. The Second-Party Opinion is available on Caja Rural de Navarra's website.

Verification of allocation and impact reports

CRN requests, on an annual basis, from an independent third party, a verification of its allocation and impact reports including an analysis regarding the allocation of an amount equivalent to the net proceeds of the Green, Social or Sustainability Bonds to eligible loans, in compliance with all material respects of the criteria set forth in this Framework.

²⁰<https://www.cajaruraldenavarra.com/en/information-investors>

²¹ https://www.icmagroup.org/assets/documents/sustainable-finance/2022-updates/harmonised-framework-for-impact-reporting-green-bonds_june-2022-280622.pdf

APPENDIX I - LIST OF KPIs

CATEGORY	KPIs
SUSTAINABLE AGRICULTURE	<ul style="list-style-type: none"> Number of young farmers. Number of farmers granted with a green/sustainable label.
ENERGY EFFICIENCY	<ul style="list-style-type: none"> Reduction achieved in CO₂ consumption. Number of houses complying with the minimum energy efficiency requirement. Number of renovation projects with a reduction of PED of at least 30%.
SUSTAINABLE FOREST MANAGEMENT	<ul style="list-style-type: none"> Area of land reforested (hectares or acres). Area of previously non-forested land that is forested (hectares or acres).
AFFORDABLE HOUSING	<ul style="list-style-type: none"> Number of mortgages provided as per regional government requirements. Number of disadvantaged families housed in social housing. Number of beneficiaries.
SOCIAL INCLUSION	<ul style="list-style-type: none"> Unemployment rate in region where job training programmes are offered. Number of people enrolled in job training programmes.
EDUCATION	<ul style="list-style-type: none"> Number of students served by the buildings/facilities constructed, as measured by building/facility capacity.
ECONOMIC INCLUSION	<ul style="list-style-type: none"> Proportion of microfinance, micro-enterprise, and SME loans successfully repaid. Proportion of microfinance loan recipients with successful micro-businesses. Number of people employed by micro-enterprises or SMEs. Default rate of loan recipients. Number of loans to borrowers living in remote areas.
RENEWABLE ENERGY	<ul style="list-style-type: none"> Number of energy generation projects financed. Number of Builders of renewable energy equipment financed.
WASTE MANAGEMENT	<ul style="list-style-type: none"> Number of projects for Recycling of industrial waste. Number of projects for Manufacturing of commercial products from recycled materials. Number of projects for waste clean-up. Number of projects for waste material segregation. Number of projects for water treatment.

APPENDIX II - ESG FRAMEWORK TREASURY PORTFOLIO

INTRODUCTION

Purpose of the ESG criteria for the Treasury Portfolio of Caja Rural de Navarra

Caja Rural de Navarra (CRN) is a co-operative, regional and retail bank committed to the highest standards concerning the ESG credentials of its entire activity.

Caja Rural de Navarra publishes a Corporate Social Responsibility Report annually. It has also established a Sustainability Finance Framework and a broad range of policies and procedures to assure its compliance with ESG objectives. This framework can be applied throughout the different activities affecting its stakeholders with the aim of assuring the greatest positive social and environmental impact through a proper governance structure.

CRN has therefore created this Treasury portfolio sustainability framework as a way to complement its overall ESG policies, and established the criteria to invest in financial assets, in accordance with socially and environmentally responsible investment best practices.

This framework is approved by the Board (“Consejo Rector”) of Caja Rural de Navarra and will be implemented by the Treasury and Capital Markets Department, responsible for the liquidity management of the bank. It will apply to its investments in securities (both equity and bond portfolios), as well as to its inter-bank investments.

OVERALL DESCRIPTION OF THE FRAMEWORK

The sustainability criteria included in this document are considered at the point of time in which the securities are acquired, based on the exclusion of issuers that can be considered controversial due to their involvement in sectors or products/services which can be deemed as contrary to ESG standards widely accepted by the international investment community, such as the Green Bond Principles and the Social Bond Principles.

Moreover, the same exclusionary criteria will be imposed to corporates, financials and governments that have a significant negative track record in environmental, social and/or governance matters.

On top of the exclusionary criteria, the “best in class” approach is also applied by selecting issuers with the best ESG performance, that is, those whose average ESG grades are above the industry average.

Investments may be made in Governments that are part of the European Union (EU)²² and/or OECD (“Organization for Economic Cooperation and Development”)²³ and that do not apply in practice the death penalty. Membership of the EU and/or OECD ensures a commitment to the rule of law and the protection of human rights, as well as democratic, open, transparent and free-market economies.

The sustainable investment universe also includes those issuers belonging to the Spanish Autonomous Communities, other European countries’ regional bodies, European agencies, public companies and also financial institutions and other organisations endorsed by the governments of those countries included in the previous table.

The necessary data for Caja Rural de Navarra’s ESG assessment is generally obtained from market sources, allowing for an analysis of environmental, social and corporate governance aspects.

²² See European Union membership criteria: https://ec.europa.eu/neighbourhood-enlargement/policy/conditions-membership_en

²³ See OECD membership criteria: <https://tuac.org/news/oecd-membership-and-the-values-of-the-organisation/>

EXCLUSIONARY CRITERIA

Caja Rural de Navarra will make its best efforts to avoid investing in the following issuers:

- a.** Elusion due to controversial sectors: Companies with relevant income from:
 - Controversial weapons
 - Gambling
 - Pornography
 - Tobacco
- b.** Exclusion due to serious negative environmental impacts: Companies involved in important controversies in environmental aspects such as water polluting emissions and/or soil, air, noise or treatment of polluting waste.
- c.** Exclusion due to serious negative social impacts: Companies with significant involvement in controversies or incidents in social aspects such as human rights, labor rights, health and safety at work or projects with relevant negative impact on communities.
- d.** Exclusion for reasons related to governance practices. Companies with significant involvement in controversies or incidents in the sphere of corporate governance, corruption and bribery, money laundering and/or tax evasion.
- e.** Exclusion of issues from Governments whose judicial system applies in practice the death penalty.

BEST IN CLASS APPROACH

For those securities outside the scope of the exclusionary criteria, CRN will invest following a “best performance in sustainability” approach. After reducing the universe according to the above mentioned exclusionary criteria, CRN will prioritise those issuers with better global sustainability rating (higher than its sector average) in its investment selection. The aim will be to have as much investments as possible above the sector average.

The ESG valuation of the assets in the portfolio will be compared with the average sectorial values and Caja Rural de Navarra will keep records of those securities that are below their industrial average.

NON-ANALYSED ISSUERS

The valuation of companies according to ESG aspects is relatively new and not all companies in our investment universe have an outstanding ESG rating. Caja Rural de Navarra will make its best efforts to include the ESG rating of each issuer as soon as it is available.

UPDATE AND OUTLOOK

The Framework describes the current implementation of the integration of ESG criteria into Treasury’s investment portfolio.

When further developing its ESG Investment Framework, Treasury's Investment Portfolio ensures the highest possible degree of congruence with its Sustainability Guidelines and bank-wide objectives.

In a dynamic environment and given the relevance Caja Rural de Navarra attaches to this topic, the ESG Treasury Portfolio Framework is updated on an annual basis and also if any relevant change of components occurs.