



**CAJA RURAL  
DE NAVARRA**

# **CSR REPORT AND NON- FINANCIAL STATEMENTS 2021**

CORPORATE SOCIAL RESPONSIBILITY REPORT OF CAJA RURAL DE NAVARRA AND CONSOLIDATED NON-FINANCIAL STATEMENTS OF THE CAJA RURAL DE NAVARRA GROUP 2021

External verification date:  
28 April 2022  
[www.cajaruraldenavarra.com](http://www.cajaruraldenavarra.com)

In this Corporate Social Responsibility Report **Caja Rural de Navarra** has comprehensively applied GRI Standards and responded to Act 11/2018 of 28 December, which have been verified by AENOR as external assurer.

Annex II reports information for the Non-Financial Statements 2021 on the equity investments comprising the **Caja Rural de Navarra** Consolidated Group, in accordance with Act 11/2018 (applying international GRI standards).

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# **01 CHAIRMAN'S LETTER**





It gives me great pleasure once again to present Caja Rural de Navarra's Corporate Social Responsibility Report and the Caja Rural de Navarra Consolidated Group's Non-financial Statements for 2021.

They set out, in a straightforward way, what we have been doing during the year and how the Bank has maintained its close relationship with the wider economy and society in fulfilment of its local banking vocation. All of this has happened in a complex global environment. We are still dealing with the pandemic and its fallout and now also find ourselves confronting geopolitical uncertainty, with a war in Europe, a major shock to international supply chains and spiralling energy and commodity prices.

In these circumstances, we feel we must act with exemplary responsibility and inject a degree of optimism while living up to our corporate commitment to serve our customers, employees and wider society. This commitment translates into action in three specific areas: contributing to the economic and competitive transformation of the region, creating and sustaining local employment, and progressing toward greater social cohesion. A key point to understand is that we are facing a new paradigm, not only to restart the economy, but also

to reinvent it and migrate toward more sustainable growth models.

We are also convinced that, to be sustainable over the long term, we must be sensitive as an organization, listening and responding to the needs of the local community. We understand social responsibility, which is part and parcel of the cooperative model, as inseparable from our business of financial intermediation and something that must be maintained through the long term if we are really to contribute to the common good. At the same time, it needs to be embedded in the Bank's different business areas as an everyday responsibility for all of us who make up the Bank. All of this is rooted in the conviction that this model is a reaffirmation of our values and consistent with the values we bring to our daily life and work. Only in this way can we deliver value to our local community and return in kind some of what the community gives to us. It is something our customers always stress and inspires a sense of pride, which is why we all need to cherish it as one of our biggest assets.

The total commitment to meeting the needs of our customers, aligning our actions with environmental priorities and helping decarbonise

our local physical environment, requires both the launch of new financial products and services and a responsible approach to our own consumption, energy efficiency and sustainable mobility. The future will bring new opportunities and new challenges. We must be ready to adapt to meet them.

Finally, I want to express my gratitude to everyone and all the institutions and organizations that have put their faith in Caja Rural de Navarra Group, and to encourage everyone who has helped sustain our business mission and put into practice our corporate social responsibility to continue doing so in the future with the same firm determination.

**IGNACIO TERÉS LOS ARCOS**  
Chairman



## **02 ABOUT THE REPORT**

- 2.1** About the report
- 2.2** Dialogue with stakeholders
- 2.3** External materiality analysis and internal vision
- 2.4** Management focus
- 2.5** Strategy
- 2.6** Caja Rural de Navarra strategic plan



## 2.1 ABOUT THE REPORT

This is the fifth Corporate Social Responsibility Report, based on data at 31 December 2021 and compiled in accordance with GRI standards with a closely drawn focus on the most significant disclosures and the same scope as the reports published in previous years.


In Annex II Caja Rural de Navarra publishes the Non-Financial Statements for the consolidated Group in accordance with Law 11/2018 of 28 December, on non-financial information and diversity, including European Commission Communications 2017/EC/215/01 on Guidelines for the presentation of non-financial reports.

The report seeks to give an overall view of Caja Rural de Navarra's progress in 2021, its management model, its place in the Spanish financial system and its exercise of corporate social responsibility in the various areas where it applies.


The report contains the most relevant economic and financial and corporate governance information, as well as information on the social and environmental issues that have been judged material by our stakeholders.


As for **the reporting scope**, we report on Caja Rural de Navarra, as a financial institution, and in Annex II we also report on the set of companies in which it invests and those included in its scope of consolidation.


Regarding **dissemination of the report**, we plan to issue it through the following channels:

 Made available to people and agents who contributed to its preparation.

 **Publication on:**  
[www.cajaruraldenavarra.com](http://www.cajaruraldenavarra.com)

 **Request for information:**  
Information that is not included in this report can be found at [www.cajaruraldenavarra.com](http://www.cajaruraldenavarra.com), or requested by applying to the contact addresses below:

 **e-mail:**  
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Email: [info@crnavarra.com](mailto:info@crnavarra.com)

 **Mail:**  
Servicio de Atención al Cliente  
CAJA RURAL DE NAVARRA  
Plaza de los Fueros 1  
31003 Pamplona

In 2017, Caja Rural de Navarra prepared its first CSR report. In 2018, it published the second CSR report for Caja Rural de Navarra and the Non-financial Statements for the Caja Rural de Navarra Consolidated Group, with external assurance by Aenor. Aenor has also assured the 2021 report and Non-financial Statements for Caja Rural de Navarra for the fourth year.










## 2.2 DIALOGUE WITH STAKEHOLDERS

**Dialogue with stakeholders** was seen not only as an essential tool to determine what should be included in the report but also as a channel through which the Bank's different **stakeholders could participate actively** in its CSR strategy.

Caja Rural de Navarra has identified the people or groups of people which have an impact on or are affected by its activities, products and services and which therefore have a stake in Caja Rural de Navarra.

It is important to embed a commitment to stakeholders. This means initiating a range of actions and efforts to understand and involve these groups in the Bank's activities and decision-making.

The participating stakeholders were:

-  **Retail customers.**
-  **Companies and self-employed customers.**
-  **Private Banking customers.**
-  **Institutional customers.**
-  **Employees.**
-  **Suppliers.**
-  **Partner social organizations.**

Caja Rural de Navarra's management of its stakeholders is based on **trust and open dialogue**, which allows us to forge close relationships with each of them, **understand their needs and expectations and make commitments to improve.**

The abovementioned groups have been consulted by Caja Rural de Navarra to determine which CSR issues they see as most pressing for Caja Rural de Navarra and this has been distilled into a single priority list of relevant material issues for the stakeholders consulted.

### CHANNELS FOR COMMUNICATION WITH STAKEHOLDERS:

Caja Rural de Navarra has set up a number of channels and mechanisms to generate dialogue with its stakeholders. All the information collected and analysed through these dialogue processes feeds into future CSR guidelines and initiatives.

The materiality analysis is run every three years to coincide with Caja Rural de Navarra's strategic planning cycle.

## CUSTOMERS

-  Retail
-  Private banking
-  Companies
-  Institutional customers

- Customer services department
- Social networks
- Customer satisfaction survey
- Suggestion box
- cajaruraldenavarra.com website
- General business relationships
- Materiality survey conducted to prepare this Report
- Materiality focus group conducted to prepare this Report.

## EMPLOYEES

- Employee portal
- Caja Rural de Navarra intranet
- Works Council (Comité de Empresa)
- Internal Communications Group
- Materiality focus group conducted to prepare this Report.
- Weekly business meeting
- Area meetings
- Business coordination through management committee

## SUPPLIERS

- Business and contractual relationships
- Quality surveys
- Materiality survey conducted with the Bank's biggest suppliers

## 2.3 EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION

As part of the process of preparing the CSR report in accordance with GRI standards ([www.globalreporting.org/standards](http://www.globalreporting.org/standards)), Caja Rural de Navarra has conducted a new materiality analysis for the 2021 CSR report, based on information covering two scopes: the Bank itself (Caja Rural de Navarra) and its equity investments.

The work was outsourced to AFI (Analistas Financieros Internacionales), consultants specializing in the preparation of these reports.

The aim is to identify those issues that most impact the organization and its stakeholders and which it is therefore essential to report on.

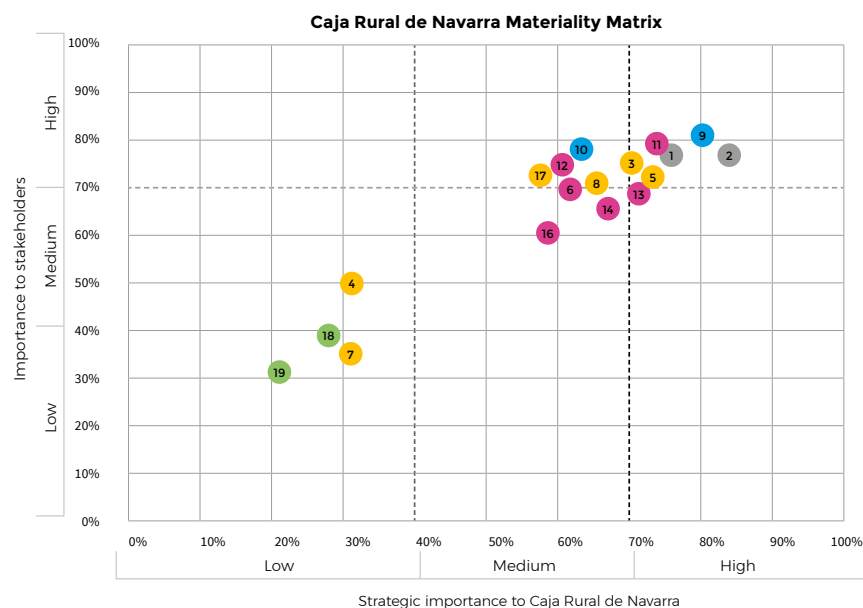
The guidelines state that sustainability reporting should be based on the following principles: **stakeholder inclusiveness, sustainability context, materiality and completeness.**

In applying these principles to report content, Caja Rural de Navarra has defined and applied a number of methodologies to identify which issues are material.

This document summarises the main conclusions of Caja Rural de Navarra's materiality analysis, carried out in March 2022 based on information covering the whole of financial year 2021.

The materiality analysis seeks to identify and rank the economic, environmental, social and governance priorities for customers, employees, suppliers, partner social organizations and authorities (external materiality) and for the Bank's strategy based on their potential impact on the Bank (internal materiality).

This new materiality analysis by Caja Rural de Navarra identified **19 material issues**:



PRIORITY	ISSUE	SCOPE
High	2 Profitability, solvency and risk management	Economic
	9 Ethics, integrity and good governance	Governance
	1 Strategy	Economic
	11 Responsible and transparent marketing	Social
	3 Mission, vision and values of the Bank	Sustainability
Medium-High	5 Digitization	Sustainability
	10 Transparency and responsible communications	Governance
	12 Customer services department	Social
	17 Contribution to economic growth and development	Sustainability
Medium	13 Personal development	Social
	8 Marketing channels	Sustainability
	6 Range of products and services	Social
	14 Equality, diversity and work-life balance	Social
Medium - Low	16 Social action	Social
	15 Responsible purchasing	Sustainability
Baja	4 Sustainability strategy	Sustainability
	18 Support for environmental protection initiatives	Environmental
	7 Sustainable finances	Sustainability
	19 Reducing the environmental footprint	Environmental

■ Economic  
■ Sustainability  
■ Environmental  
■ Social  
■ Governance



Materiality involves identifying the Bank's most relevant stakeholders and which economic, environmental, social and governance issues were most relevant or material for them (external materiality) and for the corporate strategy and actions (internal materiality). This gives a picture of the Bank's impacts on these stakeholders paving the way for reflections on how best to manage them.

## RESULTS OF THE MATERIALITY ANALYSIS

### 1.1. IDENTIFICATION AND CLASSIFICATION OF STAKEHOLDERS

An essential prior step before analysing the results of the opinion survey of Caja Rural de Navarra's stakeholders is to profile the groups that responded and their key features.

We summarise below the system used to identifying and classify the main stakeholder groups surveyed for the materiality analysis.



#### Customers

A total of 6,155 Caja Rural de Navarra customers responded to the survey. Most of its customers are individuals (98%), split between retail and Private Banking customers. The remaining 2% are companies, self-employed or institutional customers. Three focus groups were also conducted with up to 8 members in each, comprising individuals, companies, self-employed and institutional customers, to provide more detailed information and calibrate the results of the surveys.

• **Individual customers:** the number of individual customers responding was 5,894 (95.8% of total customer responses). By gender, 56.4%

of respondents were men, 43.3% women and 0.2% preferred not to identify a gender. By age, the largest segment of respondents were 55-64 (30.3%), followed by 45-54 year olds (29.8%) and 35-44 year olds (18.1%). Note that 78% of customers have been with the Bank for more than 5 years and, by region, 56% live in the province of Navarra, followed by Vizcaya (15%), Guipúzcoa (13%) and Álava (8%). A focus group was also arranged for this stakeholder group, composed of 5 adults.

• **Companies and self-employed customers:** the number of companies and self-employed customers responding was 88 (1.4% of total customer responses). By legal status, 96.6% of responses were from companies, the other 3.4% from self-employed customers. Of the companies, 81% have been working with the Bank for more than 5 years and 69% have annual turnover of between EUR 2 million and EUR 50 million, while 67% of the self-employed customers have been with the Bank for more than 5 years. By geographical region, the largest percentage are active in multiple provinces (41%), and 5% are active abroad. Note that 25% conduct their activity only in Navarra and 10% only in La Rioja. A focus group was also organized with 6 adults representing their respective businesses.

• **Private Banking customers:** the number of Private Banking customers responding was 118 (1.9% of total customer responses). By gender, 77% of Private Banking customers are men, all older than 45, the remainder being women, of whom 3% are younger than 35. Note that 96% of respondents have been customers of the Bank for more than 5 years. By region, 71% of Private Banking customers live in Navarra, followed by Guipúzcoa (9%) and Vizcaya (8%). A focus group was also organized, attended by XX of the Bank's Private Banking customers.



• **Institutional customers:** the number of institutional customers responding was 55 (0.9% of total customer responses). By legal status, 36% of responding institutional customers are private or state-assisted organizations of which 90% are non-profits, while 25% are public educational establishments and 38% other types of institution such as charities or sports clubs. Note that 69% of institutional customer respondents have been working with the Bank for more than 5 years. They mainly operate in the provinces of Navarre, Vizcaya, La Rioja and Guipúzcoa. A focus group was also organized with 6 adults attending.

## Employees

There were 262 responses from Bank employees. These fell into three groups: executives, non-executives and employees of auxiliary services. There was also a **focus group for executives and non-executives**, to calibrate the results from the surveys.

• **Executives:** 4 executives responded (1.5% of all employee responses). Of these, 3 work in central services and 1 in a branch, all in Navarre. By gender, all executive respondents were men and 3 of them had worked with the Bank for more than 25 years. In terms of qualifications, 3 are university graduates and one of them also has a postgraduate qualification. The other respondent has second-grade professional training. A focus group was conducted among executives with 8 executive employees taking part.

• **Non-executives:** 244 responses were received from non-executive employees (93.1% of all employee responses). This was a gender balanced sample, with 50% women and 50% men. Of these, 78% work in branches and 22% in central services. 84% of the employees have

a permanent employment contract, 47% being men and 38% women. Of the women, 16% are on work experience contracts. In terms of qualifications, 95% of employees are university graduates and 26% also have a postgraduate qualification. A focus group was conducted among non-executives with 8 non-executive employees taking part.

• **Auxiliary services staff:** 14 responses were received from non-executive employees working in auxiliary services (5.3% of all employee responses). Note that all the responses from auxiliary services were from non-managerial staff. By gender, 79% were women and 21% men. Of the men, 100% have a permanent contract, while of the women 64% are on permanent contracts, 27% on work experience contracts and 9% on temporary contracts. By age, note that 29% of auxiliary employee respondents are under 30, 57% are 31-50 and only 14% older than 51.

## Suppliers

A total of 6 responses were received from suppliers. Of these, 83% have had a relationship with the Bank for more than 5 years, while the other 17% have supplied the Bank for between 1 and 5 years. All of the latter are international suppliers. As for the type of service supplied to the Bank, 33% provide cleaning, 17% financial consultancy and the remaining 50% provide insurance, advertising equipment and furniture sales.

## Partner social organizations

The number of partner social organizations responding was 5. Of these, 100% are institutions and private or state schools. 40% have worked with the Bank for more than 5 years and the remaining 60% for less than 5 years, of which 67% started working with the Bank this year. None of

the partner social organizations responding to the survey were for-profit. Regarding the form of collaboration, the vast majority (80%) receive financing from the Bank while the remainder work with the Bank in other ways. Note that for 40% of the social organizations, the collaboration with the Bank is the only or one of the most important such relationship they have. A focus group was also organised with eight partner social organizations.



## 1.2 PRIORITIZATION OF STAKEHOLDER ISSUES

The section below shows, first, the importance stakeholders give to each of the 8 main blocks and, second, their importance for all stakeholders (external vision) and for the Bank (internal vision).

Material Issue	Private Customers	Business and Self-employed Customers	Private Banking Customers	Institutional Customers	Customers	Management Employees	Non-management Employees	Non-management Auxiliary Employees	Non-management employees (group)	Suppliers	Investors	Collaborating Social Entities	External view	Internal View
Satisfaction of the Caja's customer	●	●	●	●	●	●	●	●	●		●		●	●
Ethics, transparency and integrity of the Caja	●	●	●	●	●	●	●	●	●	●	●	●	●	●
The management of the Caja by its directors and employees	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Support for society	●	●	●	●	●	●	●	●	●	●		●	●	●
Environmental protection by the Caja	●	●	●	●	●	●	●	●	●	●		●	●	●
The measure adopted by the Caja during the pandemic	●	●	●	●	●	●	●	●	●	●		●	●	●
Employment conditions						●	●	●	●				●	●
Management in relation to the Caja's suppliers										●			●	●

- High priority (score equal to or higher score than 70%)
- Medium priority (score equal to or higher than 40% and lower than 30% and 70%)
- Low priority (score below 40% and below 30% and 70%)

The table further shows how significant each stakeholder group considers each of the 19 specific issues derived from the consultation and which comprise the materiality matrix.

Block	Number	Material Issue	Private Customers	Business and Self-employed Customers	Private Banking Customers	Institutional Customers	Customers	Management Employees	Non-management Employees	Non-management Auxiliary Employees	Non-management employees (group)	Suppliers	Investors	Collaborating Social Entities	External view	Internal View
Strategy and management	1	Strategy	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	2	Profitability, solvency and risk management	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	3	Mission, vision and values	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	4	Sustainability strategy	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	5	Digitalisation					●	●	●	●	●				●	●
Business model	6	Range of products and services	●	●	●	●	●	●	●	●	●				●	●
	7	Sustainable finances	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	8	Customer care and marketing channels	●	●	●	●	●	●	●	●	●				●	●
Ethics, transparency and integrity	9	Ethics, integrity and good governance	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	10	Responsible communication and transparency	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Customer satisfaction	11	Responsible marketing and transparency	●	●	●	●	●	●	●	●	●		●		●	●
	12	Customer care service	●	●	●	●	●	●	●	●	●				●	●
Employment conditions	13	People development	●	●	●	●	●	●	●	●	●				●	●
	14	Equality, diversity and reconciliation	●	●	●	●	●	●	●	●	●				●	●
Management of suppliers	15	Responsible purchasing						●				●			●	●
Support for society	16	Social action	●	●	●	●	●	●	●		●			●	●	●
	17	Contribution to development and economic growth	●	●	●	●	●	●	●		●			●	●	●
Environmental protection	18	Promotion of environmental protection initiatives	●	●	●	●	●	●	●	●	●	●		●	●	●
	19	Reduction of the environmental footprint	●	●	●	●	●	●	●	●	●	●		●	●	●

- High priority (score equal to or higher score than 70%)
- Medium priority (score equal to or higher than 40% and lower than 30% and 70%)
- Low priority (score below 40% and below 30% and 70%)



### 1.3 MATERIALITY MATRIX

As well as consulting stakeholders, the Group conducted a comprehensive benchmarking exercise of the level of sustainability achieved by comparable institutions in the sector and the economic, environmental, social and governance priorities in their respective materiality matrices. The Bank's materiality matrix has been compiled in light of both this sector report and the ranking of material issues for each stakeholder group. The materiality matrix (detailed in section 1 of this chapter) considers 19 issues ranked in order of their importance to the Bank's stakeholders and to the Bank itself.

Caja Rural de Navarra also conducted an internal materiality analysis, in which the area managers of all Departments involved quantified the potential impact and likelihood of key ESG risks occurring. The results of this self-assessment are set out in [Section 3.7 "Materiality self-assessment"](#).

### 2.4 MANAGEMENT FOCUS

Guided by the conclusions of the materiality analysis following consultation with our stakeholders, Caja Rural de Navarra bases its relationship with its stakeholders on the following criteria:

#### CUSTOMERS

The Bank focuses overwhelmingly on local and retail banking. Little surprise then that the main points identified in our materiality matrix have to do with how we relate to our customers (retail, private banking, corporate and institutional).

The Bank prioritises responsible banking with a long-term view of its customers' needs regarding products (transparency and advice on investment and financing products) and in its marketing processes, emphasising local connections and quality of service.

See the "Customers" section below for further details of the Bank's activities in this area.

#### THE TEAM

Regarding employees, the materiality analysis identified a number of key points to which the Bank is paying special attention. Particularly important were the issues of involving the team in strategy, career management plans, training and a policy on professional selection and development based on merit and effort.

All this is being implemented over a long-term horizon, something we believe is fundamental to avoid conflicts of interest and make sure the work being done by our teams aligns with the aims of our different stakeholder groups, a crucial point for a services company if it is to flourish over the long term.

#### THE COMPANY

Our relationship with wider society is a differentiating factor for Caja Rural de Navarra. Our structure as a regional cooperative bank inevitably **implies a close relationship with the region where we operate** and a longer term vision. This reflects its cooperative ownership and business structure, which **helps limit the risk of taking decisions on too short term a basis** or where the interests of one group take excessive precedence over the rest.

On this point, it is essential for the Bank that society in the regions where we operate continues to see us as a local institution, supporting local initiatives, which has a far more direct knowledge of the economic and social realities of the towns and cities in our regions, and which supports key social groups to support long-term community development, such as SMEs, entrepreneurs, grass-roots sport, educational and cultural activities, etc. with an inclusive focus for the different social groups that is sustainable over time.

#### ENVIRONMENT

As a financial services institution, the Bank has limited direct material impact on environmental issues. Nonetheless, the Bank is developing multiple initiatives not only by reducing the negative impact of its own activities but also by supporting initiatives designed to improve the environment in our regions through training, awareness-raising, direct investment in environmental business projects (forest development, renewable energy, etc.) and by supporting projects to improve the environment through its financing lines (sustainable farming, sustainable forestry, waste management, renewable energy and energy efficiency).

#### SUPPLIERS

Caja Rural de Navarra seeks to maintain with its suppliers and partner companies a close, respectful, trusting and transparent relationship which promotes in-depth knowledge of the companies we contract with and confidence in the quality of the services provided, as we explain in greater detail below.

In its selection processes, the Bank measures suppliers against its own set of ethical principles, which besides including quality and financial costs, also requires that companies respect workers' rights, behave transparently and have a clean record on social and environmental issues.

## 2.5 STRATEGY

Caja Rural de Navarra is a cooperative institution specialising in retail and regional banking, which serves its customers through a network of 254 branches in the regions of Comunidad Foral de Navarra, the Basque Autonomous Region and La Rioja as well as through its virtual channels.

The Bank is drawing up a new three-year strategic plan. We are currently immersed in delivering the 2020-2022 Plan. The three-year plan is always accompanied by specific annual plans.

The key principles of strategic planning are based on balanced growth which allows the Bank to keep growing market share in all areas where it operates while maintaining its differentiating model of a regional retail cooperative bank, consistently seeking to provide added value for its customers backed by local high-quality advice.

The aim is to maintain the levels of profit, efficiency, solvency and liquidity set out in the Strategic Plan, as well as to develop a marketing approach that meets the needs of customers and adapts as necessary to the needs of each segment and type of demand, with a mixed model of branches to deliver the local high-quality advice and alternative channels that customers can use. An important tool for this is the service the Bank offers its customers through Ruralvía, its digital banking facility, accessible through a range of devices including computers, smart phone, tablet and other IT apps (Ruralvía pay, etc.) as well as the ATM network.

The Bank also belongs to the Caja Rural Group, a financial group based on a federal banking model. This overcomes the limitations of its member Rural Credit Cooperatives regarding scale and

the geographical reach of their business while safeguarding their full autonomy and the essential requirement of banking effectiveness and business efficiency.

To run its business, the Caja Rural Group relies on shared central services provided by the companies set up by the group and covering each of the main business areas of the member Rural Credit Cooperatives. The Banco Cooperativo Español, Seguros RGA and Rural Servicios Informáticos give the group a competitive edge in meeting the challenges of an increasingly innovative and demanding market.

The main challenges and strategies of the Bank can be summed up as achieving the profitability to guarantee its future sustainability through a high-quality financial offer and a cost structure that provides the necessary competitiveness.

The strategy is to be a leader, or a benchmark institution, in its natural market. The Bank is an integral part of society and, by virtue of its origins and deep roots in local communities, is an important and energizing contributor to social development.

It is also fully committed to its environment, on which the Bank is completely dependent for its own development, while always taking a long-term view.

The Bank has been developing its own sustainability strategy for some time. Nevertheless, in 2021 its Governing Board, as a member of the nationwide Caja Rural group, approved the adoption of the Guiding Plan for sustainability prepared by group member Banco Cooperativo Español as its benchmark for strategy and the actions the Bank pursues in this area.



The Caja Rural de Navarra network has grown to 254 branches in Navarre, the Basque Autonomous Region and La Rioja (including a commercial office in Madrid).

## 2.6 CAJA RURAL DE NAVARRA STRATEGIC PLAN

As for the current 2020-2022 Plan, now in its second year and heavily affected by the Covid pandemic nearly from the outset, we can say that targets have generally been met although with some shortfalls in various areas, as follows:



## LOANS AND ADVANCES

In both years, the Bank fell slightly short of its targets and is currently missing its Strategic Plan target by -EUR 122 million. We have set a slightly more ambitious target for 2022 than that originally defined in the Strategic Plan, of 8.80% growth (EUR 800 million) to bring performance more into line with the original Strategic Plan target of EUR 10,010 million.

In terms of regional share of the loan book, Navarre fell back in relative terms, with constant sustained growth by the rest of the provinces, which now make up 55% between them.



## LIABILITIES

After heavily outperforming its target in 2020, liabilities growth in 2021 was very low, just 0.62% (EUR 62 million) reflecting a drive to rationalise the different types of liabilities and cut surplus cash costs, resulting in a shortfall versus the 2021 budget target of EUR 459 million. Even so, liabilities remain above the Strategic Plan target for this date.

We have trimmed the initial growth target for 2022 from EUR 700 million (7.01%) to EUR 436 million (4.32%), as the policy is to continue growing in Investment Funds. This will leave us slightly below the Strategic Plan target but with a better cash position.

By province, Navarre contributed more than half of total liabilities (60%). Other provinces are growing their share but more slowly than in loans and advances.



## NEW CUSTOMERS

This is where we saw the biggest effects of the pandemic. In both years the pace of new customer capture fell off, especially individual customers, leaving us short of target by around 7,000 new customers in both years. The same was true for Legal Entities in 2021, with 603 fewer new captures than expected. In 2020 performance was nearer to its annual target.

In 2022, we maintain the targets set in the Strategic Plan: 33,706 new individual customers (up 6.67% on the base) and 4,852 legal entities (up 9.04% on the base). It will be a key target for next year.



## SOLVENCY

The definitive solvency ratio – measured as the fully loaded Common Equity Tier 1 (CET1) ratio, the highest-quality capital – at 31/12/2021 was 18.13%. The end-Plan target was 17.66%. The phase-in CET1 ratio at the same date was 18.72%. The basic difference between the two ratios is that during the transitional phase extraordinary provisions taken for Covid can be counted as capital.

The Bank therefore continues to enjoy a very high level of solvency as all the capital considered is of the highest quality. No other instruments are counted toward capital.

We can claim we are broadly in line with most of the economic targets set in the Plan, having improved market share and expanded our network in the Álava market (1 new branch).



## NON-PERFORMING LOANS

Despite the pandemic, budgeted NPLs were close to the actual outturn in 2020 and 2021. However, the situation is expected to deteriorate in 2022 due to current economic pressures, especially the rising prices of raw materials, electricity and fuel.



## PROFIT

We ended 2021 with profit of EUR 88.3 million, EUR 6.9 million more than the prior year, slightly beating the target.



# 03 ABOUT US

## STRUCTURE OF THE BANK

**3.1** About us

**3.2** Profile of the organization

**3.2** Governing bodies

**3.4** Corporate culture

**3.5** Equity investments

**3.6** Key figures

**3.7** Information provided in compliance  
with regulation eu 2020/852 concerning  
environmentally sustainable economic  
activities

### 3.1 ABOUT US

**Caja Rural de Navarra** is a credit institution that operates in Spain. Although its origins date back to 1910 as the central body for several Navarre cooperatives, Caja Rural de Navarra was founded in its current legal form in 1946. It is subject to the laws and regulations on credit institutions operating in Spain including Act 13/1989, of 26 May, on Cooperative Credit Institutions, Royal Decree 84/1993, of 22 January, and Act 27/1999, of 16 July, on Cooperatives. The Bank is governed by its articles of association, as officially amended to comply with Act 27/1999.

It is a member of the Deposit Guarantees Fund and registered in the Special Register of Banks and Bankers under number 3008.

Caja Rural de Navarra has 178,182 members (at 31/12/2021) representing a wide diversity of sectors and society. The Company has no majority or controlling members.

Its business originally focused on the agri-foods and fisheries sector but developed over the years as the region became increasingly industrialized. Now, Caja Rural de Navarra operates a universal banking model, with members and customers giving it a presence in all sectors of the economy, and with a culture based on transparency, responsibility, austerity and risk management.

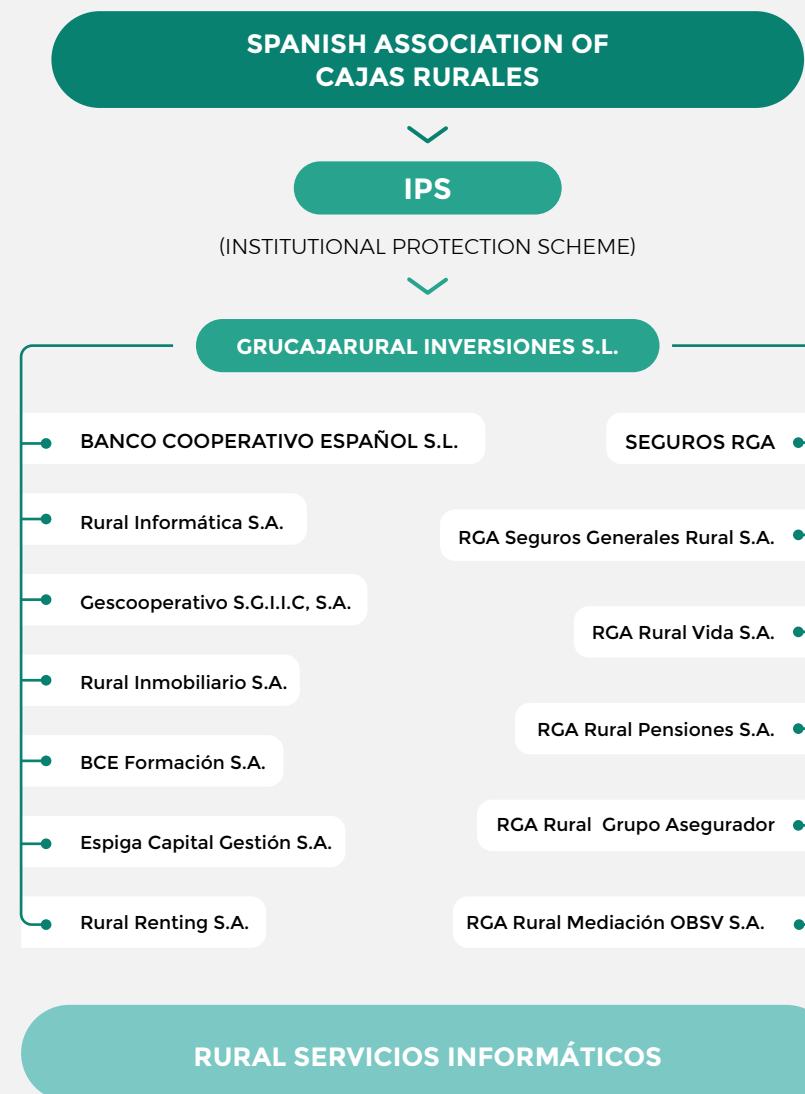
It retains its local focus and, following the tradition of the European cooperative model, its financial activities serve all retail banking segments (retail, corporate, the self-employed, institutions, etc.) through a network of 254 branches in the regions of the Comunidad Foral de Navarra, Basque Country and La Rioja. There is one more branch than last year. None closed in 2021.

Its strategy is local growth. Despite the radical changes that have redrawn the map of Spanish banking in recent years, it has been neither the object nor protagonist of any mergers and has retained its name and the historical brand of Caja Rural de Navarra.

The Bank has based its business model on pursuing continued growth over time and has proved successful in improving its market position, financial statements, solvency and liquidity.

Caja Rural de Navarra has been, since the early 1990s, a founding member of the “Grupo Caja Rural” (the “Group” or “Caja Rural Group”) in which regional cooperative banks came together as a way to generate synergies and economies of scale. It should be clarified, however, that this association is not a “Group” in the sense of Article 42 of the Spanish Commercial Code. The system of association based on a federated banking model means members can retain their independence and autonomy, enabling them to fulfil the essential prerequisites of banking activity and business efficiency, while overcoming the potential limitations of small scale and regional scope. Currently, the Group’s corporate structure looks as follows:

### CORPORATE STRUCTURE OF THE GROUP



This model is based on the European cooperative banking model (Crédit Agricole in France, DZ Bank in Germany, Rabobank in the Netherlands, etc.) and provides greater security and stability to its member institutions. Its core principles are strong regional roots and collaboration in the economic and social development of the local communities where member institutions operate.

### 1. SPANISH ASSOCIATION OF CAJAS RURALES

An association constituted under Organic Act 1/2002 of 22 March regulating the Right of Association in Spain and additional regulations, with its own legal personality and authorised to

work, on a not-for-profit basis, for the fulfilment of the corporate purposes for which it is founded, these generally being to foment cooperation between its member institutions, so strengthening their solvency and stability and improving their functioning and financial results.

The Association was created in 1989 and currently includes 29 Rural Credit Cooperatives, all of which are independent of each other. It is governed by its articles of association and, in matters not covered by these, by applicable regulations. These include as an integral part the Regulations and Disciplinary procedures of the IPS (Institutional Protection Scheme).

The governing bodies of the Association are the General Meeting, attended by all member banks, and the Management Board, which statutorily has between 6 and 12 members. Caja Rural de Navarra, because of its size, has always been a part of the Association's Management Board since its creation. These bodies also exercise governance over the IPS.

**A. The IPS**, constituted in 2018, is an intercooperative mutual support and defence scheme created within the Association for the benefit of its members. It is an Institutional Protection Scheme in the sense of Article 113.7 of Regulation (EU) no. 575/2013 of the European Parliament and Council of 26 June 2013.

The IPS has no legal personality and is understood as the complex set of assets, rights, obligations and commitments included in the Association's articles of association and its protocols. The purpose of the IPS is to help sustain the financial stability of its members individually and as a whole and help reduce the risk profile of its members. The IPS's membership is made up of banks belonging to the Spanish Association of Cajas Rurales (the "Association"), the Banco Cooperativo Español and the Holding Company.

The IPS has a Management Committee, constituted as a Delegated committee of the Association's Management Board, which is responsible for day-to-day management of the IPS and acts as its main management body. Caja Rural de Navarra, due to its weight in the Group, is a member of the Management Committee.

**B. The Holding Company** is owned by the member Rural Credit Cooperatives pro rata their average total assets (ATA) in the Group. Caja Rural de Navarra currently has a 21.16% stake. The Holding Company's name is "Grucajural Inversiones S.L.". It

also owns the shares in the following companies belonging to the Caja Rural Group:

• **Seguros RGA**, which is composed of the following companies:

RGA Seguros Generales Rural S.A. de Seguros y Reaseguros

RGA Rural Vida S.A. de Seguros y Reaseguros

RGA Rural Pensiones S.A.

RGA Mediación OBSV S.A.

RGA Rural Grupo Asegurador

• **Banco Cooperativo Español**

Caja Rural de Navarra, because of its weighting within the Group, sits on the Board of Directors of this company, which it also currently chairs.

### 2. BANCO COOPERATIVO ESPAÑOL S.A.

BCE is an equity investment of the Caja Rural Group, whose capital is 87.98% owned by the member Banks – either directly or indirectly via Grucajural Inversiones S.L. – and 12% owned by DZ Bank, a similarly inspired German cooperative banking group. Since being set up, BCE has contributed considerable know-how and experience to the Group and given it an international dimension.

The main purpose of Banco Cooperativo Español, set up in 1990, is to help the Group's banks achieve an appropriate market position and exploit the synergies and competitive advantages offered by their association. To achieve this, the bank is segmented into different specialist areas, responsible for dealing efficiently with members and customers. These are: Retail, Corporate, Private Banking, Treasury and Capital Markets, International, Human Resources, Organization and Legal Affairs and Tax.





The board of directors has 15 members, mostly drawn from Caja Rural Group companies. Caja Rural de Navarra, because of its weighting within the Group, sits on the Board of Directors of BCE. It also currently chairs the Board.

The Group has its own fund manager, Gescooperativo S.G.I.I.C, SA, whose management is controlled by BCE, which is responsible for managing and marketing its in-house Investment Funds.

BCE is also supported in specific aspects of its business by the following companies: Rural Informática S.A., Rural Inmobiliaria S.L., BCE Formación S.A., Espiga Capital Riesgo S.A. and Rural Renting S.A.

Caja Rural de Navarra has no presence on any of these companies' governing bodies as they are operating companies of the bank itself.



[www.bancocooperativo.es](http://www.bancocooperativo.es)  
[www.gescooperativo.es](http://www.gescooperativo.es)  
[www.grupocajarural.es](http://www.grupocajarural.es)

### 3. SEGUROS RGA

Seguros RGA was founded in 1986 with the aim of allowing Rural Credit Cooperatives to offer their customers a broad range of insurance and comprehensive provident solutions.

Members of Caja Rural Group own 100% of the company's capital.

The component companies of Seguros RGA are as follows:

RGA SEGUROS GENERALES RURAL, SA de Seguros y Reaseguros.

RGA RURAL VIDA, S.A. de Seguros y Reaseguros.

RGA RURAL PENSIONES, S.A. Entidad Gestora de Fondos de Pensiones.

RGA MEDIACIÓN, Operador de Banca-Seguros Vinculado, S.A.

RGA GRUPO ASEGURADOR, Agrupación de Interés Económico.

The Bank's Managing Director sits on the Boards of Directors of RGA SEGUROS GENERALES RURAL, SA and RGA RURAL VIDA, SA. The board of directors has 15 members mostly drawn from Caja Rural Group companies.



[www.segurosrga.es](http://www.segurosrga.es)

### 4. RURAL SERVICIOS INFORMÁTICOS S.L. (RSI)

Rural Servicios Informáticos, created in 1986, is Caja Rural Group's vehicle for defining and implementing the shared strategy for automated data processing at the Caja Rural Group. It is a Banking IT firm that designs, develops and manages solutions and services for Caja Rural Group Banks and now also for other customers.

RSI's share capital is wholly owned by the Caja Rural Group institutions. The Board of Directors has 12 members, all representatives of Group entities. Caja Rural de Navarra, because of its

weighting within the Group has always had a seat on the Board.

It currently has a 19.45% stake in the company.

#### A. Nessa Global Banking Solutions

Created in 2011, Nessa Global Banking Solutions is the vehicle through which RSI does business in international markets with companies outside the Caja Rural Group. It gives RSI a presence in four continents: Asia, America, Africa and Europe.

At the moment, it is governed by a Sole Director who acts as its top representative and management body.

Caja Rural de Navarra currently has a 14.43% stake in the company.

In 2021 Nessa GBS was liquidated through a merger by absorption of assets and liabilities, which resulted in all its obligations and receivables being incorporated into RSI.





### **B. Docalia S.L.**

Docalia was created in 2003 when it was spun out of RSI's Post-Production Services Area. It is now a benchmark in Spain for integrated management and personalization of documents and cheques. At the moment, it is governed by a Sole Director who acts as its top representative and management body.

Caja Rural de Navarra currently has an 19.44% stake in the company.



#### **Links:**

[www.ruralserviciosinformaticos.com](http://www.ruralserviciosinformaticos.com)  
[www.nessagbs.com](http://www.nessagbs.com)  
[www.docalia.com](http://www.docalia.com)

### **5. UNACC**

Caja Rural de Navarra is also a member of UNACC (the National Union of Cooperative Credit Institutions). UNACC was created in 1970 as the trade body for cooperative credit institutions representing the sector at institutional level.

It is a free association and its membership includes all the Cooperative Credit Institutions in Spain. Its core purpose is to represent and defend the interests of its members, promote the credit cooperative model and act as interlocutors and representatives with public authorities and other bodies.

Its governance bodies are: The General Meeting of the 42 cooperatives that are currently members and a 14-strong Governing Board, which Caja Rural de Navarra currently sits on and vice-chairs.

UNACC has an international presence through the EACB (European Association of Cooperative Banks)

an umbrella organization for Europe's cooperative credit institutions, which, with a market share of 20%, play an important role in the continent's economic and financial system. The association represents the interests of its 27 members, with their 2,700 affiliated cooperative banks and 87 million members, in European institutions.



#### **Links:**

[www.unacc.com](http://www.unacc.com)  
[www.eacb.coop](http://www.eacb.coop)





100%



100%



88%



12%



**9.230**  
employees



**2.330**  
branches



**+3.000**  
ATMs



**+1,5M**  
members



**+6,5M**  
customers

## 3.2 PROFILE OF THE ORGANIZATION

### 1. NAME

CAJA RURAL DE NAVARRA, Sociedad Cooperativa de Crédito.

### 2. LEGAL PERSONALITY (FORM)

Credit Cooperative.

### 3. CORPORATE PURPOSE

To engage in all types of lending and deposit-taking operations and provide services typical of the financial institutions that comprise the Spanish Financial System.

### 4. REGISTERED OFFICE

Its registered office is in Pamplona, Navarre. Plaza de los Fueros, 1.

### 5. REGISTRATION AND LICENSES

Registered in the Register of Cooperatives and Limited Partnerships of the Directorate General for the Spanish Labour and Social Security Ministry with number 2163/344. S.M.T., in the Bank of Spain with number 3008 and the Navarre Companies Register in volume 11, page 175, sheet NA 183.

### 6. TAX IDENTIFICATION NO.

F/31021611

### 7. CORPORATE BODIES

- A. General Meeting
- B. Governing Board.

### 8. SCOPE OF OPERATIONS

Caja Rural de Navarra's territorial scope of operation covers the whole of Spain, although the bank currently operates in the provinces of Navarre, La Rioja, Madrid, Guipúzcoa, Álava and Vizcaya.





### 3.3 GOVERNING BODIES

EBA Guidelines on internal governance [EBA/GL/2021/05] require that the Governing Board of Caja Rural assumes ultimate and overall responsibility for the institution and defines, oversees and is accountable for the implementation of the governance arrangements within the institution that ensure effective and prudent management of the institution.

In line with the Company's permanent commitment to best corporate governance practice, the Governing Board of Caja Rural de Navarra, defined a System for Internal Governance for Caja Rural de Navarra (the "System"). Its implementation and development is overseen by the Governing Board with the support of its delegated committees.

#### The System has the following aims:

- 1.** To promote transparent, independent, effective and prudent management of the Company and its Group, in compliance with the requirements of regulators and supervisors;
- 2.** To clearly attribute responsibilities and competences for internal control, including defining audit and internal control units and functions;
- 3.** To make sure that decisions are taken in an appropriately informed manner and in the interest of Caja Rural de Navarra and hence its members and to look after the interests of investors, customers, employees and other stakeholders.



#### **GENERAL PRINCIPLES:**

To comply with its aim of ensuring sound and prudent management of the Company, the System and the policies and procedures for its development are based on a number of principles, including the following:

- A.** Promoting efficient and organised functioning of the Governing Board in coordination with its Committees.
- B.** Defining appropriately the essential bases of the structure, organization and functioning of Caja Rural de Navarra, guaranteeing efficient strategic coordination.
- C.** Establishing a robust system of supervision and internal control.
- D.** Commitment to transparency, fulfilled by defining a System based on clear, transparent and documented decision-making processes.
- E.** Embedding a corporate culture based on ethical and sustainable action by the Company's governing bodies, control units, management and employees.
- F.** Appropriate regulatory compliance, ensuring the Bank complies at all times with applicable legal regulations and best practice in corporate governance.



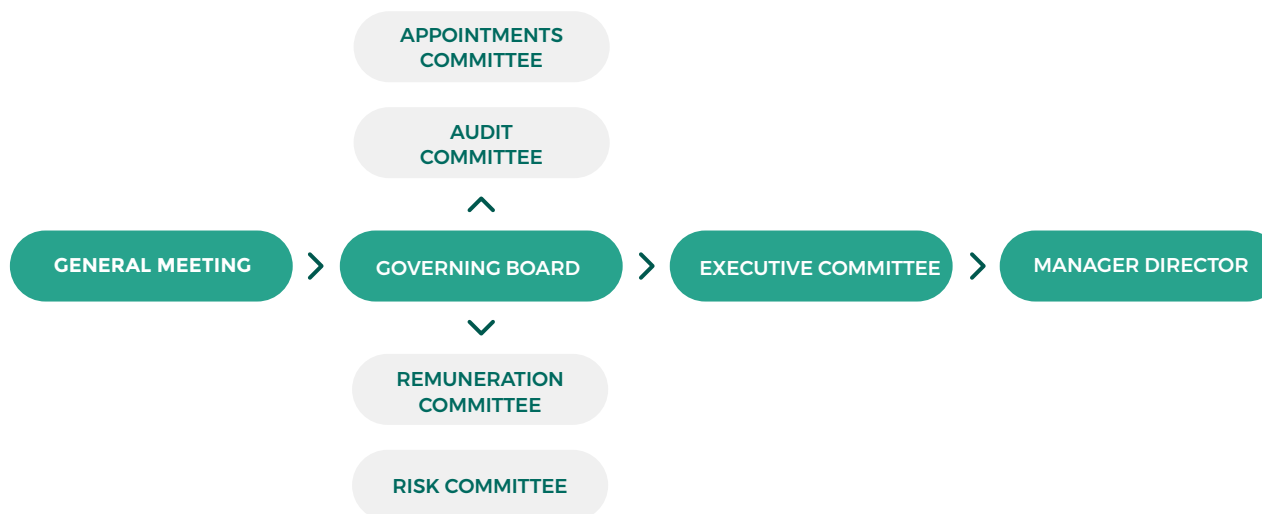
### 3.3.1 GOVERNING BODIES

Caja Rural de Navarra has a solid, appropriate and transparent corporate structure and management and control model, designed to deliver efficient performance that complies with the principles of good corporate governance. It is a core role of the Governing Board to ensure the Company's structure is aligned with its business and risks model. To this end it conducts regular reviews of the organization and how its changes affect the Company, amending its structure and operations as necessary.

The Company's corporate governance model also includes internal management bodies. At the highest level are the Managing Director supported by the Management Committee. The former is the permanent channel for relations and Communications between the Governing Board and the Company's executive operations as represented by its senior management.

**The corporate structure of Caja Rural de Navarra is as follows:**

#### CORPORATE STRUCTURE OF CAJA RURAL DE NAVARRA



## MEMBERS

Caja Rural de Navarra is a cooperative bank with 178,182 members at 31/12/2021, contributing EUR 170.3 million to the Bank's share capital. The number of members rose by 2,140 since the previous year and the contribution to capital rose by EUR 493 thousand.

## GENERAL MEETING

The General Meeting, constituted by the members or their representatives, is the supreme decision-making body for the Bank. The General Meeting is held following a system of Preparatory Meetings. Members, whether individuals or legal entities, take part in Meetings via delegates appointed at the Preparatory Meetings and cannot reserve the right to attend the General Meeting in person.

## GOVERNING BOARD

The Governing Board is the collegiate body responsible for governance, management and representation of the Bank. Its responsibilities include as a minimum the oversight of executives and representing the cooperative. Its representative powers cover all actions relating to the activities constituting its corporate purpose. It is competent to set general guidelines for actions and to exercise all powers that are not reserved by law or by the articles of association to other corporate bodies. It shall conduct its business in accordance with the law, the articles of association and the general policy set by the General Meeting.

Members of the Governing Board are chosen from among the cooperative's members according to the procedure set out in articles 44 and 45 of the Bank's articles of association. These can be found (in Spanish) at:

[www.cajaruraldenavarra.com/cms/estatico/rvia/navarra/ruralvia/es/particulares/informacion\\_institucional/galeria\\_descargas/Estatutos\\_Caja\\_Rural\\_de\\_Navarra.pdf](http://www.cajaruraldenavarra.com/cms/estatico/rvia/navarra/ruralvia/es/particulares/informacion_institucional/galeria_descargas/Estatutos_Caja_Rural_de_Navarra.pdf)

The Board is made up of a minimum of 5 and a maximum of 15 members: Chairman, Vice-Chairman, Secretary and up to twelve other Board members. Up to 14 members are chosen from among the members by the General Meeting, by secret ballot based on the greatest number of votes. The remaining member is an employee of the Bank appointed by its fixed-contract employees. It currently has 15 members.

The eleven other Board seats, excluding those for corporate officers and the employee representative, are assigned to the different regions where the Bank operates so that all have a member representing their region on the Governing Board. The Chairman, Vice-Chairman and Secretary can come from any of the regions where the Bank operates.

All Board members must be fit and proper persons who have the knowledge, competences and experience to carry out their functions and can act with honesty, integrity and independence of ideas and dedicate sufficient time to fulfil their functions in the Bank.

The Bank's Appointments Committee assesses whether each Board member meets these criteria both when a person first presents themselves for a seat on the Board and when they seek re-election at the General Meeting. The Bank has a suitability policy and internal regulations on assessing the suitability of senior management and key staff. If the Committee gives its approval, the Bank of Spain must then confirm its decision on suitability and authorise the Board member's registration in the Register of Senior Officers kept by its supervisor.

Also, each year, the Appointments Committee assesses the suitability of the members of the Governing Board as a whole to verify that this body has the knowledge and experience to understand the Bank's business, including the main risks, and confirm that there is nothing to prevent the free expression of opinion and decision-making by any of its members with complete independence.

The Governing Board has rules of procedure setting out measures and guidance for its actions and basic organizational and functional rules and codes of conduct for its members, to improve efficiency, transparency and unity of criteria in the management of Caja Rural de Navarra (the "Bank" or "CRN"). For full rules of procedure see:

<https://www.cajaruraldenavarra.com/es/gobierno-corporativo>

## GOVERNING BOARD DELEGATED COMMITTEES

The Governing Board can designate from among its members, subject to prior or subsequent ratification by the General Meeting, whatever Delegated Committees it considers necessary or that regulations require. These committees can have executive or informative powers. Organizationally, they must have a Chairman and Secretary.

Caja Rural de Navarra currently has the following Delegated Committees:

Executive Committee

Audit Committee

Appointments Committee

Remuneration Committee

Risk Committee

Membership of the committees is as follows: Appointments and Risk Committees: 3 directors, Remuneration and Audit Committees: 4 directors, Executive Committee: 5 directors. Currently, 10 of the 14 directors sit on at least one of these Delegated Committees.

The functions of the Caja Rural de Navarra's governing bodies mentioned above are:



### > Governing Board

Representation of the Bank, high-level management and management supervision. Each year it analyses issues relating to CSR and regularly reviews economic and social impacts, risks and opportunities.



### > Executive Committee

A statutory body delegated by the Governing Board to provide more agile decision-making on any matter within the Board's remit except where these cannot be delegated by law.



### > Audit Committee

A statutory body delegated by the Governing Board to oversee the internal audit services, understand the financial reporting process and internal control systems and oversee compliance with codes of conduct and the Bank's Compliance.



### > Appointments Committee

A delegated body of the Governing Board. It identifies candidates for the Governing Board, assesses the suitability of its members and the balance of expertise, capacities, diversity and experience of the Board as a whole. It defines targets for improving the representation of the gender least represented on the Board.



### > Remuneration Committee

A delegated body of the Governing Board. It proposes the general remuneration policy to the Governing Board, carries out an independent annual review of its application and reports on the remuneration policy for executives classed as "identified staff"



### > Risk Committee

A delegated body of the Governing Board. It advises the Board on management and supervision of all relevant risks and on correct application of the global risk appetite in light of the Bank's strategy.

The rules of procedure for these committees are available at:

<https://www.cajaruraldenavarra.com/es/gobierno-corporativo>

The Bank has 3 control functions, reporting functionally and hierarchically to their respective governing bodies: the risk management unit, reporting to the Risk Committee; the internal audit unit, reporting to the Audit Committee; and the Compliance Function reporting to the Governing Board.

The Bank also has an Internal Control unit, set up by and reporting hierarchically to the Governing Board, with representation from various areas of the business. This body oversees implementation of the Bank's policies and procedures to combat money laundering and terrorist financing.

**The Bank's executive and operational structure is as follows;**

## GENERAL MANAGEMENT

The Bank has a General Management structure, whose head is appointed and contracted by the Governing Board from among persons who meet the conditions of professional capacity, technical preparation and experience to carry out the role. The remit of the General Management shall include matters related to the ordinary business or dealings of the Bank. It shall be free to exercise all powers and functions granted to it in pursuit of this aim. These powers and functions must be listed in the corresponding public deed of attorney which must be established. The General Management may, to this end, take whatever measures are in the Cooperative's interest in accordance with the guidelines indicated and within the powers conferred on it.

The Managing Director's duties shall be those set out in his/her contract and in the general guidelines for action defined by the Governing Board. Within three months of the end of each financial year, he/she must present the financial statements and management report on the company to the Governing Board, for its report and subsequent consideration by the General Meeting.

He/she must also notify the Chairman of the Bank of any issue that he/she considers requires the convocation of the Governing Board and/or General Meeting or whose importance requires that it be made known to the Governing Board.

As part of the Bank's Suitability Assessment, the Company's Appointments Committee identifies and conducts annual reviews of the key staff of Caja Rural de Navarra, who are also subject to the same requirements of commercial and professional reputation, knowledge and experience.

The governance structure is based on the mandatory framework governing relations between the Governing Board and exercise of their powers by members of the Company's ordinary and permanent management.

#### **INTERNAL AREAS/DEPARTAMENTOS: OPERATING STRUCTURE**

The Bank's General Management has a consultative and support body in the form of the Management Committee, a Committee with internal scope and no delegated or executive functions.

Under the supervision of the Managing Director, the Bank is structured into a number of Internal Areas/Departments which play a significant role in segmenting the Company's different functions and areas of responsibility, thereby contributing to effective internal governance. Within their fields of responsibility, these Internal Areas/Departments can decide, report on, consult, coordinate or

propose on all issues within their fields of activity or relating to their internal or business areas.

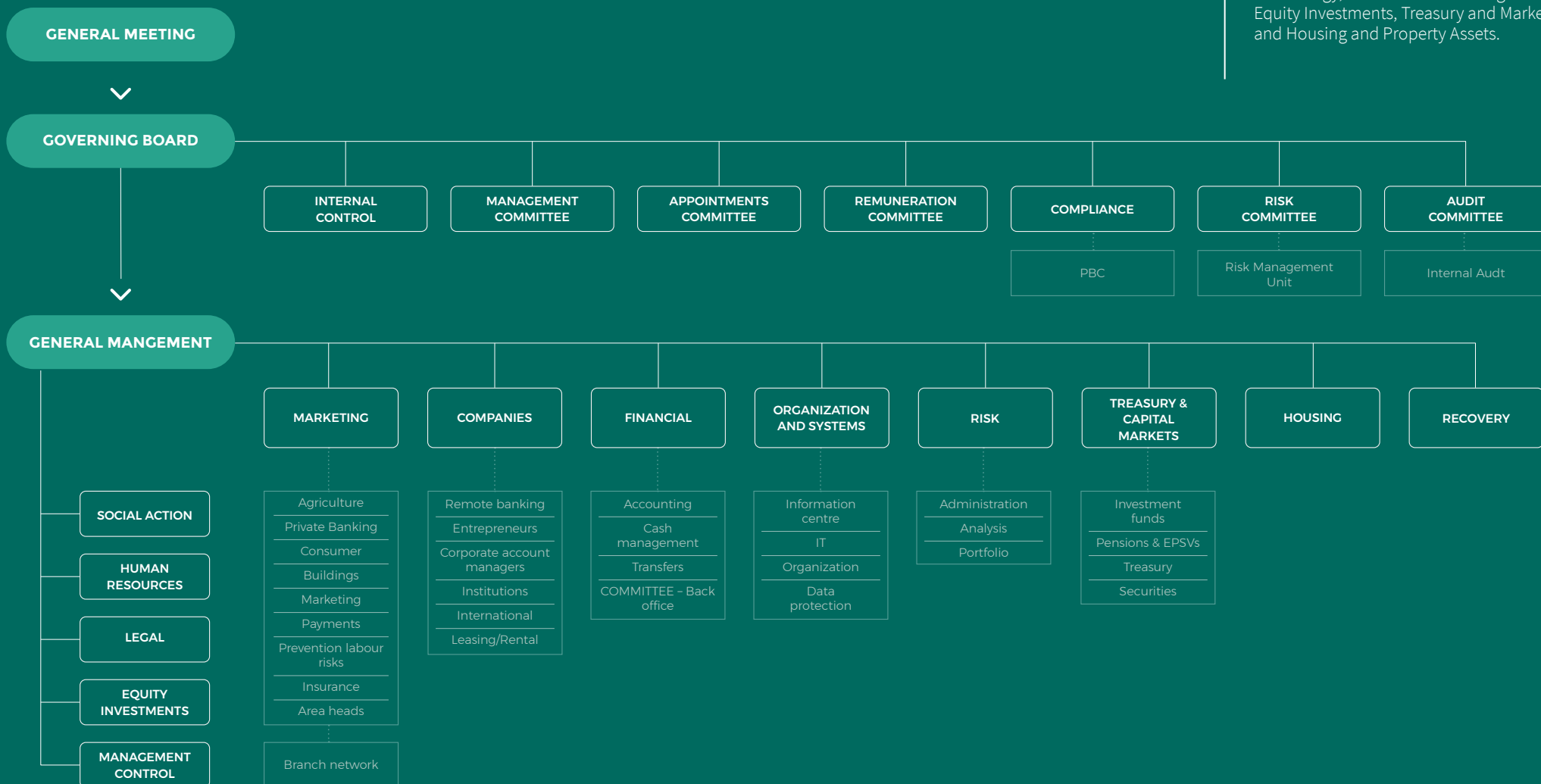
Specifically, Caja Rural de Navarra has created Internal Areas/Departments with responsibilities appropriate to their fields of activity, such as corporate governance, covered by the Legal and Tax Department, control and risk management, covered by the Department of General Intervention and Management Control, or business, covered by the Corporate Banking, Sales, Companies and Private Banking Departments, among others.

The chart below summarises the Bank's structure:





# Organization chart



The Bank also has separate support units addressing these functional areas, such as Human Resources, Organization and Technology, Credit Risk Management, Equity Investments, Treasury and Markets and Housing and Property Assets.

### 3.3.2 INTERNAL CONTROL

Caja Rural de Navarra has a clear organizational structure and an appropriate operational management and control model.

#### 1. Principles and responsible bodies

Caja Rural de Navarra has a clear organizational structure which includes an appropriate distribution of functions with well-defined, transparent and coherent reporting lines and which permits sound and prudent management of the Bank.

Specifically, the Company's internal control framework is tailored to the specific features of Caja Rural de Navarra's business, its complexity and associated risks, and also takes into account its membership of the Caja Rural Group.

CRN's internal control framework is sustained, among other matters, by the following principles:

- A well-defined and appropriate organizational and operational structure with an efficient internal control and governance framework.
- The creation of appropriate procedures for exchanging information between the Governing

Board and Managing Director on the different business lines and between the Governing Board and heads of internal control through the Board's Internal Committees.

- A risk management and control model based on three lines of defence with differentiated functions and responsibilities..
- Segregation of functions, establishing the information barriers needed to guarantee good governance.
- A comprehensive risk management framework covering all business lines and internal units.

- And procedures to guarantee the monitoring and control of outsourcing of certain functions or services.

The Governing Board of Caja Rural de Navarra is the body responsible for defining the general framework for internal control and risk management. The Audit Committee supports the Board on oversight of efficiency and internal control, internal audit and liaising with the auditor on potential material weaknesses in the internal control system identified in the course of the audit, without impairing its independence. To this end, the Committee can put recommendations or proposals to the Governing Board and conduct regular follow-ups where appropriate.

The Risk Committee advises the Governing Board on the Bank's overall propensity to risk, current and future, and risk strategy.

The role of the Compliance Function is to advise and report to the Board on how the Bank is managing and mitigating the risks of legal or regulatory sanctions and of financial, material or reputational loss due to deficiencies in the standards being applied.

#### 2. The Bank's three internal lines of defence

The Bank's Compliance Risk management is based on a decentralised structure that applies the three lines of defence model recommended by the Basel Committee on Banking Supervision (see diagram below).

The functions and responsibilities of each line of defence are as follows:



#### 1<sup>ST</sup> LINE OF DEFENCE

### Business unit

- Responsible for operational risk management in business areas.
- Reinforced by the separation of risk management from business areas.
- **Associated functions:**
  - Responsible for the identification, measurement or assessment, management, mitigation and communication of the key risks affecting the Bank in the course of its business.
  - Responsible for day-to-day risk management, especially of risks derived from its day-to-day operations.
  - Development of first level of control for risk management.

#### 3<sup>RD</sup> LINE OF DEFENCE

### Internal Audit

- Responsible for independent supervision of the application of controls and Internal Control Systems.
- **The Internal Audit Function assesses and checks:**
  - Whether the Internal Control Framework is efficient and effective.
  - Compliance with the policies and procedures associated with all activities.
  - Validation of procedures implemented for risk management areas.

#### 2<sup>ND</sup> LINE OF DEFENCE

### Risk management, Compliance, etc.

- Responsible for management and supervision of their respective areas of risk.
- **Associated functions:**
  - Responsible for setting up the Bank's Internal Control Framework and overseeing compliance with it.
  - Risk measurement and monitoring to ensure appropriate control and internal/external reporting.
  - Review of compliance with policies and their integration into management practice.
  - Validation of procedures implemented for risk management areas.
  - Advises the 1st line of defence.

#### 4<sup>TH</sup> LINE OF DEFENCE

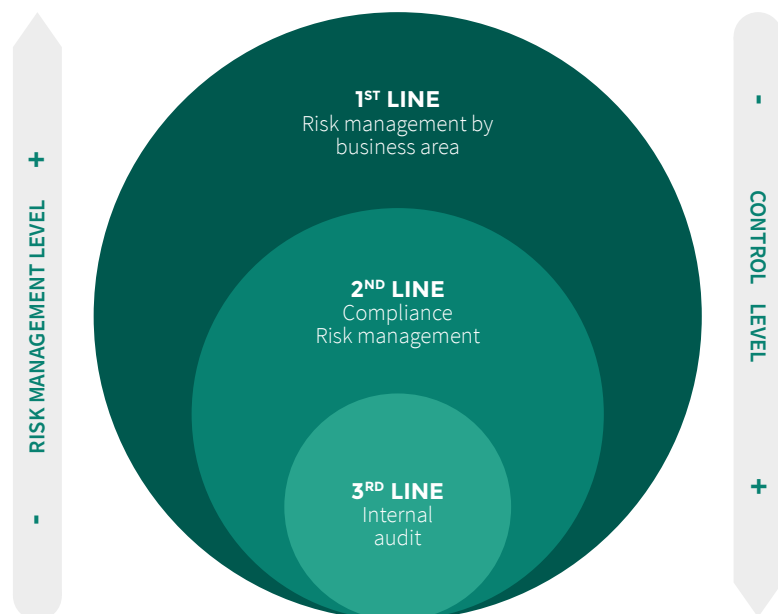
### External Auditors and Supervisors

- External auditors determine the Bank's compliance with required regulatory standards.
- **Regulator:** Bank of Spain, CNMV (stock market regulator), DGS (insurance regulator)





The chart below illustrates the interplay between these three lines of defence:



### 3. Internal control functions

Caja Rural de Navarra's internal control functions (risk management, regulatory compliance and internal audit) act separately and independently. They report functionally and hierarchically to the Internal Committees of the Banks' Governing Board or to the Board itself, as a guarantee of their independence. Their role is to make sure that the policies, mechanisms and procedures laid down in the internal control framework are being correctly applied in their areas of competence.

For this purpose, the Governing Board ensures, with the help of the Audit and Risk Committees, that the heads of internal control functions can act independently and present recommendations or proposals.

Notwithstanding their reporting obligations within each business area or to other areas, internal control functions must also immediately report any significant case of regulatory non-compliance, incident or anomaly that they identify to the Governing Board, its Committees and the Managing Director.

#### a\_The Risk Management Function

The quality of our risk management is one of the Bank's hallmarks and a priority area of action. It is a differentiating factor in the running of the Bank which, through a combination of prudent policies and the use of different methodologies and procedures, helps generate sound and recurrent profits and a robust solvency position.

Note that the Bank is also a member of an Institutional Protection Scheme (as defined by EU Regulations), created as a tool for mutual support and defence between cooperatives in the Spanish Association of Cajas Rurales for the benefit of its members.

Risk Management is conducted by the Risk Management unit which, reporting functionally and hierarchically to the Bank's Risk Committee as a guarantee of its independence, is charged with implementing all actions and procedures required to fulfil its functions. The unit is headed by a senior independent director of the Bank whose operational functions do not conflict with proper risk management.

The function head attends and supports the Risk Committee, which advises the Governing Board on the Bank's overall propensity to risk, current and future, and risk strategy and also helps oversee the application of this strategy. Specifically, it supports the Governing Board in drawing up, approving, updating and monitoring the Bank's Risk Appetite Framework and Recovery Plan.

The Committee determines, alongside the Governing Board, the nature, quantity, format and frequency of the risk information that the Committee and Governing Board should receive.

To maintain its modest and prudent risk profile Caja Rural de Navarra monitors a set of key metrics for different risks, quality and recurrence of earnings, liquidity and solvency. Specific risk tolerance levels are defined for each of these metrics. The most important metrics also include long-term targets. These aims and levels are updated and approved at least annually by the Governing Board on proposal of the Risk Committee.

All metrics come with an assigned target, tolerance and limit. In each metric, the target is the value achieved at a defined risk appetite. Tolerance is the (alert) threshold at which the Bank starts taking additional management, control and follow-up measures to get back onto target. The limit is the level that the Bank never wants to breach and, if attained, triggers decisive measures to get back to the Board's guidelines.



Regular reports are prepared for the Governing Board on risks taken and their breakdown, Caja Rural de Navarra's capitalization, risk measurement and control and the internal control system and whether it can guarantee orderly and prudent management of the Company's business and risks, with special focus on indicators and metrics approved under the Risk Appetite Framework and Recovery Plan.

### **b\_Compliance Function**

Caja Rural de Navarra is committed to strict compliance with all national and international regulations governing its activities and proper conduct and development of its business. To this end, it has a permanent and effective Compliance Function.

The aim of the Compliance Function is to manage prevention and, where applicable, mitigate risks including financial, penal and reputational risks arising from regulatory compliance if they do not meet the standards required of a credit institution. Regulatory compliance is conducted by the Compliance unit which, reporting functionally and hierarchically to the Bank's Governing Board as a guarantee of its independence, is charged with implementing all actions and procedures required to oversee fulfilment of its obligations under regulations in force that apply to areas defined as within the Function's scope of action, acting independently of the services and activities it controls.

To this end, the unit has a Procedural Handbook and an Annual Action Plan approved by the Bank's Audit Committee. Also, the unit designs and maintains systems to identify the degree of compliance with different regulations, continually assessing the Company's regulatory compliance with dedicated "compliance engine" software

and reporting on its work quarterly to the Audit Committee and annually to the Governing Board.

In turn, the Compliance Function supports the Governing Board on upcoming regulations to guarantee compliance with applicable laws, regulations and standards.

Certain activities to guarantee regulatory compliance within the Function's defined scope of action are directly managed through specialist units, with Compliance taking a coordination and monitoring role. These include Combating Money Laundering and Terrorist Financing through Internal Control, personal data protection through the Data Protection Officer (DPO), customer protection in the distribution of banking and investment products through the Product Committee and criminal liability through Corporate Compliance and the Bank's Criminal Risk Management System.

### **c\_Internal Audit**

Caja Rural de Navarra has an independent and effective internal audit function, with the scope and resources to properly carry out its remit.

This function is fulfilled by the Bank's Internal Audit Department which reports functionally and hierarchically to the Audit Committee. To this end, an annual working plan is drawn up in coordination with the Audit Committee. Its principle aims are to verify the existence and maintenance of an adequate and effective system of internal control, a system for measuring the different risks affecting the Company's activities and appropriate procedures to oversee compliance with law, regulations and internal supervisory policies.

The Internal Audit Department reports regularly to the Audit Committee on the effectiveness of

Group risk management policies, methods and procedures, ensuring that these are appropriate, implemented effectively and regularly reviewed.

### **3.3.3 CORPORATE CULTURE**

#### **1. Rules of Conduct**

The Bank's Governing Board defines the Bank's corporate principles and values. These are then set out in the Company's internal procedures and rules of conduct, which include:

- The Internal Rules of Conduct for dealing on securities markets drawn up by UNACC (the National Union of Cooperative Credit Institutions) and agreed with the CNMV which covers banks dealing on securities markets
- The Code of Conduct for executives and employees whose purpose is to instil confidence in members, customers, employees and the wider community by ensuring the Company at all times acts in an ethical manner that meets their expectations and deepens existing relationships.
- The Anti-Corruption Policy Handbook based on the Bank's commitment in its Code of Conduct, which forms an integral part of the institution's crime-prevention programme.
- The Suppliers Handbook, which sets out guidelines for selecting suppliers and other procedures for the control and evidencing of the Bank's expenses.

#### **2. Model for Prevention of Criminal Risks**

Caja Rural de Navarra has an independently certified model for prevention of criminal risks, whose main aim is to set limits on the controls





in place to prevent or, if necessary, mitigate the commission of each of the crimes that might be committed in the conduct of the Bank's business and which might give rise to criminal liability on its part.

The model includes a Criminal Compliance Policy Handbook, whose main purposes are to:

- Transmit to the Governing Board, Management Committee and all employees of the Bank, as well as to its other stakeholders and business partners, compliance with law and regulations in force and lay out and defend the fundamental values and principles underlying the Bank's actions as well as its Code of Conduct.
- Create a Criminal Compliance Management System in line with the requirements of regulation UNE 19601. The system includes a range of crime prevention measures. These basically consist of identifying activities where crimes are likely to occur, analysing the associated risks and controls and monitoring the implementation of a risk management plan agreed with and approved by the Bank's Governing Board. This system is certified by Aenor.
- Guarantee to all stakeholders – shareholders, customers, suppliers, legal bodies and wider society – that Caja Rural de Navarra SCC is compliant with its duties of oversight and control of its business and has in place adequate measures to mitigate risks of criminal activity.

### **3. Policy on conflicts of interest**

Caja Rural de Navarra's Governing Board is obliged to define a system for corporate governance that

guarantees sound and prudent management of the Company and, among other matters, addresses the issue of conflicts of interest.

Caja Rural de Navarra has put in place a series of measures to identify those types of conflict of interest that could potentially arise in the course of its relationships and put in place procedures to manage them and ensure business is conducted independently and without harming the interests of the customers or the Bank itself.

The mechanisms are set out in the following places:

- Article 48 of the Bank's Articles of association and Article 24 of the Governing Board's rules of procedure, both of which can be found on the website: [www.cajaruraldenavarra.com/es/gobierno-corporativo](http://www.cajaruraldenavarra.com/es/gobierno-corporativo)
- The Bank's Policy on conflicts of interest, approved by the Governing Board with an accompanying internal procedure for actioning the policy.
- Internal procedures created by the Bank to comply with Royal-Decree 84/2015 regarding limits on loans, pledges and Guarantees to the senior managers of the Bank.
- Caja Rural de Navarra's Internal Rules of Conduct for securities markets.

In this way, the organizational and functional structure of the Bank provides appropriate segregation of functions which allows it to conduct activities that could potentially give rise to conflicts of interest, by persons or segregated areas, while avoiding undue interference.

This segregation is complemented by the establishment of barriers to information between the functional departments or areas vulnerable to the potential conflicts of interest identified.

The main areas where it was felt likeliest conflicts of interest could occur are as follows:

- Relationships of Governing Board members with the Bank. To address this risk, the Governing Board's Rules of Procedure specify the duties and prohibitions that Board members must comply with to exercise their role in accordance with the Bank's good governance guidelines.
- Employees and Executives with the interests of customers and the Bank. Both groups must tailor their actions to the policies and procedures that govern the different areas/departments and comply with the principles in the Code of Conduct for Executives and Employees referred to in section A above and section 5 of the Bank's Policy on Conflicts of Interest. The same Code of Conduct contains the principles of action and rules to prevent employees acting in ways likely to produce conflicts of interest, whether with customers or with the Bank itself, especially in the area of targets and variables.
- Related Party finance. Caja Rural de Navarra has policies and procedures on Credit Risk, including definitions and reporting and control requirements for such financing transactions, which in any case must be done on an arm's length basis.

### 3.4 CORPORATE CULTURE

Staff and governance bodies in Caja Rural de Navarra share a **Mission, a Vision and Corporate Values** that lend coherence to the Organization's behaviour.

The Corporate Social Responsibility Code of Conduct is a guide to the principles and duties that must govern all actions by employees and the Bank itself, forming part of the corporate culture.

In the last two years Caja Rural de Navarra has conducted an exhaustive investigation into its brand, with a qualitative and quantitative study involving customers, non-customers and employees of the organization. The Bank has developed a new Brand Centre to provide integrated definition for the two brands (Caja Rural de Navarra and Rural Kutxa), coordinate strategy, define the corporate offering, mission, vision and values, brand personality, its archetype and the pillars that make up the brand.

The four pillars on which brand transformation has been based are:



#### **1** Local

Caja Rural de Navarra/Rural Kutxa remain focused on their **local model** and the human factor. We count on the **trust and transparency** of being a local institution offering personal advice, because **we are people who work for people**.

#### **2** Modernise without losing the essential

Caja Rural de Navarra/Rural Kutxa continues to follow its **local model** and advisory service, its **social commitment** to our environment and the **security** of a stable and solvent bank.

#### **3** Accessible

**Personal advice** and **social commitment** are key pillars of the Bank's operations and it offers **digital channels** that simplify and digitise processes to support growth and development in all the communities where it is active.

#### **4** Promote future growth and development

Life evolves and changes and Caja Rural de Navarra/Rural Kutxa offers **new ways and new ideas to make life easier for their customers**. All predicated on delivering **consistency over time and social responsibility**.



## THE ELEMENTS CONTRIBUTING TO CORPORATE CULTURE ARE:

### Our offering:

The offering of Caja Rural de Navarra/Rural Kutxa is its reason for existence and the guiding light for the Bank's strategy.

**“** *Construct relationships of trust and transparency with our customers to support them in their growth and economic and social well-being* **”**

### Our tagline:

The “tagline” of Caja Rural de Navarra/Rural Kutxa embodies our philosophy and the values that sum up the Bank's essence. It is intrinsic to our existence.



### Our Mission, Vision and Values

The mission, vision and values of Caja Rural de Navarra/Rural Kutxa determine its business model, working philosophy and how we build relationships with the surrounding community.

They are the key elements in its culture. The principles influence its business strategy and business model and determine its working philosophy and how it relates with its internal and external stakeholders.



### Mission:

Mejorar el futuro de las personas, con el mejor To improve people's future, with best-in-class personal advisory and digital service to the customer, being a benchmark in socially responsible banking.

### Vision:

Support our customers' financial and social development, showing we are a solid and solvent financial institution that is always there for you, because behind Caja Rural de Navarra/Rural Kutxa are people you can trust.

### Values:

#### 1. Reliable and stable

We are a solvent financial institution in the Spanish financial system licensed to administer government lending package which provides stability and credibility for customers and members



#### 2. Socially committed

We take seriously our social responsibility and how we can support the environment and help develop our region, as we know that the community and culture is a valuable asset that needs preserving.



#### 3. Local

Our fundamental value is proximity and familiarity to our customers, getting to know them as people and dealing with them on a personal basis, thanks to our deep roots in the local community.





### 3.5 EQUITY INVESTMENTS

#### EQUITY INVESTMENT POLICY

Traditionally, Caja Rural de Navarra has maintained a portfolio of equity investments in the field of finance and in other business sectors.

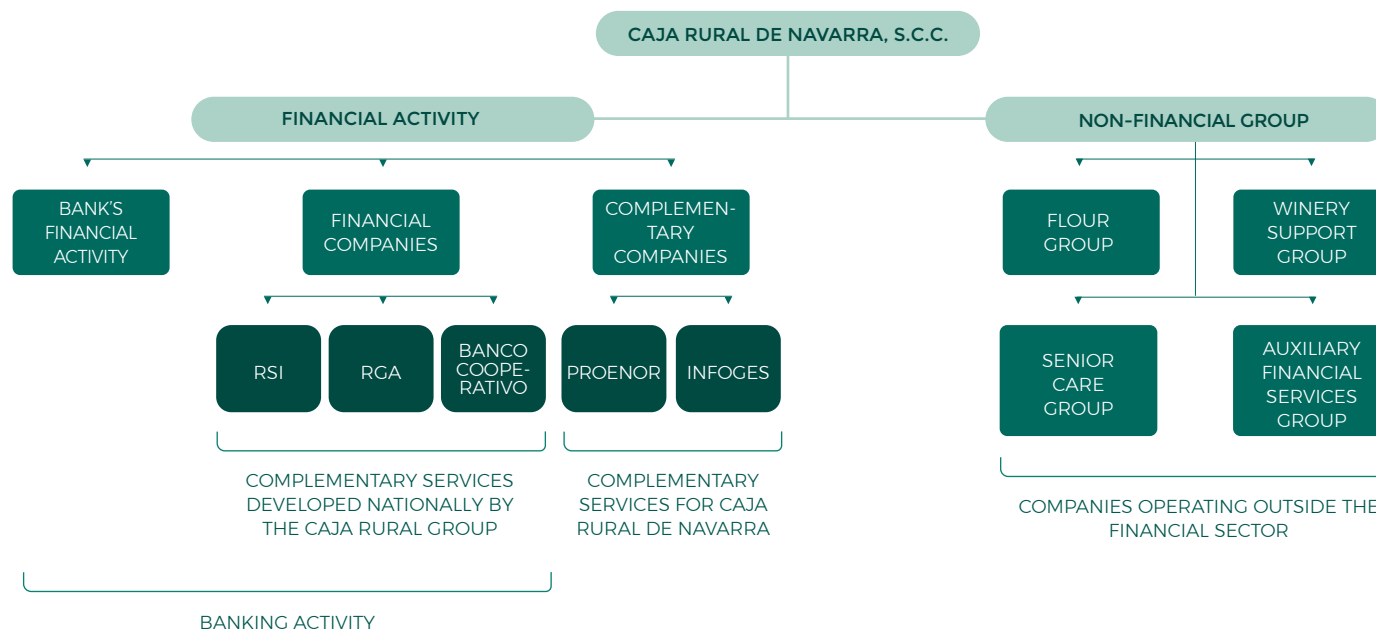
One of **Caja Rural de Navarra's** defining features is **the rooting of its financial activities in its regional environment**, with its proximity to cooperative members and customers as the nucleus of its operations.

Every day, Caja Rural de Navarra receives requests to invest in companies in various sectors and, through its activity and that of its equity investments, also analyses opportunities for innovation and/or growth.

As a financial entity with a dense presence in its community, **Caja Rural de Navarra bases its investment or divestment decisions on the following fundamental criteria:** (i) avoid any distortion of sector competition and recurrent activities of its cooperative members and customers; (ii) support the regional economy in an omnidirectional form, but with special relevance to the agri-food and agri-industrial sector reflecting its historical origins; (iii) viability and profitability of the business being analysed, and, (iv) synergies with the operations of Caja Rural de Navarra and/or its equity investments.

Caja Rural de Navarra carries on its **financial business in the Basque Country, La Rioja and Navarre. But the industrial or services activities of its equity investments are global** in reach and some of these companies export very significant percentages of their output.

We divide the activities of Caja Rural de Navarra's equity investments into companies in the financial sphere, support companies for the financial business and non-financial business groups (see chart):



According to the Bank of Spain circular, to qualify as an equity investment an institution must own at least 10% of its capital or voting rights. Exercising significant influence over management is defined as appointing at least 20% of the Board. Caja Rural de Navarra has equity investments in different percentages. But its investments in its complementary services and non-financial businesses are usually controlling. Exceptions to this rule are attributable to policies to support a newly emerging area, an also in companies that are jointly owned by the Grupo Cooperativo de Cajas Rurales to provide shared services (A single company, Rural de Servicios Informáticos, runs the data processing centre

for all the Rural Credit Cooperatives, and also provides the same services to third parties, such as shared insurer RGA).

Companies offering complementary services at national level provide the Caja Rural Group with a way to act efficiently despite the regional size of each of its member Banks individually. They also offer their services to other small-scale or foreign financial firms.

The companies provide non-financial but related services to Caja Rural de Navarra or its customers across the same regional footprint as Caja Rural de Navarra.

Of the companies comprising the Caja Rural de Navarra Group, we distinguish between those wholly owned by the Bank and fully consolidated in the annual financial statements, and subsidiaries in financial and other business sectors which the bank does not control and which are reported in the financial statements by other methods. Here are the names grouped by business area: En el Anexo II se detalla el Estado de Información no Financiera del Ejercicio 2021, que hace referencia al Grupo Consolidado (integración global), en cumplimiento a la Ley 11/2018.

COMPANY	STATUS
<b>FOOD</b>	
<b>Cereal transformation</b>	
HARINERA DEL MAR, S.L.	subsidiary
HARIBERICAS XXI, S.L.	subsidiary
HARANTICO, S.L.	subsidiary
REYES HERMANOS, S.L.	subsidiary
HARINERA DE TARDIENTA, S.A.	subsidiary
HARIVASA 2000, S.L.	subsidiary
HARIVENASA, S.L.	subsidiary
HRVS Eood	subsidiary
HARINAS SELECTAS	subsidiary
CERELIA AGRO	subsidiary
ESPIGA I&D ALIMENTARIA	subsidiary
<b>Vineyards and wineries</b>	
RIOJA VEGA, S.A.	Associate
PRINCIPE DE VIANA, S.L.	Associate
BOUQUET BRANDS, S.A.	Subsidiary
INDUSTRIA TONELERA DE NAVARRA	Subsidiary
TONNELLERIE DE L'ADOUR	Subsidiary
MERRANDERIE DE L'ADOUR	Subsidiary
<b>Dairy</b>	
IPARLAT	Associate
<b>Support for Cooperatives, Farmers and Stock-raisers</b>	
SERVICIOS EMPRESARIALES AGRO INDUSTRIALES, S.A. - SENAI	Associate
<b>ECOLOGICAL TRANSITION, RENEWABLE ENERGY</b>	
<b>Renewable energy generation</b>	
COMPAÑÍA EOLICA DE TIERRAS ALTAS	Associate
RENOVABLES DE LA RIBERA	Associate
MINICENTRALES CANAL BARDENAS	Equity investmen
RURAL ENERGÍAS ARAGONESAS, S.A.	Associate
IBERJALON	Associate
RURAL DE ENERGIA DE TIERRAS ALTAS, S.A.	Associate
<b>Poplars</b>	
BOSQALIA	Associate

SOCIEDAD	DEPENDE
<b>REAL ESTATE</b>	
<b>Rental of state-subsidized housing</b>	
ERROTABIDEA	Associate
<b>REGIONAL ECONOMIC DEVELOPMENT</b>	
<b>Venture capital and seed finance</b>	
START UP	Equity investmen
<b>Mutual guarantee societies (Sociedades de garantía recíproca)</b>	
SONAGAR	Equity investmen
ELKARGUI	Equity investmen
IBERAVAL	Equity investmen
<b>CARE</b>	
<b>Senior care</b>	
SOLERA ASISTENCIAL	Subsidiary
<b>ENGINEERING</b>	
<b>Civil engineering and testing</b>	
LABORATORIOS ENTECSA	Associate
ICEO2	Associate
<b>AREA OF SUPPORT SERVICES FOR CAJA RURAL'S BUSINESS</b>	
<b>Real estate</b>	
PROMOCIÓN ESTABLE DEL NORTE	Subsidiary
<b>Complementary services</b>	
INFORMES Y GESTIONES GENERALES	Subsidiary
INFORMES TÉCNICOS Y VALORACIONES GENERALES	Subsidiary
ADMINISTRACION DE FINCAS INFORMES Y GESTIONES	Subsidiary
BANCO COOPERATIVO ESPAÑOL	Equity investmen
SEGUROS GENERALES RURAL, S.A. DE SEGUROS Y REASEGUROS	Equity investmen
CRUCAJRURAL INVERSIONES	Equity investmen
ESPIGA CAPITAL INVERSIÓN	Equity investmen
ESPIGA CAPITAL INVERSIÓN II	Equity investmen
ESPIGA EQUITY FUND	Equity investmen
RURAL SERVICIOS INFORMÁTICOS	Equity investmen
DOCALIA	Equity investmen

Annex II contains details of the Non-Financial Statements for 2021, covering the Group scope (full consolidation), in accordance with Act 11/2018.

In 2020, the Governing Board of Caja Rural de Navarra approved the “Policy and procedures for investing in equity investments” which defines issues relating to the following actions in this group:

- 1 **Scope and general principles**
- 2 **Limits on equity investments**
- 3 **Approval**
- 4 **Planning and monitoring**
- 5 **Management and control**
- 6 **Dividend policy**
- 7 **Divestment procedure**

Each quarter, the Governing Board receives a report on key figures and management of the equity investments, and further reports whenever significant events of any kind so require. The General Management is responsible for more detailed management oversight.

### 3.6 KEY FIGURES

#### CAJA RURAL DE NAVARRA KEY FIGURES

	2016	2017	2018	2019	2020	2021
<b>TURNOVER</b>						
Total assets	10,952,597	11,557,130	12,038,254	12,945,945	15,632,289	16,073,014
Shareholders' equity	934,022	1,018,716	1,092,019	1,176,846	1,261,282	1,349,392
Customer deposits	7,080,743	7,533,517	8,020,973	8,741,063	10,211,373	10,281,452
Loans and advances to customers	6,832,108	7,315,406	7,781,407	8,127,188	9,266,436	9,375,082
<b>SERVICES</b>						
Branches	249	250	252	253	254	254
ATMs	299	302	312	316	322	316
<b>PEOPLE</b>						
Number of employees	933	959	965	963	948	947
<b>PROFIT</b>						
Net interest income	147,278	142,907	138,135	145,467	148,976	142,709
Gross income	210,704	217,372	206,911	222,115	214,270	229,915
Administrative expenses	83,299	86,322	88,971	87,389	89,447	93,010
Income from operating activities	79,125	90,557	N/A (I)	N/A (I)	N/A (I)	N/A (I)
Profit before tax	66,460	86,792	91,250	85,153	81,392	88,262
<b>DISTRIBUTION OF WEALTH GENERATED</b>						
<b>1. Directly generated economic value</b>	<b>230,218</b>	<b>278,345</b>	<b>229,554</b>	<b>247,063</b>	<b>241,767</b>	<b>258,364</b>
Gross income (excluding other operating expenses)	227,811	274,425	223,058	242,969	239,368	253,964
Proceeds of sales, property and equipment and foreclosed assets	2,407	3,920	6,496	4,094	2,399	4,400
<b>2. Distributed economic value</b>	<b>108,672</b>	<b>143,820</b>	<b>118,496</b>	<b>119,081</b>	<b>126,991</b>	<b>127,733</b>
Payments to suppliers (operating expenses)	44,369	83,248	43,525	47,409	52,288	52,206
- Other general administrative expenses	34,418	35,620	37,340	35,831	36,047	37,776
- Other operating expenses	9,951	47,628	6,184	11,578	16,241	14,430
Personnel expenses	48,881	50,702	51,631	51,558	53,400	55,234
Income tax	6,212	-1,518	11,793	9,163	10,768	8,987
Interest on investment capital	2,055	1,963	1,585	1,676	1,678	1,688
Investment/Donations to the community	7,156	9,425	9,963	9,275	8,857	9,619
- Education and Development Fund (EDF)	7,156	9,425	9,963	9,275	8,857	9,619
<b>3. Retained economic value (1-2)</b>	<b>121,546</b>	<b>134,525</b>	<b>111,058</b>	<b>127,981</b>	<b>114,777</b>	<b>130,631</b>
*This item was dropped from the income statment published in 2018						

Financial information used for key figures has been extracted from the audited annual financial statements, which can be found at: [www.cajaruraldenavarra.com](http://www.cajaruraldenavarra.com) (Institutional information)

## CAJA RURAL DE NAVARRA CONSOLIDATED GROUP – KEY FIGURES

Companies comprising the Caja Rural de Navarra Group, which are wholly owned by the Bank and consolidated in the financial statements.

	2016	2017	2018	2019	2020	2021
<b>TURNOVER</b>						
Total assets	11,085,569	11,726,238	12,202,865	13,133,114	15,849,799	16,333,118
Shareholders' equity	956,620	1,049,187	1,122,515	1,223,266	1,313,888	1,409,555
Customer deposits	7,054,214	7,524,305	8,011,914	8,729,469	10,198,137	10,261,080
Loans and advances to customers	6,849,057	7,334,762	7,789,185	8,176,553	9,313,939	9,446,163
<b>PROFIT</b>						
Net interest income	145,437	140,947	135,957	143,634	147,007	140,924
Gross income	266,741	278,719	276,758	293,966	288,760	306,710
Administrative expenses	132,190	141,274	150,334	151,605	152,364	157,598
Income from operating activities	79,788	89,304	N/A (1)	N/A (1)	N/A (1)	N/A (1)
Profit before tax	69,512	92,418	93,502	98,449	86,935	91,386
<b>DISTRIBUTION OF WEALTH GENERATED</b>						
<b>1. Directly generated economic value</b>	<b>480,944</b>	<b>557,151</b>	<b>534,622</b>	<b>556,801</b>	<b>560,597</b>	<b>633,825</b>
Gross income (excluding other operating expenses)	478,537	553,231	528,126	552,707	558,197	629,425
Proceeds of sales, property and equipment and foreclosed assets	2,407	3,920	6,496	4,094	2,399	4,400
<b>2. Distributed economic value</b>	<b>352,778</b>	<b>416,781</b>	<b>415,866</b>	<b>422,594</b>	<b>435,666</b>	<b>492,501</b>
Payments to suppliers (operating expenses)	268,659	334,442	316,211	324,151	333,759	388,548
- Other general administrative expenses	64,019	69,355	74,806	74,685	73,179	75,452
- Other operating expenses	204,640	265,087	241,405	249,466	260,580	313,096
Personnel expenses	68,171	71,919	75,528	76,920	79,185	82,146
Income tax	6,737	-968	12,579	10,571	12,187	10,501
Interest on investment capital	2,055	1,963	1,585	1,676	1,678	1,688
Investment/Donations to the community	7,156	9,425	9,963	9,275	8,857	9,619
- Education and Development Fund (EDF)	7,156	9,425	9,963	9,275	8,857	9,619
<b>3. Retained economic value (1-2)</b>	<b>128,166</b>	<b>140,370</b>	<b>118,756</b>	<b>134,207</b>	<b>124,930</b>	<b>141,323</b>
(1) This item was dropped from the income statement published in 2018						
Public Subsidies received	648	920	1,068	1,067	161	252



### 3.7 INFORMATION PROVIDED IN COMPLIANCE WITH REGULATION EU 2020/852 CONCERNING ENVIRONMENTALLY SUSTAINABLE ECONOMIC ACTIVITIES

In accordance with European Commission Delegated Regulation EU 2021/2178 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, Caja Rural de Navarra presents below the required disclosures including key quantitative results indicators and qualitative information to support this information and help the market understand the indicators.

In any event, the present section must be read alongside the rest of the information contained in this CSR Report and Non-financial Statements.

#### 3.7.1 Proportion in total assets of exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities.

Methodology used: To measure total eligible assets, the Nomenclature of Economic Activities (NACE) codes used by the European Taxonomy have been converted into Spain's National Classification of Economic Activities (CNAE) and counterparties with these CNAEs have been considered to be Taxonomy-eligible exposures. Also included as eligible was the whole portfolio of loans and advances for property purchases. Exposures to counterparties that would have been eligible based on their activity but are excluded from eligibility as they are not obliged to publish non-financial information under European law have been deducted from the total eligible assets

based on the above criteria. Similarly, exposures to sovereign issuers, the trading book, Central Banks and supranational issuers (Delegated Regulation EU 2021/2178 7.1) have been excluded from the numerator and denominator (as shown in the exclusions column).



LINE		TOTAL (by value)	EXCLUSIONS	EXCLUSIONS (by value)	ELIGIBLE (by value)	INELIGIBLE (by value)	% ELIGIBLE/ASSETS COVERED	% ELIGIBLE/TOTAL ASSETS
1	Financial assets not held for trading mandatorily measured at fair value through profit or loss	4,218	0	4,218	0	4,218	0.00%	0.00%
2	Financial assets designated at fair value through profit or loss	0	0	0	0	0	0.00%	0.00%
3	Financial assets at fair value through other comprehensive income	1,410,809	141,154	1,269,655	175,696	1,093,959	1.52%	1.09%
4	Financial assets at amortized cost	13,185,058	2,937,118	10,247,940	4,539,805	5,708,135	39.40%	28.24%
<b>5</b>	<b>TOTAL exposures analysed</b>	<b>14,600,085</b>	<b>3,078,272</b>	<b>11,521,813</b>	<b>4,715,501</b>	<b>6,806,312</b>	<b>40.93%</b>	<b>29.34%</b>
6	Other exposures (essentially trading book and cash and central banks)	1,472,929	0	0	0	0		
<b>7</b>	<b>TOTAL ASSETS</b>	<b>16,073,014</b>	<b>3,078,272</b>	<b>11,521,813</b>	<b>4,715,501</b>	<b>6,806,312</b>		

(Thousands of euros)

Items included: *The table below details the Bank balance sheet items that have been analysed, and their eligibility based on the above-mentioned criteria. Off-balance sheet exposures were not included.*

### **3.7.2 Proportion in total assets of the exposures to central government, central banks and supranational issuers and derivatives.**

#### **► Proportion: 19.66 %**

Methodology used: This figure was calculated by adding together exposures in the Bank's following asset items:

Central government  
Central banks  
Supranational issuers  
Derivatives

### **3.7.3 Proportion in total assets of exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU.**

#### **► Proportion: 21,59%**

Methodology and criterion: This figure is derived by adding together exposures to legal entities with fewer than 250 employees in the last year on which data is available.

### **3.7.4. Proportion of trading portfolio and on demand inter-bank loans in total assets.**

#### **► Proportion: 6,77%**

Methodology: This figure was calculated by adding together exposures in the Bank's following asset items: "On-demand interbank loans" and "Trading portfolio".

To channel capital flows into sustainable investments, the Bank has designed a range of investment and financing products which the Bank considers will promote sustainable and inclusive growth. These products vary widely in terms of their particular features, but all serve one the Bank's primary aims: to promote the development of the region where it operates, thereby contributing actively to inclusive growth by facilitating access to banking services for populations and customers at risk of social exclusion. Meanwhile, to help manage the financial risks of climate change, natural disasters, environmental degradation and social problems, the Bank has developed a range of initiatives, including the following:

#### **► Obtaining energy efficiency certificates for almost the whole of the mortgage portfolio.**

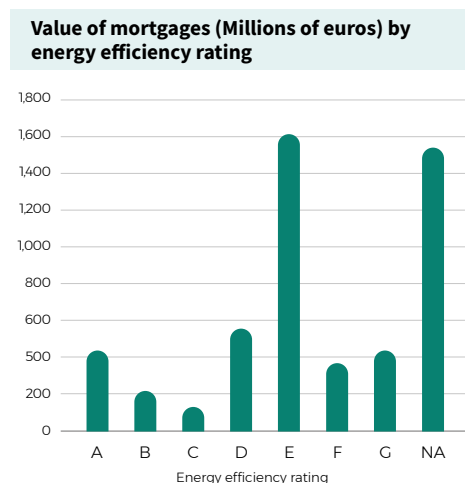
Mortgages make up around 50% of the Bank's total loan book and the Bank considers it important to certify how far the collateral underlying the mortgage portfolio meets European Taxonomy criteria on monitoring and managing potential climate risks, both physical and transitional, and specifically that the Bank develops in areas such as funding rehabilitation of buildings to improve energy efficiency. These certificates are based either on direct information provided by customers, and automatically analysed by the Bank's systems since 2019, or on official records searched under an agreement with appraisal company Sociedad de Tasación. Sociedad de Tasación also provides (for certifiable classes of property) a certification simulator to estimate the energy efficiency status of buildings lacking official certification.

Using the above information, the Bank has ranked its mortgage portfolio (48,996 at end-December



2021) by the energy efficiency classification of the underlying properties, having obtained information on 75% of the portfolio. Of this, 61% of rankings are based on estimates made by Sociedad de Tasación and 39% on data obtained individually from the borrower or searches of official records.

The rankings of the mortgage portfolio by energy efficiency certificates are as follows:



The Bank also assesses the impact of physical risks on its mortgage portfolio, again using Sociedad de Tasación data, from river and sea flooding, fire, earthquakes and desertification.

RISK OF RIVER FLOODING	NO.	%
No reported risk of flooding	40,703	89.5%
Zone at high risk of flooding (10 years)	540	1.2%
Zone at frequent risk of flooding (50 years)	978	2.2%
Zone at average or occasional risk (100 years)	1,365	3.0%
Zone at low or exceptional risk (500 years)	1,868	4.1%
<b>Total</b>	<b>45,454</b>	

SEISMIC RISK	NO.	%
Very high	121	0.3%
High	25,325	55.7%
Average	12,737	28.0%
Low	7,271	16.0%
<b>Total</b>	<b>45,454</b>	

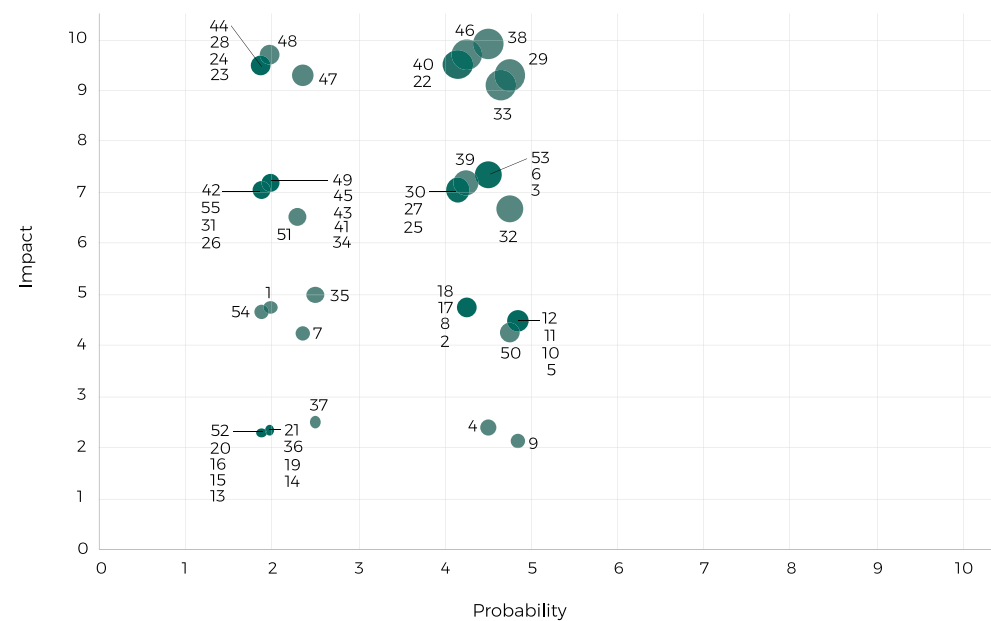
RISK OF SEA FLOODING	NO.	%
No risk of flooding	45,135	99.3%
Zone at average or occasional risk (100 years)	303	0.7%
Zone at low or exceptional risk (500 years)	16	0.0%
<b>Total</b>	<b>45,454</b>	

RISK OF DESERTIFICATION	NO.	%
Very high	29	0.1%
High	1,072	2.4%
Average	1,86	4.1%
Low	6,427	14.1%
Water layers		0.0%
Urban	3,154	6.9%
Wetlands	32,912	72.4%
<b>Total</b>	<b>45,454</b>	

RISK OF FIRES	NO.	%
1 to 5	10,426	22.9%
6 to 10	7,825	17.2%
11 to 25	11,872	26.1%
26 to 50	11,287	24.8%
51 to 100	1,949	4.3%
101 to 500	2,086	4.6%
501 to 1,000	6	0.0%
1,001 to 1,511	3	0.0%
<b>Total</b>	<b>45,454</b>	



► **Materiality self-assessment:** the Bank carries out regular materiality self-assessments through a questionnaire that quantifies the potential impact and probability of the key ESG risks.





Category	N1	IMPACT	N2	IMPACT	IMPACT	LIKELIHOOD	TIME HORIZON	SEVERITY
<b>E. Environment and climate change</b>	1	Non-compliance with regulations or standards	1	Non-compliance with environmental and/or climate-related regulations / sectoral best practices.	4.75	1.98	3.00	9.38
			2	Slow adaptation to the new regulatory environmental and/or climate-related requirements	4.75	4.25	3.00	20.19
	2	Lack of a consolidated environmental and/or climate-related risk management system	3	Failure to include the environmental and climate change risks in the estimation of different financial ratios and risks; particularly with regard to credit risk (granting, monitoring, pricing and collaterals), market (instrument valuation), operational and others.	7.35	4.50	3.00	33.08
			4	Lack of or limited integration of an environmental operational efficiency strategy	2.40	4.50	3.00	10.80
			5	Lack of or limited control environment for the adaptation and mitigation of the impacts resulting from climate change	4.50	4.85	3.00	21.83
			6	Lack of environmental or climate change-related factors in the company's financing and investment policies	7.35	4.50	3.00	33.08
			7	Depreciation of balance sheet assets as a result of physical or regulatory risks	4.25	2.35	3.00	9.99
	3	Changes in market conditions resulting from environmental or climate-related impacts	8	Impossible to respond to the changes in customers' preferences by providing an option with more sustainable products due to a lack of such products in the entity's range	4.75	4.25	2.00	20.19
			9	Increase in stranded assets in the balance sheet due to a transition towards a low-carbon economy	2.13	4.85	4.00	10.31
			10	Changes in market trends due to climate change-related impacts	4.50	4.85	3.00	21.83
	4	Financings and investments in entities with poor environmental performance	11	Change in the valuation of a customer by data providers resulting in a portfolio impact	4.50	4.85	3.00	21.83
			12	Increased risk of payment default by financed customers due to their high exposure to environmental and/or climate-related consequences	4.50	4.85	3.00	21.83



Category	N1	IMPACT	N2	IMPACT	IMPACT	LIKELIHOOD	TIME HORIZON	SEVERITY
<b>S. Employees</b>	5	Inadequate action or misunderstandings in labour relations	13	Failure to promote diversity and equal opportunities	2.30	1.88	1.00	4.31
			14	Failure to attend to the advancement and well-being of employees, leading to a drop in productivity	2.35	1.98	1.00	4.64
			15	Non-compliance with fundamental human and labour rights, based on ILO conventions or similar	2.30	1.88	1.00	4.31
			16	Mass layoffs (ERE- Statutory Layoffs, ERTE - Temporary Layoffs, etc.).	2.30	1.88	1.00	4.31
			17	Difficulty to attract and retain talent	4.75	4.25	1.00	20.19
			18	Lack of agreement between the entity and the employees' representatives	4.75	4.25	1.00	20.19
	6	Shortcomings in HR policies or actions	19	Lack of or inefficiencies in the reconciliation, equality and diversity policies	2.35	1.98	1.00	4.64
			20	Lack of or inefficiencies in the policies on occupational health and safety, etc.	2.30	1.88	1.00	4.31
			21	Failure to adapt the corporate policies to employee demands	2.35	1.98	1.00	4.64
			22	Lack of clarity in the description of the product and its contract clauses	9.50	4.15	3.00	39.43
<b>S. Customer</b>	7	Inadequate and/or lack of transparency in the design and marketing of products	23	Complex products that are not in line with the customer's profile	9.50	1.88	2.00	17.81
			24	Drive an aggressive business culture that results in inadequate sales	9.50	1.88	2.00	17.81
			25	Failure to respect diversity and customer discrimination	7.05	4.15	2.00	29.26
			26	Lack of guarantees in the products marketed	7.05	1.88	2.00	13.22
			27	Inefficient equipment / processes with regard to dealing with and resolving customer complaints and claims and/or non-availability of the systems required to provide customer service	7.05	4.15	2.00	29.26
	9	Inability to meet customer needs	28	Inability to offer products and business lines that are attractive to customers	9.50	1.88	2.00	17.81
			29	The product range does not cover the changes in the social and/or demographic profile of customers	9.30	4.75	2.00	44.18
			30	Lack of solutions directed at customers at risk of social exclusion (vulnerable customers due to low income or other socio-economic situations, etc.).	7.05	4.15	2.00	29.26
			31	Difficulty adapting to the needs of customers with difficulties accessing bank services (financial inclusion).	7.05	1.88	2.00	13.22
			32	Depopulation (rural exodus) in the areas in which the entity operates, involving a loss of retail and business customers alike	6.68	4.75	2.00	31.71
			33	Ageing of the local population, leading to a loss of customers due to the inability to adapt to their needs	9.10	4.65	2.00	42.32
	10	Shortcomings in relations with local communities	34	Lack of policies and procedures to identify and assess the needs of the local communities in which the entity operates	7.20	1.98	2.00	14.22
			35	No contribution or inadequate contribution to the needs of the social environment (e.g.: educational, healthcare needs, etc.)	5.00	2.50	4.00	12.50
			36	Lack of dialogue with the local communities in the areas in which the entity operates	2.35	1.98	4.00	4.64
			37	Loss of social legitimacy to operate in the different territories (social licence)	2.50	2.50	1.00	6.25

Category	N1	IMPACT	N2	IMPACT	IMPACT	LIKELIHOOD	TIME HORIZON	SEVERITY
<b>G.</b> <b>Governance, ethics and transparency</b>	11	Shortcomings in the structure and management of the governing bodies and senior management	38	Structure of the Board not in accordance with good practices: independence, diversity, etc.	9.90	4.50	3.00	44.55
			39	Mistakes when designing the organisation's ESG strategy (suppliers, investments, etc.)	7.20	4.25	3.00	30.60
			40	Shortcomings in data management and protection and cybersecurity	9.50	4.15	1.00	39.43
			41	Low level of responsibility of Senior Management in relation to aspects of governance in ESG matters	7.20	1.98	2.00	14.22
	12	Scandals linked to senior management	42	Carrying out abusive operations or tax evasion (tax havens).	7.05	1.88	1.00	13.22
			43	No action taken by senior management to deal with scandals or controversies relating to the entity	7.20	1.98	2.00	14.22
			44	Inadequate, unethical or non-exemplary senior management policies or processes.	9.50	1.88	2.00	17.81
			45	Lack of transparency in the entity's governance model.	7.20	1.98	1.00	14.22
			46	Inadequate action or declarations against the Entity's ethical values (conduct that is not honest, cannot be seen as a role model and exemplary)	9.70	4.25	2.00	41.23
			47	Relationship or link of senior management with some scandal relating to corruption, fraud or other illegal activities.	9.30	2.35	1.00	21.86
			48	Confirmed cases of corruption, fraud, bribery and tax evasion by senior management.	9.70	1.98	1.00	19.16
			49	Relationship of senior management with the political power	7.20	1.98	1.00	14.22
<b>G.</b> <b>Relationship with third parties</b>	13	Relationships with third parties	50	Improper, controversial or scandalous practices by suppliers	4.25	4.75	1.00	20.19
			51	Connection to improper or controversial activities by customers associated with the company	6.53	2.30	1.00	15.01
			52	Irresponsible management of the supply chain (payment to suppliers, discriminatory practices in selection and operation, abusive clauses, etc.).	2.30	1.88	1.00	4.31
			53	Questionings due to the connection of the organisation, whether this be true or not, to political parties or leaders or to social mobilizations of a political nature. Active and visible positions of the organisation and its leaders in the political agenda.	7.35	4.50	1.00	33.08
			54	Shortcomings in the communication and relationship with supervisors.	4.65	1.88	1.00	8.72
			55	Failure to attract investors due to poor performance of ESG indicators	7.05	1.88	1.00	13.22

► **Quarterly report valuing the wholesale fixed-income portfolio.** These reports are based on the scoring by an external provider of recognised prestige in the industry and give a detailed analysis of each issuer/counterparty (ESG scores, Sustainable Development Goals).

Caja Rural de Navarra has an internal control framework for investment in its wholesale portfolio which prioritises issues with better ESG performance.

In December 2021, the EUR 5,009 million securities portfolio scored as follows on a scale of 1 (worst) to 100 (best):



**Environment (E)**  
**68**



**Social (S)**  
**72**



**Corporate Governance (G)**  
**69**

**TOTAL ESG**

**70**

At the same date, the Bank's fixed-income portfolio had invested EUR 235.3 million in securities rated as "Social bonds" (EUR 23 million), "Green bonds" (EUR 135.7 million) and "Sustainable bonds" (EUR 76.5 million).

► **On integrating ESG risks into its processes,** the Bank is working on an action plan to strengthen the consideration given to ESG risks and criteria in its processes for managing credit risk: approvals, pricing, collateral, monitoring and reporting.

► **On operational risk,** the Bank considers ESG risks when designing and implementing contingency and business continuity plans. These are reviewed and approved annually by the Governing Board. The contingency and business continuity plans prescribe and assign functions, responsibilities and delegated powers for all Bank departments and areas involved or affected, and include details of the corresponding activation procedures.

► In accordance with the Spanish Climate Change and Energy Transition Act, the Bank is currently analysing all available information, and its alignment with the EU Taxonomy, in preparation for setting its **decarbonisation strategy and targets.**

► **Also, regarding qualitative information on the trading books,** these portfolios are immaterial for the Bank as there is no methodology for scoring them by ESG criteria for the purposes of the Taxonomy. Nevertheless, the Bank monitors all issuers of fixed-income securities and equities based on the ESG scores assigned by a reputable external provider.





## 04 CUSTOMERS

- 4.1 Caja Rural de Navarra customers
- 4.2 Profile and distribution of customers
- 4.3 Dialogue with customer
- 4.4 Customer relation channels
- 4.5 Products and services

## 4.1 CAJA RURAL DE NAVARRA CUSTOMERS

The Bank's business revolves around its customers and, particularly, its members in their dual role as both owner and customer. For this reason, customer focus has always been one of the Bank's core principles and has always run through the conduct of its business.

Customers have financial needs that they seek to address with the products and services offered by the Bank, but also have expectations on the service they expect from the Bank. The Bank's response on both issues (needs and expectations) will differentiate us from the competition.

The **principles underlying** the Bank's relationships with its customers are as follows:

- To maintain a clear communications and information policy.
- Not to use publicity that might be misleading, ambiguous or insufficiently clear for customers.
- To promote a socially responsible investment policy, by giving the right advice on customers' investment decisions and maintaining a set of lending policies based on sustainability criteria.
- To improve quality and accessibility for customers to the Bank and vice versa, promoting the use of new channels and technologies, and developing innovative products and services.
- To protect the confidentiality of all data collected on customers as a consequence of business relationships.

**The Bank took the following actions on this point in 2021:**

### Improving communication channels

One of Caja Rural de Navarra's priorities is to constantly improve our digital channels, without sacrificing our principals of local service and proximity to our customers. A big part of this is the Bank's investment in technology to make it easier for customers who wish to conduct any transaction through digital channels.

#### Notable advances in 2021 include:

A new version of the Ruralvía digital banking service, available as an app and website. The new digital banking service was developed in the second and third quarters 2021. Since then, both versions have been gradually rolled out to customers in small tranches with a view to completing the switchover to the new versions in 2022.

Improvements in the new service include a better navigating experience for users, new functionalities and new security systems. The app is attracting high scores in the market, rated 4.3 in Apple environments and 4 in Android environments.

As well as the new digital banking service, we have continued to work on integrating various digital tools into the public-facing website ([cajaruraldenavarra.com](http://cajaruraldenavarra.com)) to make day-to-day life easier for our customers.

#### Digital tools for individuals:

- The online "become a customer" process, an easy, agile and simple way for users to sign up as a Caja Rural customer in just five minutes. Available on the website and on the app.

- Personal loan and mortgage simulator in the relevant sections of our public website: [cajaruraldenavarra.com](http://cajaruraldenavarra.com)

- Home insurance price calculator with online subscription option (via phone call).

#### Digital tools for companies and the self-employed:

Search engine for subsidies and other support available to companies and the self-employed, with a special focus on the European Next Generation funds.

- Online card and PoS terminal recommendation engine, available on our public website: [cajaruraldenavarra.com](http://cajaruraldenavarra.com).

- Recommendation engine for loans, leasing and rental products in the companies section of the website: [cajaruraldenavarra.com](http://cajaruraldenavarra.com)

- A blog for companies including weekly articles on current events in the economy, and weekly reports on news in the currency markets.

We also offer customers all the new payment systems that have recently come onstream: Bizum, Pay Gold, e-commerce in all its possibilities and, thanks to deals struck with Apple, Google, Samsung and Ruralvía Pay, our customers can make payments using their mobiles.

On cybersecurity, the Bank continues working on a cybersecurity communication line that keeps customers updated on how to minimise the risk of fraud.

Internal training sessions have been held to make sure colleagues were familiar with these digital

tools and knew how best to use them in their relationships with customers.

### Digital Transformation

The Bank's digital transformation has two aims: first, to make the banking system more accessible and easy to use for customers by any channel, and, second, to combine this with the provision of personal advice services through its branch staff.

For this reason, a special Digital Transformation manager is charged with coordinating this task across all Bank areas and for all Caja Rural Group companies.

### Transparency in marketing

Caja Rural de Navarra has been a member of Autocontrol since January 2011. Autocontrol is an association that seeks to promote responsible advertising that is true, legal, honest and fair. In 2021, Caja Rural de Navarra launched 43 communication projects, including 128 new publicity items, of which 87 were approved by Autocontrol. The rest had been through the Bank's internal regulation process.

### Image

In 2021, Caja Rural de Navarra defined its communication strategy and aims. It produced a new Corporate Identity Handbook attuned to the corporate values that make the Bank distinctive in the market. The strategy is backed by a visual system that harmonizes all communication codes, bringing them up to date and in line with the current branding system, foregrounding the values that set the Bank apart.

## Marketing

To improve transparency and clarity in the way the branch network markets products and services, in-branch customer communications were updated every three months in 2021.

### Comité de productos

The Product Committee continued its work in 2021. It was set up in 2016 to bring all the products and services offered by the Bank under a validation process.

The Bank also continued to revise documents designed by BCE's Compliance Department to match the Bank's requirements, and to update and approve standard documents such as the "Banking Product and Services Marketing Policy", and the Product Committee's own handbook.

This Committee met quarterly as planned, and there were also 22 sessions of the Permanent Committee to approve one-off measures that were subsequently ratified in a full Product Committee meeting. Overall, 167 internal product brochures and 10 other documents were approved and/or revised.

## Quality surveys and Mystery Shopping

In January 2018, the Bank launched its "Measuring customer service in branches" project. The project involves all Banks in the Caja Rural Group and has two aims:

- To ensure compliance with regulations laid down by the European Banking Authority (EBA) and European Securities Markets Authority (ESMA) on criteria for defining and setting remuneration policies in the branch network that include quality factors.

- To improve the customer experience by introducing procedures and methodologies to analyse contacts with new customers and set metrics for how to deal with existing customers.

The project is based on two methodologies, which run simultaneously:

- Mystery Shopping: The aspects tested, each with a separate weighting in the overall score are: physical aspects of the branch, speed, treatment, explanation of products, sales approach. Scores from recent years are as follows:

	2018	2019	2020	2021
Sales approach	43.70	47.93	62.93	67.70
Physical aspects	92.16	96.91	98.46	97.52
Explanation of products	41.30	51.90	57.80	63.22
Speed	80.67	95.97	94.63	93.34
Treatment	84.44	95.14	95.43	96.51
<b>Total</b>	<b>68.45</b>	<b>66.25</b>	<b>72.84</b>	<b>76.17</b>

- Satisfaction/Recommendation questionnaire: The aspects tested, each with a separate weighting in the overall score are: emotional value = 20% service + 20% explanations + 20% documentation + 40% NPS recommendation.



The Bank's results in 2021 and comparison with 2019 and 2020 are as follows:

	2019	2020	2021
Service	9.1	9.2	9.2
Explanation of products	8.9	9.1	9.0
Documentation provided	8.8	8.9	8.9
NPS recommendation	61%	66%	63%
Emotional value	77.90%	80.70%	79.70%

A working group coordinated by the Bank is gradually incorporating improvements to both methodologies. These improvements focus on finding out first-hand from customers what they think and listening to what they have to say, to try and improve the experience of the Bank's customers.

### Code of practice

As part of the policy of personalized negotiation when customers have difficulties paying their mortgage, the Bank applies Royal Decree-Law 6/2012 of 9 March on urgent measures to protect low-income mortgage debtors, for borrowers in danger of exclusion that meet the necessary requirements.

Caja Rural de Navarra signed up to the Royal Decree in March 2012 and has conducted 57 transactions since, all with people's principal residence posted as guarantee, for a cumulative total of EUR 5,989,007.17. In 2021, 6 mortgages on homes with principal residence guarantees were restructured.

Customers can access all the information related to the Code in the branch network and on the noticeboard of the Bank's website: [www.cajaruraldenavarra.com](http://www.cajaruraldenavarra.com)

### Sales of investment funds through investment services marketed by Caja Rural de Navarra

In 2021, Caja Rural de Navarra continued to market Investment Funds through the same services as in 2020 and continued to improve in the areas of service quality, transparency and investor protection. It pursues continuous improvement by taking any action that adds to or improves the service for Caja Rural de Navarra customers.

The following services within the bank offer investments funds:

• **Non-independent advisory\* service.** This offers customers advice\* on investment funds managed by Gescooperativo, with a view to recommending the investment best suited to the knowledge, experience, financial resources and investment aims of the customer, following a suitability test and corresponding investment proposal. As part of our commitment to offer the best service, subscribers to investment funds recommended by our advisory\* services also have an annual opportunity to review the suitability of their investments in the recommended funds to make sure their investment remains appropriate to their risk profile based on information provided through the suitability test. Accordingly, once a year, all investors in funds recommended by advisory services are sent a communication with the Bank's proposal on the best allocation of assets to suit their profile and the current state of the markets.

In this Caja Rural de Navarra service, all investment funds are marketed through a face-to-face channel (in branch).

The Bank's non-independent advisory service also continued to market the investment funds of third-party managers in 2021. As in the non-independent advisory\* service for in-house funds, we commit to recommending to our customers the investment best suited to their knowledge, experience, financial resources and investment aims, following a suitability test and corresponding investment proposal. The managers responsible for these customers also send them an annual reallocation proposal.

This service is only available to Private Banking customers through face-to-face meetings (with Private Banking managers).

\*Based on the definitions in Directive 2014/65/EU advice is given on a "non-independent" basis.

• **Discretionary Portfolio Management service.** Using this service, Caja Rural de Navarra customers can delegate management of their assets to the Bank, following an assessment of their investor profile by the Bank's professionals. Once they

have subscribed for investment funds through this service, customers remain in continuous contact with Caja Rural to monitor the investments and check any changes to the instructions and limits in the investment management contract.

In this Caja Rural de Navarra service, all investment funds are marketed face-to-face.

• **Marketing or RTO service.** Through this service, Caja Rural de Navarra customers can access a wide range of investment funds offered by well-known third-party managers unconnected to the Bank. We also make available to our customers straightforward tools that provide objective information and help them choose the funds that best suit their needs. Similarly, customers can compare various alternatives to see how they differ and take their own decisions.

In this Caja Rural de Navarra service, all investment funds are marketed through the digital channel.

### Transparency and investor protection in subscribing for investment funds

In 2021, Caja Rural de Navarra continued working to make sure that any funds offered through the





various investment services are marketed with the maximum possible transparency and protection for the investor. It provides all necessary resources to improve precontractual, contractual and post-contractual information for our customers

#### Improvements to contracting and information on investment funds via digital channels

As mentioned in the previous section, during 2021 Caja Rural de Navarra introduced measures and mobilised resources, first, to make it easier for our customers to carry out fund transactions without needing to go into a branch and, second, in compliance with MiFID II, to make sure customers can get all the information on their fund digitally by default, unless the customer specifies otherwise.

#### Socially Responsible Investment

In 2021, Caja Rural de Navarra continued to make progress in applying socially responsible investment policies to its catalogue of investment products and services, including the following advances on 2020:

- All pension plans and voluntary social provision plans (Entidades de Previsión Social Voluntaria or EPSVs) sold by Caja Rural de Navarra are managed according to socially responsible investment (SRI) criteria.
- The range of sustainable investment funds was extended with the launch of Rural Futuro Sostenible. This fund manages its investments based on SRI considerations and seeks investment opportunities in major current trends such as improving quality of life, digital transformation and decarbonisation of the economy. The fund also includes a solidarity element in that the manager donates 2% of investment fees to non-profit foundations.

This represents another step forward in the sustainability agenda of the Caja Rural Group in general and Caja Rural de Navarra in particular. At end-2021, the Bank's sustainable fund offering comprised the following:

Rural Rendimiento Sostenible, FI

Rural Sostenible Conservador, FI.

Rural Sostenible Moderado, FI. Fondo Sostenible y Solidario.

Rural Sostenible Decidido, FI

Rural Futuro Sostenible, FI. Fondos Sostenible y Solidario.

We note that the range has made positive gains in both profits and assets under management. The range held 24% of all assets under management by the Bank's investment funds at the end of 2021.

- Implementation of all obligations under the Sustainable Finance Disclosure Regulation (SFDR) EU 2019/2088 for financial advisors. The regulation came into force in March 2021 and Caja Rural de Navarra made all necessary changes to comply with it.

Also, in 2021 Caja Rural de Navarra continued to offer a portfolio managed according to SRI criteria under its discretionary portfolio management service.

Finally, throughout the year the Bank continued to work on various projects relating to sustainable investment which we hope to implement during the first half of 2022:

- Marketing of the Bank's first Impact investment fund (an SFDR "Article 9" fund). The fund will invest in international equities of all capitalisations/

sectors, in companies whose activities align with the United Nations Sustainable Development Goals (SDGs). Specifically, the fund has identified four priority SDGs connected with caring for and preserving the environment:

SDG 6. Clean Water and Sanitation

SDG 7. Affordable and Clean Energy

SDG 13. Climate Action.

SDG 12. Responsible Consumption and Production

- Gescooperativo and RGA signing up to the principles for responsible investment (PRIs).
- Publicising our sustainable fund range internally, among the sales force, and externally, to customers, with the creation of specific marketing brochures and videos for sustainable funds. These media explain the characteristics of this range of funds, the criteria underlying SRI investment and the importance of sustainable investment.

## 4.2 PROFILE AND DISTRIBUTION OF CUSTOMERS

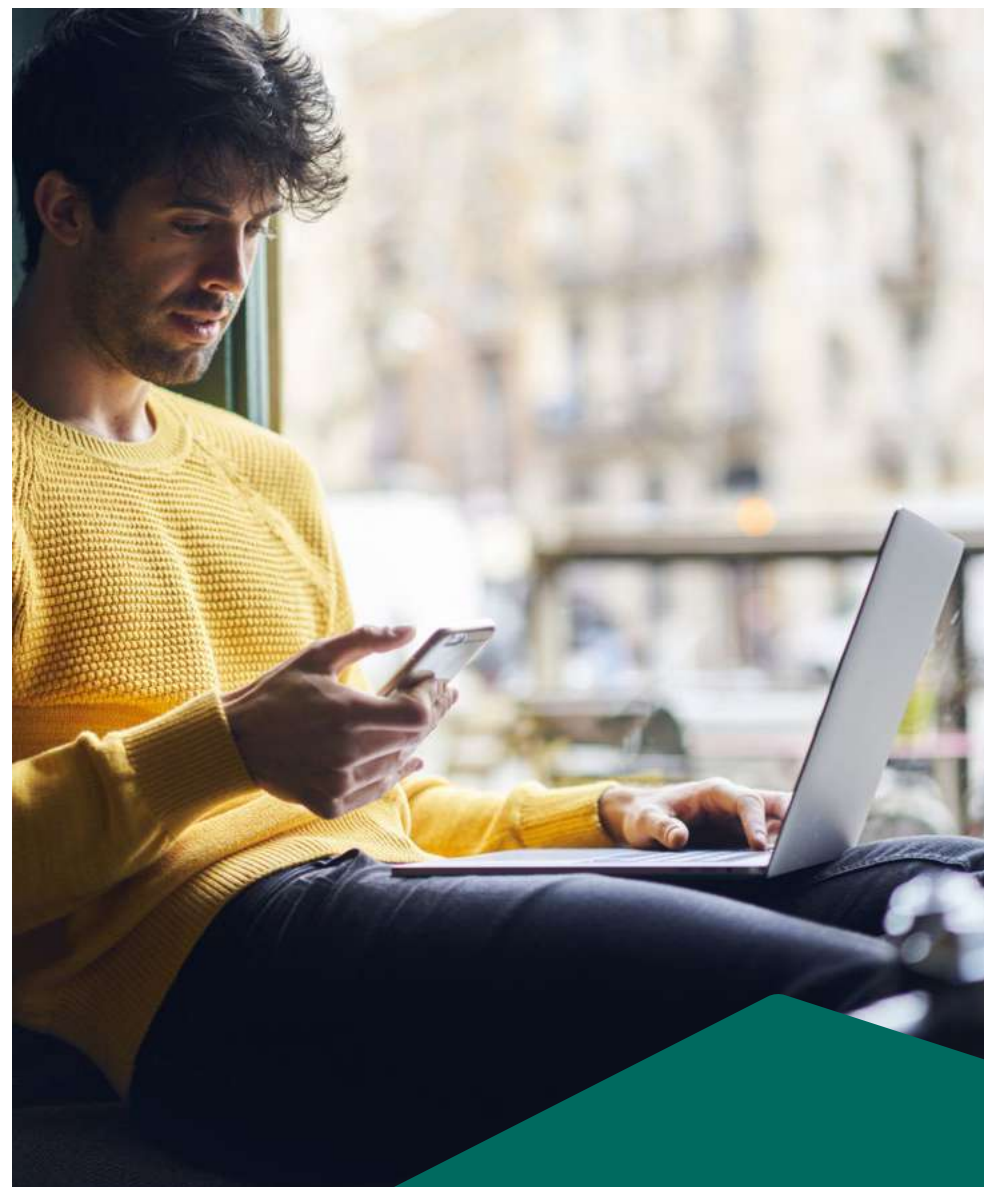
At 31/12/2021, Caja Rural de Navarra had a total of 610,648 customers. Of these 54,402 (8.91%) were classed as “Companies, institutions” and 556,246 (91.09%) were “Individuals”.

The table below shows the breakdown by customer type:

SEGMENT	CUSTOMERS
<b>Individuals</b>	<b>556,246</b>
<b>Legal entities</b>	<b>54,402</b>
COMPANIES	43,539
INSTITUTIONS	10,557
OTHER	306
<b>TOTAL (individuals + legal entities)</b>	<b>610,648</b>

The distribution of customers between the different provinces where the Bank operates and the associated business volumes are as follows:

GEOGRAPHICAL AREA	LOANS AND ADVANCES	DEPOSITS	CUSTOMERS
Navarre	60.80%	44.82%	53.54%
Basque Country	29.98%	43.45%	36.88%
La Rioja	9.03%	10.59%	9.55%
Madrid	0.19%	1.14%	0.02%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100%</b>



## 4.3 DIALOGUE WITH CUSTOMERS

### 1. LISTENING AND PARTICIPATING IN SOCIAL NETWORKS

Caja Rural de Navarra uses the following methods to communicate with its stakeholders:

-  [cajaruraldenavarra.com/atencion-cliente](http://cajaruraldenavarra.com/atencion-cliente)
-  [blog.cajaruraldenavarra.com](http://blog.cajaruraldenavarra.com)
-  Caja Rural de Navarra and Rural Kutxa
-  Joven IN – Caja Rural de Navarra
-  Caja Rural de Navarra and Rural Kutxa
-  Caja Rural de Navarra and Rural Kutxa
-  Joven IN – Caja Rural de Navarra
-  Caja Rural de Navarra and Rural Kutxa
-  Caja Rural de Navarra and LinkedIn Rural Kutxa
-  [info@crnavarra](mailto:info@crnavarra)

### 2. CUSTOMER SERVICES DEPARTMENT

The Customer Services Department is responsible for resolving all complaints and claims received from Caja Rural de Navarra customers.

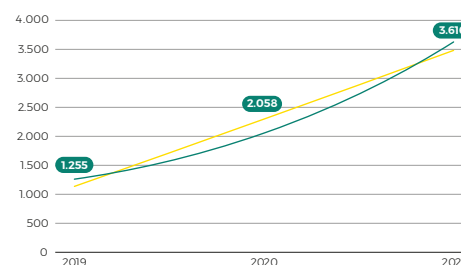
The regulations governing Caja Rural de Navarra's Customer Services Department were created by Act 44/2002 of 22 November, on Measures to Reform the Financial System, and Ministerial Order ECO/734/2004 of 11 March, on customer services departments or services of financial institutions and other applicable rules.

There are several channels that customers can use to make submissions to this Service: post, burofax, fax, email, official forms of the Autonomous Regions in which Caja Rural de Navarra operates or through the Bank's official documents and online forms on its.

In 2021, this Service received 3,616 complaints or claims. These were resolved as shown in the table below, which includes a comparison with the 2019 and 2020.

#### CONCLUSION OF COMPLAINTS AND CLAIMS

Type of conclusion	2121	2020	2019
Not accepted	363	986	496
Rejected	2,359	496	355
Fully upheld	709	378	318
Partly upheld	185	199	86
<b>Claims addressed</b>	<b>3,616</b>	<b>2,059</b>	<b>1,255</b>



2021 ended with an increase in the number of claims and complaints received compared to 2020, as occurred the year before. This was due to an increase throughout the year in claims for “mortgage administration costs” and “account management fees”, following changes to the committee's rules of procedure, on savings books and current accounts at the start of the year.

The Customer Services Department prepares an annual report for the Governing Board in accordance with Article 17 of Ministerial Order ECO/734/2004, including a summary of all complaints and claims received, the processes applied by the Bank following their reception, the general criteria applied when resolving complaints and claims and the recommendations and suggestions made during the year. The report is available to the Supervisor.

In addition, any critical concerns identified in the year are brought to the attention of the Governing Board. In 2021, no critical complaint or claim was identified as having to be reported up to the Board. There are regular meetings of the Quality Committee, which is the forum the Customer Services Department uses to review how complaints and claims were dealt with for the benefit of the Bank, identify possible risks, decide on criteria to apply and make appropriate recommendations to the Bank. The Committee is





attended by people from a range of departments and Areas of the Bank.

We analyse a number of specific issues below:

### **1. Fraudulent use of payment media, phishing and product security**

The Customer Services Department received 52 claims for fraudulent use of payment media, 33 relating to credit or debit cards, 16 to fraudulent transfers via the digital banking service and another 3 on other payment media or other types of fraud. Of these 24 were fully upheld and 5 partly upheld. One complaint was not accepted as it lacked supporting documentation for the charges being claimed. Those that were not upheld were rejected on the grounds either that the transactions in question had been authorized by the customers and therefore were not a fraudulent use of the payment media in question or that the customer had not kept the payment media sufficiently secure, in which circumstances regulations say claims cannot be accepted.

In 2021, Caja Rural de Navarra was the subject of 3 complaints to the Bank of Spain's Department of Bank Conduct for fraudulent use of payment media, phishing or product security.

There were no penalties, warnings or cases of non-compliance in this area in 2020.

### **2. Information on products and services**

The Customer Services Department dealt with one request for information about the continuing settlement of profit-sharing in a Savings Plan marketed by the Bank.

There were no penalties, warnings or cases of non-compliance in this area in 2021.

### **3. Publicity for products and services**

Regarding publicity for products and services, the Customer Services Department received one complaint or suggestion regarding the image used to publicise an insurance product marketed by Caja Rural de Navarra in 2021. It was, however, a product by the insurance company Rural Grupo Asegurador.

There were no penalties, warnings or cases of non-compliance in this area in 2021.

### **4. Breach of data protection rules**

In 2021 the Department dealt with 6,925 requests not to receive marketing communications and 12 customers asked to delete and cancel their personal data held by the Bank. One claim was also received in November 2021 from the Spanish Data Protection Agency which was settled in favour of Caja Rural de Navarra in January 2022. However, the customer then filed a new claim about the resolution which is ongoing.

There were no penalties, warnings or cases of non-compliance in this area in 2021.





## 4.4 CUSTOMER RELATION CHANNELS

### 1. BRANCH NETWORK

The branch is the usual place for conducting relationships with the customer in accordance with a business model based on local service and advice. Caja Rural de Navarra had 254 branches to serve its business at the end of 2021, distributed among the Autonomous Regions as follows (aside from the one in Madrid):



Access to financial services is identified as a fundamental factor in social cohesion. In Spain, the erosion of branch networks in the banking industry over recent years could increase levels of financial exclusion in the regions.

Caja Rural de Navarra stands out against this trend, as the number of branches in locations with fewer than 3,000 inhabitants is 73 and none has closed in recent years. The Bank's presence in these locations is fundamental to its provision of a full financial service, which unquestionably helps sustain economic activity and so over the medium term helps prevent depopulation in these areas. This is part of the Bank's social commitment to the rural world, the market where it began many decades ago.

Architectural barriers to accessibility: At Caja Rural de Navarra we have long been aware of the need to have an accessible network of branches, not only to comply with Accessibility Regulations but also to benefit our employees and customers.

There are now no architectural barriers in most branches. However, some, due to the features of the building where it is located, do present some minor accessibility problems. Whenever a branch undergoes renovation work, we take the opportunity to make improvements designed to improve its accessibility. In 2021, we carried out such work on 4 branches.

### 2. PAYMENT MEDIA (cards, PoS terminals and ATMs)

At the end of the year, the Bank had 317 ATMs, of which 300 were in branches and 17 elsewhere.

It also had 25,246 PoS terminals in 21,800 stores and other businesses.

We have begun installing PoSs running on Android, which will allow customers to install value-added apps and, in the future, text or email paperless receipts to their customers.

The Bank continues to modernise its ATMs so that they can accept deposits, issue receipts for cash deposits (customers and non-customers) and handle "contactless" transactions.

During the year the Bank continued to issue cards in recycled plastic, taking forward our CSR policy.

### 3. DIGITAL

Caja Rural de Navarra's remote banking service is branded as Ruralvía. A Ruralvía contract allows the customer to access a wide range of financial products and services as well as conducting nearly all banking operations online through a computer, tablet or smartphone (Ruralvía móvil).

To guarantee secure delivery of financial services Ruralvía, Rural Servicios Informáticos (RSI) is developing security protocols that comply with legal standards.

Caja Rural de Navarra offers its customers a number of apps, including:



**Rvía Pay:** lets customers make payments on Android devices and make small transfers free of charge using Bizum.



**Ruralvía Móvil:** mobile version of our remote banking "Ruralvía" application. This app offers customers the DIMO option to withdraw cash from ATMs using their mobile number.



**Ruralvía Mi Negocio;** an app to help traders with their day-to-day banking by managing data.

## 4.5 PRODUCTS AND SERVICES

### 2021 LOAN PORTFOLIO IMPACT REPORT

#### SUSTAINABLE BONDS

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, but it has always remained true to its culture of transparency, responsibility and sustainability as documented in the Corporate Social Responsibility Report<sup>1</sup>.

The whole organization is now subject to Environmental, Social and Governance (ESG) standards that determine the focus, targets and policies of the Bank regarding different aspects of sustainability. The Environmental, social and governance rating awarded to Caja Rural de Navarra by ESG rating agency Sustainalytics in 2021 ranks the Bank among the best performers in the financial sector, offering a low level of ESG risk.

As part of its focus on ESG issues, Caja Rural de Navarra some years ago created a sustainability framework<sup>2</sup> (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 principles of commitment to its local social and natural environment.

It is regularly updated as the categories it addresses change, evolving and developing to keep pace with responsible social and environmental practices. In 2021, in fact, Caja Rural de Navarra revised the framework to incorporate the latest developments

# Caja Rural de Navarra SCC

Regional Banks Spain

## ESG Risk Rating

**10.4**

Updated Oct 18, 2021

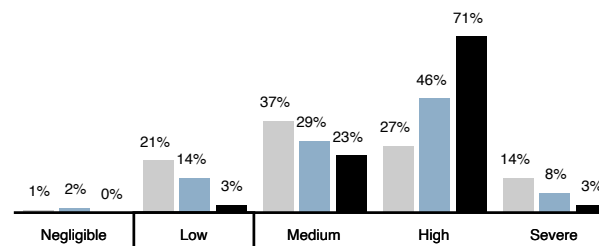
**-5.9**

Momentum

**Low Risk**



## ESG Risk Rating Distribution



## ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = lowest risk)
Global Universe	179/14465	2nd
Banks INDUSTRY	28/1038	4th
Regional Banks SUBINDUSTRY	3/418	1st

in sustainability, including bringing it into line with the most recent version of the EU's taxonomy of sustainable activities<sup>3</sup> and with the United Nations Sustainable Development Goals (SDGs)<sup>4</sup>.



- Links:**
- <sup>1</sup> <https://www.cajaruraldenavarra.com/es/informacion-inversores>
  - <sup>2</sup> <https://www.cajaruraldenavarra.com/sites/default/files/files/2017-Sustainability-Bond-Framework-Caja-Rural-de-Navarra.pdf>
  - <sup>3</sup> [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en)
  - <sup>4</sup> <https://sdgs.un.org/goals>

True to these principles, Caja Rural de Navarra has been active in wholesale markets with various issues of “sustainable” financial instruments (bonds or loans) that fit into the sustainability framework:

- EUR 90 million in **European Investment Bank loans** taken out in 2018 and 2019 to fund lending to SMEs whose purpose relates to combating climate change by improving energy efficiency.
- **EUR 100 million extension (“TAP”)** of the May 2018 sustainable covered bonds (maturing 2025).
- **Sustainable mortgage-backed covered bonds:** EUR 500 million 7yr May-18
- **Sustainable senior bond:** EUR 100 million 5yr Jun-17
- **Sustainable mortgage-backed covered bonds:** EUR 500 million 7yr Dec-16

The different versions of the framework over the years have been supervised by Sustainalytics<sup>5</sup> whose “Second-Party Opinion<sup>6</sup>” (last issued in 2021) looks at the Bank’s commitments to devote at least the amount raised by these sustainable issues to financing 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 meet the Sustainability Framework criteria. These

publications are verified by third-party standards agency AENOR<sup>7</sup>.

Sustainalytics has ratified that the Bank’s framework is aligned with the principles and objectives mentioned above, including the “Green Bond Principles<sup>8</sup>” and “Social Bond Principles<sup>9</sup>” and that Caja Rural de Navarra helps finance 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 loan book sustainability framework are aligned with the UN Sustainable Development Goals (SDGs)<sup>10</sup> which sets 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.



#### Links:

<sup>5</sup> <https://www.sustainalytics.com/>

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

<sup>7</sup> <https://www.aenor.com/certificacion/certificado/?codigo=187944>

<sup>8</sup> <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>9</sup> <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

<sup>10</sup> <https://www.un.org/sustainabledevelopment/sustainable-development-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 availability of information necessary to evaluate the environmental impact of their Green Bond investments; and they assist underwriters by moving the market towards expected disclosures that will 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 applied to finance or Refinancing finance in part or in full eligible Social Projects. Some 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 availability of information necessary to evaluate the positive impact of their Social Bond investments; and they assist underwriters by moving the market towards expected disclosures 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.



## SUSTAINABLE DEVELOPMENT GOALS

On 25 September 2015, global leaders adopted a set of 17 global goals to eradicate poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Each goal includes specific targets to be met in the next 15 years. 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 Label<sup>11</sup> which guarantees transparency to investors and allows easy comparison of results against other labelled entities. Current issues of sustainable mortgage-backed covered bonds are tagged by the EMF-ECBC with the green leaf kite mark.



### Links:

<sup>11</sup> <https://coveredbondlabel.com/issuer/147/>

<sup>12</sup> <https://energyefficientmortgages.eu/>

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

<sup>14</sup> [https://ec.europa.eu/eefig/index\\_es](https://ec.europa.eu/eefig/index_es)



In addition, the ESG teams at the head office of German cooperative banking group DZ Bank 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 the abovementioned 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<sup>12</sup> ("Energy Efficient Mortgage Action Plan-Energy Efficient Mortgage Initiative")
- Energy efficient mortgage label<sup>13</sup>
- EEFIG<sup>14</sup> (the European Commission "Energy Efficiency Financial Institutions Group")





The sustainability framework of the Caja Rural de Navarra loan book consists of 9 different credit lines whose customer base has evolved over recent years as follows:

#### SUSTAINABLE PORTFOLIO – LOANS OUTSTANDING

2021	2020	2019	2018
4,422,381,157	4,159,965,114	3,144,616,830	3,148,273,075

#### NUMBER OF BORROWERS

2021	2020	2019	2018
53,186	52,064	43,608	44,121

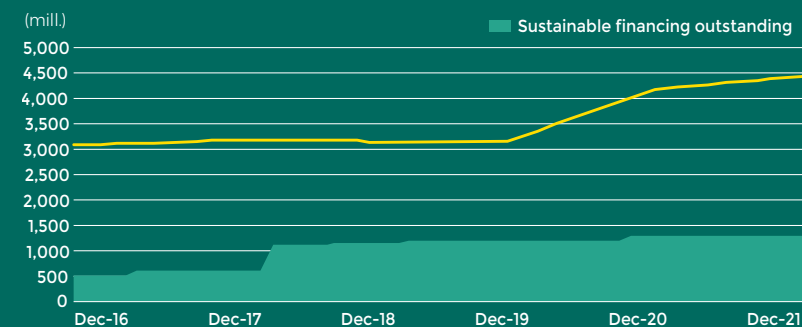
As the table above shows, at 31 December 2021 the sustainable portfolio totalled more than EUR 4,400 million allocated as follows:

#### ASSIGNMENT OF CAJA RURAL DE NAVARRA'S SUSTAINABLE ASSETS AND LIABILITIES\*

SUSTAINABLE PORTFOLIO CATEGORIES	ASSETS	LIABILITIES AND EQUITY	ALLOCATION OF SUSTAINABLE FINANCE
Sustainable farming	126,098,091	500,000,000	Mortgage covered bond CRUNAV 0.625 01/12/23
Renewable energy	20,674,175	100,000,000	Senior bond CRUNAV Float 21/06/22
Energy efficiency	909,720,377	600,000,000	Mortgage covered bond CRUNAV 0.875 08/05/2025
Sustainable forestry	1,681,489	40,000,000	EIB loan to SMEs (2018)
Waste management	20,283,058	10,000,000	EIB climate change loan to SMEs (2018)
Social housing	519,940,487	40,000,000	EIB loan to SMEs (2019)
Social inclusion	50,905,439		
Education	25,041,131		
Economic inclusion	2,748,036,910		
		3,132,381,157	Unassigned sustainable portfolio
<b>TOTAL SUSTAINABLE PORTFOLIO</b>	<b>4,422,381,157</b>	<b>4,422,381,157</b>	<b>MAXIMUM POTENTIAL SUSTAINABLE FINANCE</b>

\* Figures are in euros and correspond to sustainable lending made by Caja Rural de Navarra and outstanding at 31 December 2021

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



Loans made under the sustainability framework grew 45% since the framework was established in 2016, benefiting 60,573 people and companies in 2021.

The sustainable loans portfolio grew again in 2021, as the Bank pulled out all the stops to support companies in our region struggling with the impacts of Covid-19. The Bank took part in all public programmes to support companies, helping retain jobs and sustain the business fabric that is fundamental to social and economic development.

Other major elements in growing the sustainable portfolio were better internal identification of energy efficient homes (in line with the EU taxonomy), and financing building renovations to improve their energy efficiency.



Below we give an overview of the categories used by the Bank's sustainability framework set against the UN Sustainable Development Goals (SDGs), followed by a breakdown of which of the SDGs promoted by Caja Rural de Navarra apply to each of its sustainable investment categories.



<b>2021</b>	<b>EUR 25,041,130.92</b>
2020	EUR 26,747,945.70
2019	EUR 24,028,003.28
2018	-
2017	-



<b>2021</b>	<b>EUR 519,940,486.52</b>
2020	EUR 595,814,907.55
2019	EUR 628,560,131.49
2018	EUR 2,533,004,109.00
2017	EUR 2,685,353,502.36



<b>2021</b>	<b>EUR 930,394,551.91</b>
2020	EUR 623,854,030.22
2019	EUR 504,305,151.79
2018	EUR 482,853,903.95
2017	EUR 281,168,595.16



<b>2021</b>	<b>EUR 146,381,149.70</b>
2020	EUR 130,044,118.07
2019	EUR 157,603,619.95
2018	EUR 132,415,062.98
2017	EUR 87,934,406.39



<b>2021</b>	<b>EUR 2,748,036,910.11</b>
2020	EUR 2,725,578,704.70
2019	EUR 1,777,932,761.83
2018	-
2017	-



<b>2021</b>	<b>EUR 1,681,488.85</b>
2020	EUR 1,274,623.08
2019	EUR 1,298,688.36
2018	-
2017	-



<b>2021</b>	<b>EUR 50,905,439.03</b>
2020	EUR 56,650,785.16
2019	EUR 50,888,474.22
2018	-
2017	-

<b>TOTAL</b>	<b>2021</b>	<b>EUR 4,422,381,157.04</b>
	2020	EUR 4,159,965,114.48
	2019	EUR 3,144,616,830.92
	2018	EUR 3,148,273,075.93
	2017	EUR 3,054,456,503.91

## BREAKDOWN OF SUSTAINABILITY LINES<sup>15</sup>

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 2021 the current sustainable farming line totals EUR 126 million, spread across 2,001 loans to 1,435 borrowers.

Sustainable farming loans:

	2017	2018	2019	2020	2021
Loans outstanding (Millions of euros)	69.9	103.3	134.7	108.4	126.1
Number of loans	808	1,220	1,688	1,653	2,001
Number of borrowers	671	963	1,284	1,265	1,435

The Bank's is committed to supporting the new generation that will sustain a vigorous primary sector and rural environment in the future. So 20.17% of loans to individual customers went to young farmers under 40. Another 24.93% of loans went to cooperatives, Sociedades Agrarias de Transformación (SATs, agri-development partnerships) and other agricultural associations, maintaining the Bank's traditional support for collective initiatives and cooperatives in the world of agriculture and stock raising.

Caja Rural de Navarra's customers in the agri-food sector are also committed to sustainable farming. As proof of Amount 16.0% of the sustainable farming line has European ecological certification for organic production.



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

### PURPOSE OF LOANS

Consolidation and strengthening of farms	36.3%
Improved agricultural transportation (energy efficiency)	14.5%
Irrigation and improved watering systems (energy efficiency and reduction of CO2 emissions)-irrigation associations.	5.9%
Construction of buildings and greenhouses	13.7%
Financial support for adverse weather conditions	1.2%
Investments under European rural development plans	2.8%
New farmer and stock-raiser start-ups	9.5%
Other	16.0%



### CASE STUDY

CRN funded ekolo to expand its production facilities. The company makes olive oil, preserves and juices from organically farmed ingredients.



## 1. SUSTAINABLE FARMING

### 12.2 "By 2030, achieve sustainable management and efficient use of natural resources"

<sup>15</sup> 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.



## 2. RENEWABLE ENERGY

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. – 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 20.7 million at 31 December 2021, spread across 57 loan transactions to 44 borrowers.

Renewable energy key figures:

	2017	2018	2019	2020	2021
Loans outstanding (Millions of euros)	29.4	39.7	40.5	30.4	20.7
Number of loans	71	80	87	68	57
Number of borrowers	52	57	53	49	44

The Bank also 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 18.7 million  
**Number of loans:** 37
- **Builders of renewable energy plants.**  
**Loans outstanding:** EUR 1.9 million  
**Number of loans:** 20



### CASE STUDY

CRN backed this company's renewable energy division, involved in developing wind farms.



grupoenhol.es  
+ INFO



## 2. RENEWABLE ENERGY 3. ENERGY EFFICIENCY

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



### 3. ENERGY EFFICIENCY

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 2021 the current loan book for these purposes totalled EUR 909.7 million, spread across 6,194 loans to 6,018 borrowers. Energy efficiency key figures:

	2017	2018	2019	2020	2021
Loans outstanding (Millions of euros)	251.6	443	463.7	593.4	909.7
Number of loans	2,132	3,711	3,968	4,575	6,194
Number of borrowers	1,537	3,024	3,086	3,892	6,018

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

- **Modernization of industrial facilities to reduce their environmental footprint**, improving insulation and reducing CO<sub>2</sub> emissions).

**Loans outstanding:** EUR 60,2 million  
**No. of transactions:** 87

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

**Loans outstanding:** EUR 43 million  
**No. of transactions:** 138

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

**Loans outstanding:** EUR 12,9 million  
**No. of transactions:** 105

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

**Loans outstanding:** EUR 1,7 million  
**No. of transactions:** 3

- **Electric bikes for urban mobility schemes:**

**Loans outstanding:** EUR 115.257  
**No. of transactions:** 1

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

**Loans outstanding:** EUR 550.209  
**No. of transactions:** 2

- **Energy efficient homes:**

**Loans outstanding:** EUR 788,6 million  
**No. of transactions:** 5.674

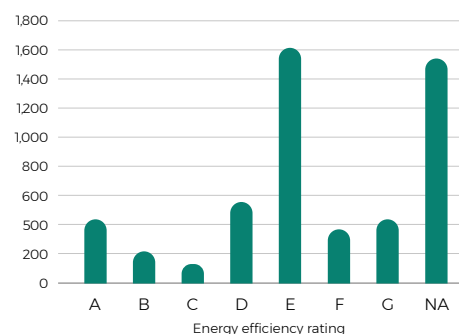
Caja Rural de Navarra's energy efficiency framework included 5,674 outstanding loans at 31 December 2021 financing the purchase or renovation of buildings<sup>16</sup>. Together, these CRN-financed energy-efficient buildings save 30,552 tonnes/year compared to the average home in Spain<sup>17</sup>.

The framework includes buildings with an energy rating 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

Applying these criteria, the Bank has automatically recorded energy efficiency data for all mortgages in its systems since 2019, and also used a third-party appraiser to review the whole of its mortgage book. This identified the following proportion of energy efficiency ratings:

**Value of mortgages (Millions of euros) by energy efficiency rating**



This section includes financing for the European SmartEnCity<sup>18</sup> project where three pilot cities – Vitoria-Gasteiz in Spain, Tartu in Estonia and Sondeborg in Denmark – seek to implement the European strategy for creating smart cities that are free of CO<sub>2</sub>. In Vitoria-Gasteiz, which comes within Caja Rural de Navarra's region of operation, the project involved the energy renovation of one of its districts.



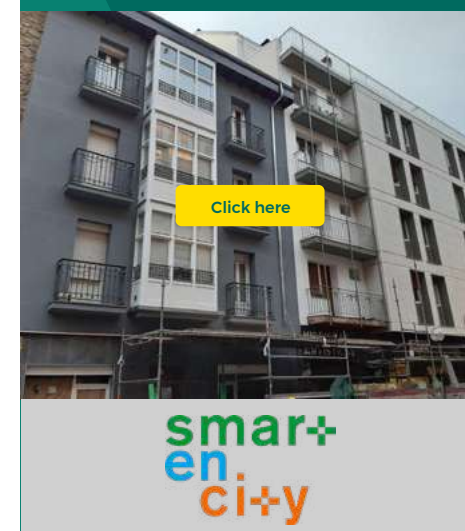
<sup>18</sup> <https://smartencity.eu/>



#### CASE STUDY

Caja Rural de Navarra finances better thermal insulation for buildings that improves energy efficiency by at least 30%.

Renovations to some of these homes were financed as part of the SmartEnCity initiative.



**smartencity.eu**  
+ INFO

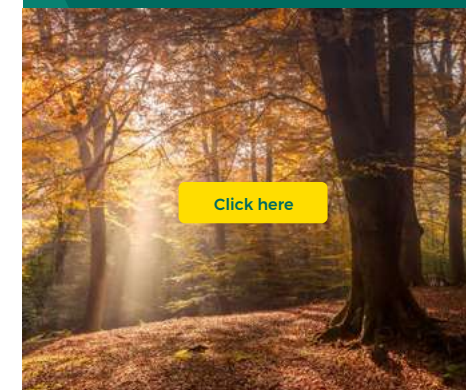
<sup>16</sup> Eligible energy-efficient homes are defined as purchased residences (buildings, apartments, family homes) with energy efficiency scores in the top 15%. It also includes home renovation loans that deliver at least a 30% energy efficiency saving. All of this met the criteria set by the EU Taxonomy.

<sup>17</sup> Source: Internal data, calculated assuming a 90 m<sup>2</sup> newbuild apartment (in apartment blocks) with annual emissions of 69.80 kg CO<sub>2</sub>/m<sup>2</sup> compared to the average emissions of existing Spanish properties.



## CASE STUDY

Caja Rural de Navarra supports the company through financing for machinery.



**egoin** WOOD GROUP



**egoin.com**  
+ INFO



## 4. SUSTAINABLE FORESTRY

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.”



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 1.7 million in 2021, spread across 5 loan transactions to 2 borrowers.

Sustainable forestry key figures:

	2017	2018	2019	2020	2021
Loans outstanding (Millions of euros)	2.1	3.2	1.2	1.2	1.7
Number of loans	6	8	4	4	5
Number of borrowers	4	5	3	3	2

All the loans in this category were for sustainably managed woodlands certified by the PEFC (Programme for the Endorsement of Forest Certification)<sup>19</sup> 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.



**Links:**

<sup>19</sup> <https://www.pefc.org/>



## CASE STUDY

Caja Rural de Navarra financed the expansion of its facilities in a project that was also part-funded by the European Regional Development Fund (ERDF).



trasa

trasa.es  
+ INFO



## 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 20.3 million at 31 December 2021, spread across 65 loans to 39 borrowers as follows:

	2017	2018	2019	2020	2021
Loans outstanding (Millions of euros)	15.8	25.8	22.8	21.6	20.3
Number of loans	46	74	70	67	65
Number of borrowers	32	51	42	33	39

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 13,5 million

**Number of loans:** 33

► **Manufacture of commercial products from recycled materials.**

**Loans outstanding:** EUR 2,6 million

**Number of loans:** 16

► **DClean-up of waste.**

**Loans outstanding:** EUR 4,1 million

**Number of loans:** 16



Social housing – which falls into two types: VPO, officially protected housing, or VPT, regulated price housing – 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 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.

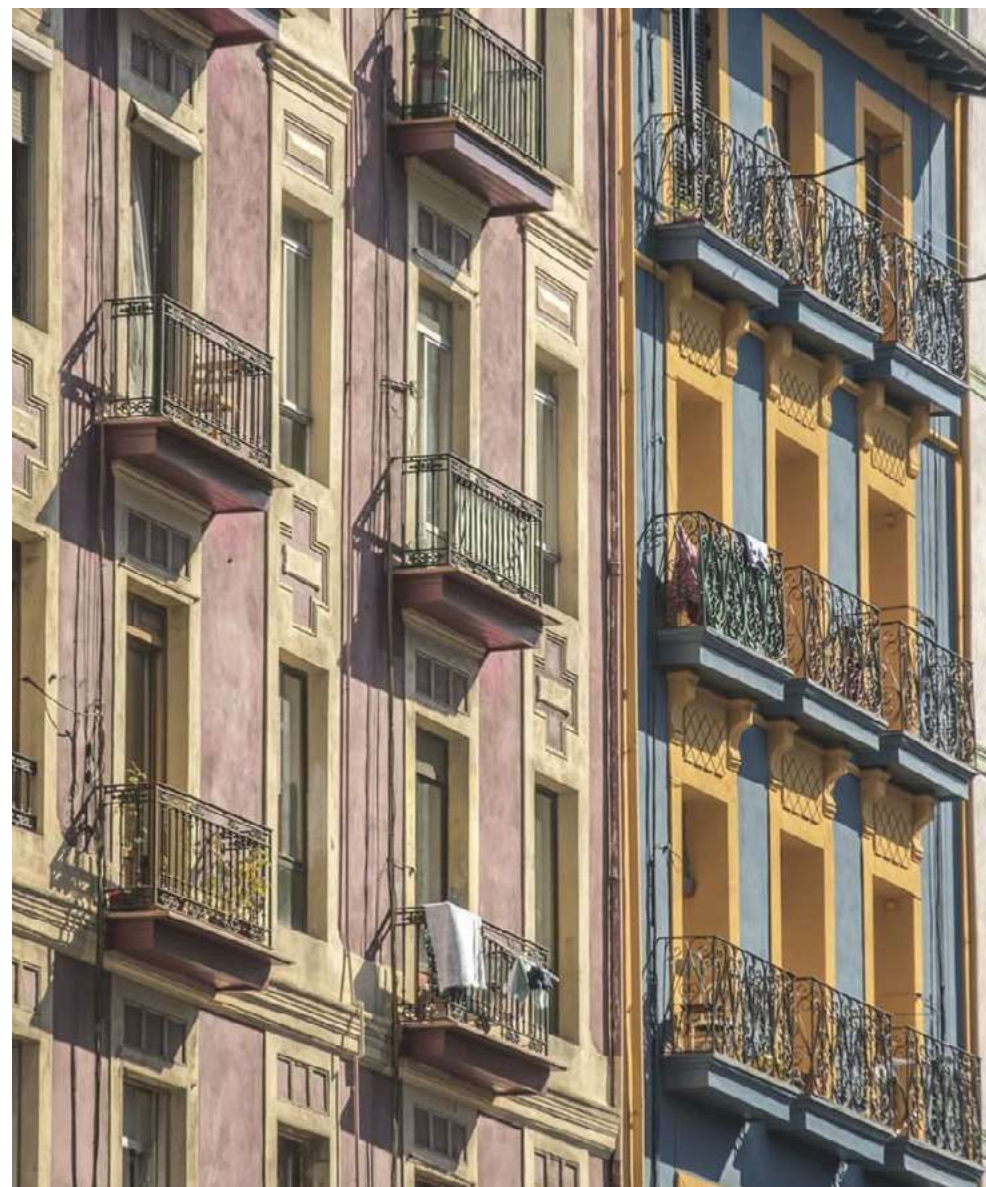
In our case, before lending to customers to buy such homes we must have prior authorization from the local authority which guarantees to us that the borrower meets all necessary requirements. In general, loans included of this type are to:

- **PEOPLE** taking out a mortgage to buy a VTO/VPT home.
- **DEVELOPERS** 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.** First, the **basic figures are:**

- Total investment of EUR 519.9 million.
- To 6,410 borrowers, of whom 55 are legal entities and the rest are individuals.



## 6. SOCIAL HOUSING

**11.1 “By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.”**



Lending history:

	2017	2018	2019	2020	2021
Loans outstanding (Millions of euros)	723	644	628	595.8	519.9
Number of loans	8,178	7,127	7,165	7,047	6,410
Number of borrowers	7,742	6,882	6,930	6,827	6,224

**B.** Regarding the current status of these loans, only 0.6% of the loan book is more than 90 days past due, very similar to the ratio for other housing mortgages granted by the Bank. 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.** Regarding the distribution of these loans:

- 89.82% were to individuals (of which 38.6% had two or more signatories and 61.4% had a single signatory).

- 0.8% were to legal entities.

**D.** The age distribution of amounts lent (at the time they take out the mortgage) is as follows:

#### AGE

0.2%	Younger than 25
3.5%	25 to 30
12.6%	30 to 35
24.5%	35 to 40
25.3%	40 to 45
16.7%	45 to 50
16.5%	Over 50

More than 16% 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 16% of loans were to people over 50 who, due to various life circumstances, need a home later on in their lives.

**E.** The conclusions of the first paragraph above are confirmed by analysis of the number of children of those taking out these loans. Nearly 70% have no children at the time they sign the mortgage.

#### NUMBER OF CHILDREN

67.8%	None
15.8%	1 child
13.2%	2 children
2.1%	3 children
0.3%	4 children
0.1%	More than 4 children

**F.** Also, data collected means we can show (see table below) that more than 55% of loans granted were in towns with a population of less than 25,000 residents with just over 20% going to villages of less than 5,000 inhabitants, helping sustain small populations and counter the risk of rural depopulation.

#### POPULATION PER TOWN/VILLAGE

20.6%	< 5,000
9.5%	5,000 to 10,000
31.5%	10,000 to 25,000
4.8%	25,000 to 50,000
0.6%	50,000 to 100,000
0.9%	100,000 to 150,000
5.4%	150,000 to 200,000
26.7%	more than 200,000

**G.** Finally, the table below shows the average income per person in the family unit taking out the mortgage. More than 33% of such families have below-average incomes per head for the Autonomous Region where they live, underlining the social character of such financing.

#### AVERAGE INCOME PER PERSON

33.3%	< EUR 18,000
35.0%	EUR 18,000 to 25,000
29.6%	EUR 25,000 to 50,000
2.1%	More than 50,000



#### FURTHER INFORMATION

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



#### NAVARRA - SOCIAL HOUSING + INFO



#### LA RIOJA - SOCIAL HOUSING + INFO




#### BASQUE COUNTRY - SOCIAL HOUSING + INFO

Caja Rural de Navarra has a special relationship with entities 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 organizations that bring together people with a disability. These organizations run training and rehabilitation centres as well as special employment centres to support people into work. Caja Rural de Navarra devotes EUR 6.3 million to this financing line, which allows 13 organizations 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 more than 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 23.1 million to fund 55 bodies helping more than 100,000 people of all ages.

 **Culture:** Rural de Navarra also provides EUR 10.9 million of funding for investments designed to foster social integration through culture. The money goes to 125 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 more than 160 elderly people. Total financing for this segment is EUR 2.3 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 organizations. We have invested EUR 3.9 million to support a total of 38 professional associations whose membership includes more than 3,000

professionals and organizations 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 organizations working to include groups at risk of social exclusion: immigrants, the gypsy community, young people, drug users and the older unemployed. We provide EUR 9.7 million in financing to support 30 social organizations supporting the social inclusion of more than 3,000 people.

Based on an analysis of information collected, we calculate that the current loan book for these purposes totals **EUR 50.9 million to 250 borrowers.**



## 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 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 28.7 million committed to financing investments by 69 training centres with more than 35,000 students between them.

- **Eskola Digitala programme:** support for digitization of state-aided educational institutions in the Basque Country. The programme subsidises 10% of any investment in digitising schools up to a maximum of EUR 3,000. EUR 237,777 was allocated to the programme, which helped fund total investments of EUR 3.3 million in 113 schools, benefiting 50,432 students and 4,170 teachers.

- **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. Despite continuing low levels of mobility in response to Covid-19, this form of support continued helping 277 students (417 at the Public University of Navarre, 18 Erasmus Plus and 23 Global Scholarships by Caja Rural de Navarra).



## 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”**

The Covid-19 pandemic took a heavy toll on the economic fabric of the regions where Caja Rural de Navarra operates in recent years. 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.

Caja Rural de Navarra was particularly active in all these “Covid” loans, channelling a total of EUR 871 million in loans to 5,313 companies and self-employed workers<sup>20</sup>.

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 these lines of finance.

Overall, including Covid financing, the category includes 45,403 loans with a total amount of EUR 2,748 million spread across 39,109 borrowers. Economic inclusion key figures:

	2017	2018	2019	2020	2021
Loans outstanding (millions of euros)	1,896.8	1,810.7	1,777.9	2,725.5	2,748.0
Number of loans	34,556	38,274	37,329	46,370	45,403
Number of borrowers	28,980	32,771	31,895	39,682	39,109

This item includes loans that meet the following requirements:

**A. SMALL LOANS** 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 one of the following criteria:

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

**B. Loans to ENTREPRENEURS.**

**C. Loans to SMEs** as defined by the European Union<sup>21</sup>.

**D. Covid-19 lines**, under different government schemes to support and maintain economic activity and jobs in the face of the Covid-19 pandemic.

<sup>20</sup> Data includes financing to all classes of company.

<sup>21</sup> Commission Regulation (EU) 651/2014



## 9. ECONOMIC INCLUSION

**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”**



## A Small loans and remote areas

Based on an analysis of information collected, we calculate that the current loan book for these purposes totals EUR 433 million, consisting of 31,721 loans to 28,555 borrowers.

“Small loans and remote areas” over the last four years:

	2017	2018	2019	2020	2021
Loans outstanding	676.9	598.2	376.5	406.5	433.6
Number of loans	30,796	33,556	30,302	32,718	31,721
Number of borrowers	26,775	29,48	27,054	29,191	28,555

As a result this is a highly diversified line comprising many loans with an average amount of EUR 13,669, reaching a great many people, particularly in rural areas and small population clusters. Specifically, 23% of financing in this segment goes to populations at risk of financial exclusion.

## B Entrepreneurship

Caja Rural de Navarra's Línea Inicia is targeted at entrepreneurs and has been used to support 2,306 projects since 2007. These projects were headed by 3,956 entrepreneurs of both genders and required a total of EUR 83 million.

The support for entrepreneurship has been a key element in Caja Rural de Navarra's strategy from the start, helping create new and stable jobs. It targets people committed to and rooted in the region, and who usually have long experience in the sector involved.

On many occasions, these entrepreneurs are initially supported by business organisations active in their regions. These play a fundamental role in stimulating and taking forward the projects, which is why we continue to have working agreements with many of them.

After a year dominated by the pandemic in 2020, 2021 was the year of a return to the “new normal”, with the pace of new businesses being set up back to the level of previous years. A total of 197 projects were supported, developed by 367 highly qualified entrepreneurs with strong track records. Of those backed in 2021, 77% had university and/or professional qualifications. Their average age was around 40.

### PROFILE OF ENTREPRENEURS/ COMPANIES CREATED

	PROJECTS SUPPORTED	JOBS CREATED
NAVARRRE	72	126
LA RIOJA	10	14
ÁLAVA	20	36
GIPUZKOA	38	81
BISCAY	58	110
<b>TOTAL</b>	<b>198</b>	<b>367</b>

### SEX OF THE ENTREPRENEURS



#### NAVARRRE



#### LA RIOJA



#### ÁLAVA



#### GIPUZKOA



#### BISCAY



#### TOTAL



## B Entrepreneurship

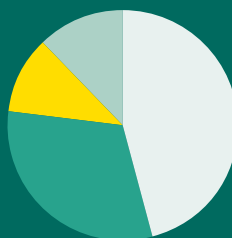
### SECTOR OF ACTIVITY

- industry
- services
- commerce
- health/sport



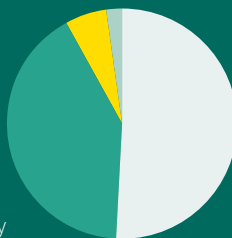
### QUALIFICATIONS OF APPLICANTS

- university
- professional
- high school diploma
- basic



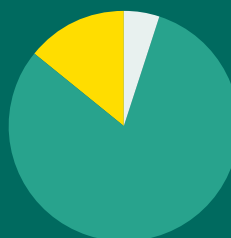
### LEGAL FORM

- LTD
- self-employed
- cooperative
- unregistered company



### REASON FOR STARTING COMPANY

- unemployment
- better job
- diversification



SEX: ♂ = 66% | ♀ = 34%

AVERAGE AGE: 40,09

### FINANCE DATA

	TOTAL (EUR)	AVERAGE PER PROJECT (EUR)	%
INVESTMENT	17,193,500	90,322	100%
FINANCE	11,449,730	58,120	64%
EQUITY CONTRIBUTION	6,421,770	32,201	36%

REGION	TOTAL INVESTMENT (EUR)	EQUITY (EUR)	%	FINANCE (EUR)	%
NAVARRRE	6,226,800	2,026,300	33%	4,227,800	68%
LA RIOJA	1,953,000	554,000	28%	1,399,000	72%
ÁLAVA	1,914,000	711,100	37%	1,202,900	63%
GIPUZKOA	4,811,000	2,352,000	49%	2,459,000	51%
BISCAY	2,888,700	727,670	25%	2,161,030	75%
<b>TOTAL</b>	<b>17,793,500</b>	<b>6,371,070</b>	<b>36%</b>	<b>11,449,730</b>	<b>64%</b>

### TYPICAL PROFILE BY REGION

REGION	SEX	AGE	QUALIFICATIONS	REASON FOR STARTING COMPANY	LEGAL FORM	SECTOR OF ACTIVITY
NAVARRRE	Men	41.1	University	Better job	Self-employed	Services
LA RIOJA	Men	37.8	University	Better job	Ltd. co.	Commerce
ÁLAVA	Men	38.1	Professional training	Better job	Self-employed	Services
GIPUZKOA	Men	37.7	University	Better job	Ltd. co.	Services
BISCAY	Men	42.1	University	Better job	Ltd. co.	Services

## B Entrepreneurship

We have enough information to profile a “typical” customer that starts their business with the help of Línea Inicia: a man, around 40 years old, with university degree or professional training, focused on the service sector and looking for around EUR 60,000 in finance. The most interesting trait, perhaps, is that these are people who are looking to “improve” on their previous employment status (generally working for someone else before starting their own business).

### ADDITIONAL DATA

- NPL ratio at end-2021: =0.77%
- Total 5-year survival rate (2016-2020): **73%**
- Total 5-year survival rate (2016-2020): **81%**
- Survival rate of projects supported (in years, at 3 years and 5 years):

	2020	2019	2018	2017	2016
PROJECTS SUPPORTED	156	228	220	197	195
DISCONTINUED	13	17	31	46	76
SURVIVAL RATE (%)	92%	93%	86%	77%	61%

Loans outstanding under the line at year-end were EUR 50.7 million, spread over 1,057 loans to 843 borrowers.

## C Financing SMEs

The basic data for this item show an accumulated amount of EUR 1,393 million, with 6,399 loans to 4,406 borrowers, including special Covid financing.

Financing SMEs – key figures:

	2017	2018	2019	2020	2021
Loans outstanding (Millions of euros)	1,179	1,159.7	1,344.4	1,448.4	1,393
Number of loans	3,759	4,539	5,775	6,572	6,399
Number of borrowers	2,549	3,221	3,914	4,466	4,406

The following data, based on our analysis, show a significant number of positive social impacts:

**1.** Regarding the **current state** of these loans, 2.3% of the total amount is more than 90 days in arrears. This is a good figure given the average for the financial sector.

**2.** Secondly, we present below the **number of transactions** in micro-enterprises, Mid-sized Companies and SMEs. These categories are classified under Commission Regulation (EU)

651/2014, which categorises firms by headcount and annual revenue or total assets:

	NO. EMPLOYEES	SALES	TOTAL ASSETS
Micro	Less than 10	< 2 mill. €	< 2 mill. €
Small	10 to 49	< 10 mill. €	< 10 mill. €
Mid-sized	50 to 249	< 50 mill. €	< 43 mill. €
Large	Over 250	> 50 mill. €	> 43 mill. €

The table below shows that more than 87% of financing in this category went to micro-enterprises (68.2%) and small companies (18.6%),

COMPANY SIZE BY AMOUNT LENT	
Micro	68.2%
Small	18.6%
Mid-sized	13.2%

**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 **44% 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 2.2% of companies initiated their relationship with the Bank in the last year.

### LENGTH OF RELATIONSHIP WITH CRN

Less than 1 year	2.2%
1-5 years	31.4%
5-10 years	21.8%
10-20 years	26.3%
More than 20 years	18.2%

**4.** The Bank's involvement in rural development is an important strand of its work. Nearly 36% 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.

## Financing SMEs

### POP. PER TOWN/VILLAGE

less than 5,000	25.4%
5,000 to 10,000	10.3%
10,000 to 25,000	14.4%
25,000 to 50,000	5.4%
50,000 to 100,000	4.0%
100,000 to 150,000	0.4%
150,000 to 200,000	10.5%
More than 200,000	29.6%

**5.** Also, regarding **type of customer**, figures show that most are limited companies (consistent with the points made above) and more than 6% are cooperatives (mostly in the primary sector), figures in line with our origins as a cooperative credit institution and business philosophy.

### TYPE OF COMPANY

Public limited companies	14.4%
Limited companies	68.7%
Cooperatives	6.3%
Other	10.6%



**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	60.9%
1 to 10 million	25.6%
10 to 20 million	5.7%
20 to 30 million	2.6%
30 to 45 million	3.2%
45 million or more	2.0%

### NUMBER OF EMPLOYEES

Less than 10	70.0%
10 to 50	19.0%
50 to 100	5.7%
100 to 150	2.3%
150 to 200	1.7%
More than 200	1.2%

These two tables show the small scale of most companies financed by this line. More than 86% of funds went to firms with turnover of less than EUR 10 million and more than 89% to firms with less than 50 employees. Our financing, therefore, contributes to maintaining this important business fabric and the employment it generates. The average headcount was 24.

**7.** It should also be emphasised that, despite the size of these companies, we are in one of the most industrialized regions of Spain. This is reflected in a substantial **international outlook** by many of the companies supported, as illustrated by the percentage of companies that export, import or both: in total 20.6% of the companies we finance through this line.

### EXPORT/IMPORT

Importing	3.9%
Exporting	5.0%
Both	11.7%
Neither	79.4%







## Financing SMEs

**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	0.5%
Agriculture, livestock, forestry and fisheries	2.4%
Manufacturing	18.7%
Construction	16.8%
Wholesale and retail commerce	7.6%
Transport and warehousing	3.9%
Hospitality	6.0%
Property	11.5%
Professionals, scientific and technical	8.7%
Administration and auxiliary services	5.4%
Other/NA	18.5%



### CASE STUDY

Caja Rural de Navarra supported the creation of Vision Quality which, helped by funds from the ERDF (European Regional Development Fund), launched in 2016 offering automated inspection and classification systems.



**visionquality.es**  
+ INFO

## **Covid-19 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 crisis brought on by the Covid-19 pandemic.

Specifically, its Covid-related loans outstanding at 31 December 2021 totalled EUR 871 million, supporting 5,313 companies with 6,237 loans.

The supply of this finance had a massive positive impact of this action to mitigate the pandemic's impact and sustain jobs in our regions, particularly in small and medium-sized enterprises.



## **05 THE TEAM**

- 5.1** The team
- 5.2** Distribution of staff and types of contract
- 5.3** Remuneration policy
- 5.4** Corporate profit for the year
- 5.5** Right to disconnect
- 5.6** Developing professionals
- 5.7** Structures for dialogue with employees
- 5.8** Training policies
- 5.9** Absenteeism index at caja rural de navarra
- 5.10** Measures to promote gender equality of treatment and opportunities
- 5.11** Integration of talent and commitment to employment
- 5.12** Protocol on sexual and gender harassment and against any kind of discrimination
- 5.13** Preventing work related risks
- 5.14** Human rights



## 5.1 THE TEAM

At Caja Rural de Navarra, people are the soul of our organization. The people in the team, the people who are our customers and the people who in one way or another surround our business.

The people who work in our branches are our core team for service, advice and added value.

The values we want to contribute and promote guide us through every project, every meeting and every visit. The values we consider key are proximity, responsibility and commitment.

Proximity means keeping branches open, so we can be closer to everyone and serve them face to face. Responsibility means giving high-quality advice tailored to each person's individual circumstances. Commitment means being partners with our team and partners with our customers and working hand-in-hand with wider society.

We are a diverse and egalitarian team, with people of all ages. We value the enthusiasm of our new recruits and have an onboarding programme to help them integrate. Equally, we value the experience and collaboration of those who have spent ten, twenty and thirty years giving their best to the Bank. A team evolves and develops through everyone working together and we have a strategy to support everyone's personal development, the development of the team as a whole and the development of the wider community we live and work in every day.





## 5.2 DISTRIBUTION OF STAFF AND TYPES OF CONTRACT

### 2.1. TOTAL HEADCOUNT AND BREAKDOWN BY SEX, AGE, COUNTRY AND PROFESSIONAL CLASSIFICATION

**2019** TOTAL EMPLOYEES  
963

#### 1. BY SEX



#### 2. BY AGE

Under 30 TOTAL 264



30 to 50 TOTAL 583



Over 50 TOTAL 116



#### 3. BY PROFESSIONAL CLASSIFICATION

Group I TOTAL 1



Group II - Grade 1 TOTAL 11



Group II - Grade 2 TOTAL 8



Group II - Grade 3 TOTAL 1



Group II - Grade 4 TOTAL 15



Group II - Grade 5 TOTAL 18



Group II - Grade 6 TOTAL 225



Group II - Grade 7 TOTAL 206



Group II - Grade 8 TOTAL 135



Group II - Grade 9 TOTAL 51



Group II - Grade 10 TOTAL 289



Group III (assistants) TOTAL 3



# 2020

TOTAL EMPLOYEES  
948

## 1. BY SEX



## 2. BY AGE

Under 30 TOTAL **262**



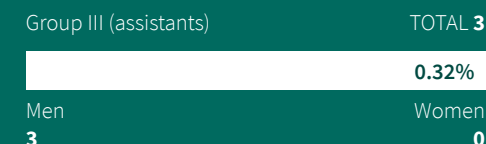
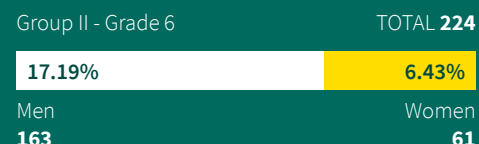
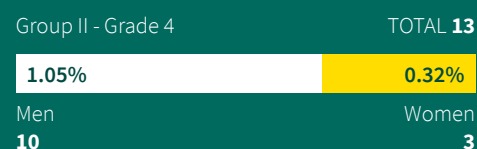
30 to 50 TOTAL **573**



Over 50 TOTAL **116**



## 3. BY PROFESSIONAL CLASSIFICATION



# 2021

TOTAL EMPLOYEES  
**947**

## 1. BY SEX



## 2. BY AGE

Under 30 TOTAL **248**

30 to 50 TOTAL **583**

Over 50 TOTAL **116**


## 3. BY PROFESSIONAL CLASSIFICATION

Group I TOTAL **1**

Group II - Grade 1 TOTAL **9**

Group II - Grade 2 TOTAL **8**

Group II - Grade 3 TOTAL **1**

Group II - Grade 4 TOTAL **12**

Group II - Grade 5 TOTAL **18**

Group II - Grade 6 TOTAL **230**

Group II - Grade 7 TOTAL **276**

Group II - Grade 8 TOTAL **102**

Group II - Grade 9 TOTAL **84**

Group II - Grade 10 TOTAL **234**

Group III (assistants) TOTAL **3**


## 2.2. TOTAL HEADCOUNT AND BREAKDOWN BY TYPE OF EMPLOYMENT CONTRACT

**2019**  
TOTAL EMPLOYEES  
**963**

CONTRACT	EMPLOYEES	% OF TOTAL
1 Permanent F/T	733	76.12%
200 Permanent P/T	2	0.21%
401 F/T fixed-term work or services	5	0.52%
402 F/T circumstances of production	51	5.30%
502 P/T circumstances of production	1	0.10%
410 Temporary F/T	16	1.66%
420 Apprenticeship F/T	154	15.99%
520 Apprenticeship P/T	1	0.10%
<b>Total</b>	<b>963</b>	<b>100.00%</b>

**2020**  
TOTAL EMPLOYEES  
**948**

CONTRACT	EMPLOYEES	% OF TOTAL
1 Permanent F/T	740	78.06%
200 Permanent P/T	2	0.21%
401 F/T fixed-term work or services	7	0.74%
402 F/T circumstances of production	57	6.01%
502 P/T circumstances of production	0	0.00%
410 Temporary F/T	10	1.05%
420 Apprenticeship F/T	131	13.82%
520 Apprenticeship P/T	1	0.11%
<b>Total</b>	<b>948</b>	<b>100.00%</b>

**2021**  
TOTAL EMPLOYEES  
**947**

CONTRACT	EMPLOYEES	% OF TOTAL
1 Permanent F/T	772	81.52%
200 Permanent P/T	2	0.21%
401 F/T fixed-term work or services	0	0.00%
402 F/T circumstances of production	40	4.22%
502 P/T circumstances of production	0	0.00%
410 Temporary F/T	11	1.16%
420 Apprenticeship F/T	121	12.78%
520 Apprenticeship P/T	1	0.11%
<b>Total</b>	<b>947</b>	<b>100.00%</b>





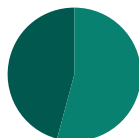
### 2.3. ANNUAL AVERAGE OF PERMANENT/ TEMPORARY CONTRACTS

TOTAL PERMANENT  
CONTRACTS 2021

**774**

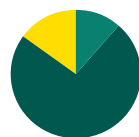
#### BY SEX

Men **420**  
Women **354**



#### BY AGE

Under 30 years **90**  
30 to 50 years **568**  
Over 50 years **116**



#### BY REGION

Álava **44** 5.68%  
Guipúzcoa **100** 12.92%  
La Rioja **62** 8.01%  
Madrid **2** 0.26%  
Navarra **466** 60.21%  
Biscay **100** 12.92%

#### BY PROFESSIONAL CLASSIFICATION

	EMPLOYEES 2021	% OF 2021 TOTAL
Group I	1	0.13%
Group II Grade 1	9	1.16%
Group II Grade 2	8	1.03%
Group II Grade 3	1	0.13%
Group II Grade 4	12	1.55%
Group II Grade 5	18	2.33%
Group II Grade 6	230	29.72%
Group II Grade 7	276	35.66%
Group II Grade 8	71	9.17%
Group II Grade 9	83	10.72%
Group II Grade 10	62	8.01%
Group III Assistants	3	0.39%

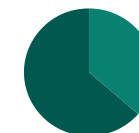


TOTAL TEMPORARY  
CONTRACTS 2021

**173**

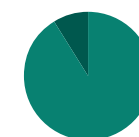
#### BY SEX

Men **63**  
Women **110**



#### BY AGE

Under 30 years **158**  
30 to 50 years **15**  
Over 50 years **0**



#### BY REGION

Álava **11** 6.36%  
Guipúzcoa **35** 20.23%  
La Rioja **20** 11.56%  
Madrid **1** 0.58%  
Navarra **87** 50.29%  
Biscay **19** 10.98%

#### POR BY PROFESSIONAL CLASSIFICATION

	EMPLOYEES 2021	% OF 2021 TOTAL
Group II Grade 9	1	0.58%
Group II Grade 10	172	99.42%

## 2.4. DEPARTURES BY SEX, AGE, COUNTRY AND PROFESSIONAL CLASSIFICATION

# 2019

TOTAL DEPARTURES  
**10**

	DEPARTURES	% OF TOTAL
<b>BY SEX</b>		
Men	6	60.00%
Women	4	40.00%
<b>BY AGE</b>		
Under 30 years	2	20.00%
30 to 50 years	4	40.00%
Over 50 years	4	40.00%
<b>BY PROFESSIONAL CATEGORY</b>		
Group II Grade 6	1	10.00%
Group II Grade 7	5	50.00%
Group II Grade 8	1	10.00%
Group II Grade 10	3	30.00%

# 2020

TOTAL DEPARTURES  
**10**

	DEPARTURES	% OF TOTAL
<b>BY SEX</b>		
Men	6	60.00%
Women	4	40.00%
<b>BY AGE</b>		
Under 30 years	2	20.00%
30 to 50 years	3	30.00%
Over 50 years	5	50.00%
<b>BY PROFESSIONAL CATEGORY</b>		
Group II Grade 6	5	50.00%
Group II Grade 7	2	20.00%
Group II Grade 9	2	20.00%
Group II Grade 10	1	10.00%

# 2021

TOTAL DEPARTURES  
**4**

	DEPARTURES	% OF TOTAL
<b>BY SEX</b>		
Men	3	75.00%
Women	1	25.00%
<b>BY AGE</b>		
Under 30 years	1	25.00%
30 to 50 years	1	25.00%
Over 50 years	2	50.00%
<b>BY PROFESSIONAL CATEGORY</b>		
Group II Grade 6	1	25.00%
Group II Grade 7	1	25.00%
Group II Grade 8	1	25.00%
Group II Grade 10	1	25.00%



## 2.5. EMPLOYEES AT YEAR-END, BY PROVINCE

### ÁLAVA



#### 2019

TOTAL EMPLOYEES:	<b>BY SEX</b>	
54	29	25
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	20
	30 to 50 years	34
	Over 50 years	0

#### 2020

TOTAL EMPLOYEES:	<b>BY SEX</b>	
52	29	23
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	17
	30 to 50 years	34
	Over 50 years	1

#### 2021

TOTAL EMPLOYEES:	<b>BY SEX</b>	
55	22	23
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	15
	30 to 50 years	39
	Over 50 years	1

### GUIPÚZCOA



#### 2019

TOTAL EMPLOYEES:	<b>BY SEX</b>	
132	66	66
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	44
	30 to 50 years	83
	Over 50 years	5

#### 2020

TOTAL EMPLOYEES:	<b>BY SEX</b>	
126	64	62
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	38
	30 to 50 years	82
	Over 50 years	6

#### 2021

TOTAL EMPLOYEES:	<b>BY SEX</b>	
135	69	66
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	42
	30 to 50 years	88
	Over 50 years	5

### BISCAY



#### 2019

TOTAL EMPLOYEES:	<b>BY SEX</b>	
125	62	63
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	46
	30 to 50 years	78
	Over 50 years	1

#### 2020

TOTAL EMPLOYEES:	<b>BY SEX</b>	
124	58	66
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	44
	30 to 50 years	78
	Over 50 years	2

#### 2021

TOTAL EMPLOYEES:	<b>BY SEX</b>	
119	52	67
	Men	Women
	<b>BY AGE</b>	
	Under 30 years	35
	30 to 50 years	82
	Over 50 years	2

## NAVARRA



### 2019

TOTAL  
EMPLOYEES:  
**568**

#### BY SEX

<b>297</b>	<b>271</b>
Men	Women

#### BY AGE

Under 30 years	<b>129</b>
30 to 50 years	<b>331</b>
Over 50 years	<b>108</b>

### 2020

TOTAL  
EMPLOYEES:  
**564**

#### BY SEX

<b>301</b>	<b>263</b>
Men	Women

#### BY AGE

Under 30 years	<b>139</b>
30 to 50 years	<b>323</b>
Over 50 years	<b>102</b>

### 2021

TOTAL  
EMPLOYEES:  
**553**

#### BY SEX

<b>289</b>	<b>264</b>
Men	Women

#### BY AGE

Under 30 years	<b>133</b>
30 to 50 years	<b>313</b>
Over 50 years	<b>107</b>

## LA RIOJA



### 2019

TOTAL  
EMPLOYEES:  
**83**

#### BY SEX

<b>43</b>	<b>40</b>
Men	Women

#### BY AGE

Under 30 years	<b>25</b>
30 to 50 years	<b>56</b>
Over 50 years	<b>2</b>

### 2020

TOTAL  
EMPLOYEES:  
**81**

#### BY SEX

<b>43</b>	<b>38</b>
Men	Women

#### BY AGE

Under 30 years	<b>24</b>
30 to 50 years	<b>55</b>
Over 50 years	<b>2</b>

### 2021

TOTAL  
EMPLOYEES:  
**82**

#### BY SEX

<b>37</b>	<b>45</b>
Men	Women

#### BY AGE

Under 30 years	<b>22</b>
30 to 50 years	<b>59</b>
Over 50 years	<b>1</b>

## MADRID



### 2019

TOTAL  
EMPLOYEES:  
**1**

#### BY SEX

<b>1</b>	
Men	Women

#### BY AGE

Under 30 years	<b>0</b>
30 to 50 years	<b>1</b>
Over 50 years	<b>0</b>

### 2020

TOTAL  
EMPLOYEES:  
**1**

#### BY SEX

<b>1</b>	
Men	Women

#### BY AGE

Under 30 years	<b>0</b>
30 to 50 years	<b>1</b>
Over 50 years	<b>0</b>

### 2021

TOTAL  
EMPLOYEES:  
**3**

#### BY SEX

<b>3</b>	
Men	Women

#### BY AGE

Under 30 years	<b>1</b>
30 to 50 years	<b>2</b>
Over 50 years	<b>0</b>



## 2.6 INTEGRATED REPORT 2021

### EXPERIENCE (AVERAGE SENIORITY)

<b>2019</b>	<b>12.85</b>
<b>2020</b>	<b>13.32</b>
<b>2021</b>	<b>13.66</b>

### DIVERSITY

<b>2019</b>	
51.71%	48.29%
Men	Women
<b>2020</b>	
52.32%	47.68%
Men	Women
<b>2021</b>	
51%	49%
Men	Women

### PEOPLE WITH SPECIAL NEEDS

<b>2019</b>	<b>4</b>
<b>2020</b>	<b>4</b>
<b>2021</b>	<b>5</b>

### UNIVERSITY GRADUATES

<b>2019</b>	
5.91%	94.09%
Non-graduates	Graduates
<b>2020</b>	
6.75%	93.25%
Non-graduates	Graduates
<b>2021</b>	
4.15%	95.85%
Non-graduates	Graduates



### 5.3. REMUNERATION POLICY

The core aim of remuneration policy is to align the actions of teams with the long-term aims of the Bank.

The Legal Representation of Employed People (LREP) is involved in designing and planning remuneration policy through the National Collective Agreement for Credit Cooperatives, management of the Bank and has the approval of the Remuneration Committee and, finally, the Governing Board.

Long-term aims include the need to generate financial profit but also take account of other key issues for a cooperative organization with strong local roots, such as growing its customer base, increasing the number of products held by each customer, building customer loyalty and fostering a positive market image of the services and value we provide.

The basic criteria that flow from this core aim are as follows:

**A.** Individual remuneration shall fairly reflect each employee's responsibility and professional career. It must be reviewed regularly (at least annually) and changed where appropriate.

**B.** Discretionary variable remuneration shall take account of employees' performance, results achieved by their team and results achieved by the Bank as a whole. It should create no direct incentives to sell specific projects, such as discounts or fee reversals to employees.

**C.** Variable remuneration must be capped as a proportion of fixed income and can never be more than 100 % of fixed remuneration, as required by regulations in force.

**D.** It should always be based on the qualitative issues most closely related to long-term performance (maintenance of the customer base, customer satisfaction, balanced growth, etc.).

**E.** Part of variable remuneration shall be deferred for between 3 and 5 years, tied to completion of the Strategic Plan for this period.

**F.** Customer satisfaction data feeds into the design of remuneration policy.

**G.** Variable remuneration shall include a clawback clause allowing the Cooperative Bank to retrieve sums paid in the event of fraud, disciplinary dismissal or misconduct that causes serious damage to the Bank.

**H.** Before agreeing any payment, the Bank must make sure that minimum solvency requirements will continue to be met so its solvency is not imperilled and check it against the detailed indicators in the Risk Appetite Framework.

Basic pay structure is set out in the Collective Agreement of Cooperative Credit Institutions, agreed between the employers of the National Union of Cooperative Credit Institutions and the unions, which sets the standard for all employees.

Once regulatory requirements have been met, the remuneration of each employee is set individually based on their individual career. Fair treatment is ensured by looking at a set of standardised functions for which they are responsible.

In accordance with Caja Rural de Navarra's Equality Plan and applicable regulations, the salary gap is analysed and conclusions drawn on reducing gender pay gaps. Also, a new Equality Plan is being negotiated through the Negotiating Committee.

Data from individual pay awards are aggregated to check they match the Bank's budget and ensure there is no overrun during the year.  
en la previsión del año.

### 1. REMUNERATION SYSTEM

Caja Rural de Navarra structures its remuneration system to achieve an internal coherence between the elements of remuneration and the posts and responsibilities being rewarded, and gender equality, which is tailored to the realities of the market and provides a path of professional progress and promotion for its staff.

	2021	2020	2019
Collectively negotiated salary	69.99 %	65.51 %	70.62 %
Voluntary salary	20.71 %	19.1 %	19.78 %
Incentives	9.3 %	15.38 %	9.6 %

\* 2020 includes incentive payments on the Strategic plan

Caja Rural de Navarra has approved its Remuneration Policy linked to Risk management which fulfils its established obligations.

The Policy is based on a number of principles, including the following:

• **Fixed individual remuneration** shall fairly reflect each employee's responsibility and professional career. It must be reviewed regularly (at least annually) and changed where appropriate.

• **Variable remuneration** shall take account of employees' performance, results achieved by their team and results achieved by the Bank as

a whole. It consists of a qualitative evaluation, taking into account aspects relating to the quality and performance of their work.

Average remuneration by professional classification:

CATEGORY	AVERAGE SALARY 2021	AVERAGE SALARY 2020	AVERAGE SALARY 2019
Group II Grade 1	2.91	3.00	2.98
Group II Grade 2	2.28	2.29	2.32
Group II Grade 4	1.98	1.97	1.97
Group II Grade 5	1.85	1.83	1.85
Group II Grade 6	1.35	1.36	1.37
Group II Grade 7	0.99	0.99	1.01
Group II Grade 8	0.89	0.89	0.88
Group II Grade 9	0.74	0.76	0.79
Group II Grade 10	0.55	0.57	0.57
Group III Assistants	0.83	0.84	0.85

\* Data based on average labour index

CATEGORY	AVERAGE SALARY 2021	AVERAGE SALARY 2020	AVERAGE SALARY 2019
Group II Grade 1	3.16	3.26	3.26
Group II Grade 2	2.47	2.49	2.53
Group II Grade 4	2.15	2.14	2.16
Group II Grade 5	2.00	1.98	2.02
Group II Grade 6	1.46	1.48	1.50
Group II Grade 7	1.07	1.08	1.11
Group II Grade 8	0.96	0.97	0.96
Group II Grade 9	0.80	0.83	0.87
Group II Grade 10	0.60	0.61	0.62
Group III Assistants	0.90	0.91	0.92

\*\* Data based on average labour index

MINIMUM STARTING SALARY EUR/H			
2019	22,634,18 €	1,700	13.31 €
2020	22,634,18 €	1,700	13.31 €
2021	22,917,18 €	1,700	13.48 €

MINIMUM STARTING SALARY EUR/NMW 2019			
2019	22,634,18 €	12,600,00 €	1.8
2020	22,634,18 €	13,300,00 €	1.7
2021	22,917,18 €	13,510,00 €	1.7



## 2. AVERAGE REMUNERATION AND BREAKDOWN BY SEX AND AGE

### 2019

AVERAGE SALARY	M	W
<b>BY SEX</b>		
	1.16	0.83
<b>BY AGE</b>		
Under 30 years	0.57	0.58
30 to 50 years	1.24	0.94
Over 50 years	1.64	1.02

### 2020

AVERAGE SALARY	M	W
<b>BY SEX</b>		
	1.15	0.84
<b>BY AGE</b>		
Under 30 years	0.58	0.58
30 to 50 years	1.24	0.95
Over 50 years	1.62	1.03

### 2021

AVERAGE SALARY	M	W
<b>BY SEX</b>		
	1.16	0.83
<b>BY AGE</b>		
Under 30 years	0.58	0.57
30 to 50 years	1.21	0.94
Over 50 years	1.64	1.11

### 2019

AVERAGE SALARY/ MEAN	M	W
<b>BY SEX</b>		
	1.27	0.90
<b>BY AGE</b>		
Under 30 years	0.63	0.63
30 to 50 years	1.36	1.03
Over 50 years	1.79	1.11

### 2020

AVERAGE SALARY/ MEAN	M	W
<b>BY SEX</b>		
	1.25	0.91
<b>BY AGE</b>		
Under 30 years	0.63	0.63
30 to 50 years	1.34	1.03
Over 50 years	1.76	1.12

### 2021

AVERAGE SALARY/ MEAN	M	W
<b>BY SEX</b>		
	1.26	0.90
<b>BY AGE</b>		
Under 30 years	0.63	0.61
30 to 50 years	1.31	1.02
Over 50 years	1.78	1.21

## 3. AVERAGE SALARY GAP BY FUNCTION, MEN VS. WOMEN

### AVERAGE

BY FUNCTION	2019		2020		2021	
	M	W	M	W	M	W
Head of Area/Zone	2.61	<b>2.20</b>	2.60	<b>2.22</b>	2.57	<b>2.05</b>
Manager of Branch/CS	1.39	<b>1.12</b>	1.39	<b>1.13</b>	1.38	<b>1.13</b>
Administration-Sales/CS	0.91	<b>0.75</b>	0.90	<b>0.75</b>	0.92	<b>0.75</b>

### MEAN

BY FUNCTION	2019		2020		2021	
	M	W	M	W	M	W
Head of Area/Zone	2.85	<b>2.41</b>	2.82	<b>2.41</b>	2.78	<b>2.22</b>
Manager of Branch/CS	1.52	<b>1.22</b>	1.51	<b>1.23</b>	1.50	<b>1.22</b>
Administration-Sales/CS	0.99	<b>0.82</b>	0.98	<b>0.82</b>	1.00	<b>0.81</b>

\* CS: Central Services

\* Data based on average labour index

## 4. SALARY DISTRIBUTION 2021

	2021	2020	2019
Ratio of best-paid person's salary vs. mean employee salary	6.31	5.89	7.94
Mean % pay rise	1.25	0.31	2.62
Ratio of % increase best-paid person's salary vs. mean % increase	0.95	3.21	0.35



## 5. AVERAGE REMUNERATION OF DIRECTORS AND MANAGERS

### BOARD MEMBERS 2021

IGNACIO TERÉS LOS ARCOS  
 PEDRO JESÚS IRISARRI VALENCIA  
 MARCELINO ETAYO ANDUEZA  
 FERMÍN ESANDI SANTESTEBAN  
 MANUEL GARCÍA DÍAZ DE CERIO  
 IGNACIO ZABALETA JURIO  
 AINHIZE MURATORI IRURZUN  
 PEDRO JOSÉ GOÑI JUAMPÉREZ  
 GABRIEL URRUTIA AICEGA  
 JOSÉ JOAQUÍN RODRÍGUEZ EGUILAZ  
 JESÚS MARÍA DEL CASTILLO TORRES  
 ALBERTO ARRONDO LAHERA  
 CARLOS SÁNCHEZ DIESTRO  
 ANA MARÍA IZAGUIRRE LARRAÑAGA  
 FERNANDO OLLETA GAYARRE  
 ROBERTO ZABALETA CIRIZA

<b>Gross total remuneration</b>	<b>60,176.63 €</b>
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<b>Annual average remuneration per person:</b>	<b>3,761.04 €</b>
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### IDENTIFIED PERSONNEL IN 2021

ARRIETA DEL VALLE IGNACIO (A.D.)  
 LECUMBERRI SEVIGNE ANGEL M (A.D.)  
 MAEZTU ZAPATERIA IGNACIO (A.D.)  
 AYECHU REDIN JUAN MARIA (A.D.)  
 GARCIA DE EULATE MARTIN MORO M (A.D.)  
 RODRIGUEZ LASPIUR FRANCISCO J. (A.D.)  
 UGARTE ALBERDI ALBERTO (A.D.)  
 TURRILLAS RECARI ALBERTO (A.D.)  
 SOLA ARRESE FELIX (A.D.)  
 SAGASETA GARCIA CARLOS ALBERTO (A.D.)  
 SOTRO BELZARENA RODOLFO (F.D.)  
 BERAZALUCE MINONDO FRANCISCO J. (F.D.)  
 CAMPOS JIMENEZ FERNANDO (F.D.)  
 TABOADA PLATAS SERGIO (F.D.)  
 MORIONES ARAMENDIA MARIA (F.D.)  
 MENA SOLA IGNACIO (F.D.)  
 URDANGARIN TOLOSA MIKEL (F.D.)  
 SORBET LAMPEREZ IÑAKI (F.D.)  
 VERTIZ SUBIZAR JAVIER (O.F.)  
 IBAÑEZ CORCUERA ANE (O.F.)  
 SANZ NICUESA ALBERTO JOSE (O.F.)

<b>Gross total remuneration</b>	<b>2,422.812 €</b>
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<b>Annual average remuneration per person:</b>	<b>115,372 €</b>
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## 5.4 CORPORATE PROFIT FOR THE YEAR



### BENEFITS IN KIND – FINANCIAL PRODUCTS

- Subsidised loans:
  - Employee primary home loan (personal guarantee or mortgage)
  - Home loan under collective agreement (personal guarantee or mortgage)
  - Employee payments (personal guarantee)
  - Loans for other purposes (personal guarantee or mortgage)
  - Second home loans (personal guarantee or mortgage)
  - Pledges
  - Advances on contributions
  - Loans

- Subsidised current or savings account
- Subsidised cards and Via-T cards
- Special conditions on international transactions.
- Regular free transfers
- Securities: special terms for employees, spouses and non-adult children
- Car and home insurance with special discounts for employees
- Employee discount on Guuk basic package



### WORK-LIFE BALANCE BENEFITS

- Digital disconnection policies
- Flexible working hours
- Paid and unpaid permits and licenses
- Maternity leave
- Shorter working day
- Medical support
- Voluntary leave and leave for care of children under 3



### OTHER BENEFITS

- Support with children's studies
- Support with employees' studies
- Family support for children
- Additional orphan's pension for children of deceased employees
- Life and casualty insurance for employees
- Right to receive 100% of real salary for 18 months temporary disability leave

## 5.5 RIGHT TO DISCONNECT

Disconnecting digital devices is a right that supports the health of workers. Digital disconnection is also essential to create a healthy work/life balance, goldplating statutory requirements in this area.

Accordingly, in line with the regulations in Article 20 bis of the Labour Code, the Bank and employees' representatives signed an agreement recognising that workers have the right to digital disconnection to make sure that, outside legal or negotiated working hours, their free time, leave and holidays and their personal and family life are respected.

Article 69.1 of the National Collective Agreement for Credit Cooperatives sets out the agreements regarding the right to disconnect digitally and from work.

## 5.6 DEVELOPING PROFESSIONALS

At Caja Rural de Navarra, we accept the challenge of supporting the personal and professional development of the team.

Employees are mostly recruited as recent graduates and personal development initially means adapting their skills to the profession. As they mature, they develop to meet the needs and demands of a changing environment. In both cases, development improves their employability either in the Bank or elsewhere.

Key development targets include:

- Increasing productivity
- Continuous adaptation to the employee

Diagnostic of the professional development of Caja Rural de Navarra's human capital, part of a scorecard that gives a snapshot of **the capabilities and potential for personal development**. This analysis allows us to balance the team to meet current needs but also to plan for future needs.



The model has three levels and indicators:

- A strategic consideration for any sustainable model is to have the **initial talent that can grow** and take on future responsibilities in the Bank.
- We must have **professionals who are ready to take on new responsibilities**.
- A solid management structure, that provides balance and **leads the development of the business and teams**

In designing the team balance scorecard, we rely on two information-gathering exercises:

- Improvement Plan Review
- Cross-functional Review

The results will feed into action plans designed to bring new profiles into the Bank, and to develop groups where we consider we need to take action.

## IMPROVEMENT PLAN/TALENT

Talent is the tool we use to manage the Bank's human potential and the channel through which we execute the annual Improvement Plan or assessment of competence-based development. Competences assessed during the process are linked to the Bank's values. Proximity, commitment and responsibility. And we lay special emphasis on Leadership, as we consider that the managerial function is key in the personal development of Bank employees.

The Improvement Plan defines targets that help develop competences, which can be met through specific actions. This allows us to monitor the development process as it unfolds.

## CROSS-FUNCTIONAL REVIEW

Another of the processes providing information on growth and development is the annual review by Branch Managers and Regional Managements on the functioning of the central services departments and vice versa.

### Central Services review:

- Service quality
- Closeness
- Creativity and innovation

### Branch review

- Sales dynamism
- Product knowledge/business criteria
- Compliance with Area/Bank guidelines
- Creativity and innovation



## 5.7 STRUCTURES FOR DIALOGUE WITH EMPLOYEES

As a Credit Cooperative, Caja Rural de Navarra is overseen by its Governing Board and this body includes one person representing workers, who therefore takes part in corporate governance decisions and has access to all the Bank's management and strategic information.

He/she also sits on the Remuneration Committee, where the Bank's remuneration policy is analysed before being passed on to the Governing Board for approval.

Similarly, the way the Bank organises its human resources means employees have a voice in their day-to-day activities. First, it promotes teamwork so that the branch office is the company's core operational unit. Accordingly, targets set by the company are all team targets. The criteria to achieve, whether in terms of financial growth, customers or general functioning of the branch, are all common goals shared by all.

The company's communications system is also based on team meetings and coordinated decision-making by managers with the participation of all those involved. All the committees and meetings feed into the branch meeting, which is the core team and requires the collaboration of the whole group.

Relations with the workers' representation bodies are continuous, providing consultation and participation in decisions. They are conducted via permanent structures such as the Health and Safety Committee and the Equality Plan

Negotiating Committee, and through ongoing communications as part of the Bank's normal conduct of its business.

The collective agreement governing terms and conditions in the sector is negotiated for all credit cooperatives by the UNACC, which includes the Bank, and by ASEMEC on the management side and by the unions Comisiones Obreras (CC.OO.) and Unión General de Trabajadores (UGT) on the workers' side. This sets the basic regulations for the activity of cooperative credit institutions and as such applies directly to 100% of Caja Rural de Navarra employees.

However, in addition to the above negotiation and application of the collective sector agreement, there are other areas which are regulated by internal agreements between employees' legal representatives and management, addressing specific issues that improve on the terms in the collective agreement or regulate matters not covered by the general regulations.

Current agreements in force cover, first, distribution of working hours in light of work-life balance and employees' right to decide some of their working hours, so that work is done at the best time for the business and the employee and coordinated with the working team. It also covers extra holidays.

Secondly, employee benefits such as loans for various purposes, various types of insurance protection and support for families with children.

## 5.8 TRAINING POLICIES

The Bank has an annual Training Plan whose aim is to support the development of all staff members, responding as necessary with appropriate training actions for each group, and passing on know-how from person to person through a well-funded internal training programme that we implement systematically.

One factor that has a positive effect on our in-house training culture is the generational spread of our staff, where people from different generations work alongside each other. This makes it easier to pass on a range of knowledge and skills and chimes with our values of proximity, commitment and responsibility. We make a particular effort with people who join the Bank on the work experience programmes that we help run with Universities every year, investing time and resources to support their personal development and financial education that will be useful in their future lives.

The Training Areas addressed in 2021 covered a wide range, but the biggest focus was on regulations supporting the Bank's commitment to Advisory services, which requires the certification of the whole workforce, plus an Experience Programme that includes two of the three official certifications (MiFID 2 and Mortgage Act) for new recruits. We also support continuous training each year to recycle these certificates and keep the knowledge of all staff up to date. The training programmes in 2021 covered Insurance, Anti-Money Laundering, Compliance and Data Protection.

In the digital field, we have been involved in raising awareness of cybersecurity and introducing

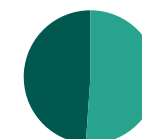
people to the "To do" software, which helps them make better use of time and improve their personal efficiency.

Elsewhere, we have our own Virtual Classroom with a wide range of e-learning programmes that are open to the whole workforce.

In 2021, a total of 113,676.00 training hours were delivered as follows:

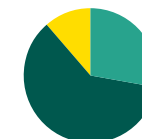
### BY SEX

Men	<b>58,159.50</b>
Women	<b>55,517</b>



### BY AGE

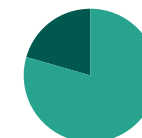
< 30 years	<b>31,840.75</b>
30-50 years	<b>69,133.25</b>
> 50 years	<b>12,702.00</b>



Despite the extraordinary circumstances of the pandemic, more hours' training were delivered in 2021 than in 2020, an average 120.04 hours per person, ensuring the workforce was kept constantly updated.

### TYPE OF TRAINING

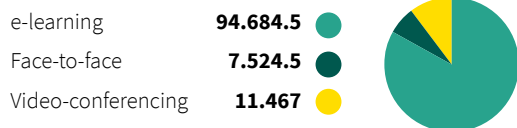
Regulations	<b>90,530.00</b>
Other	<b>23,146</b>





Finally, we would point out that over 93% of training hours in 2021 were delivered via video-conferencing or e-learning, improving work-life balance and, by reducing travel time, sustainability.

#### TRAINING FORMAT



#### 5.9 ABSENTEEISM INDEX AT CAJA RURAL DE NAVARRA

TYPE OF ABSENTEEISM	2019	2020	2021
Common illness	33,592.50	32,190.00	26,077.50
Covid-19 illness	-	17,805.00	17,085.00
Non-work accident	3,097.50	1,267.50	1,605.00
Accident at work/Work-related illness	450.00	555.00	1,807.50
Maternity	14,977.50	12,667.50	12,705.00
Paternity/full or part time	4,672.50	7,230.00	10,785.00
Paid leave	N/A	N/A	6,187.50
<b>TOTAL HOURS OFF WORK</b>	<b>56,790.00</b>	<b>71,715.00</b>	<b>76,252.50</b>
<b>ABSENTEEISM INDEX</b>	<b>3.47%</b>	<b>4.45%</b>	<b>4.33%</b>

\* The absenteeism index rose in 2020 and 2021 due to the incidence of Covid-19.



## 5.10 MEASURES TO PROMOTE GENDER EQUALITY OF TREATMENT AND OPPORTUNITIES

At Caja Rural de Navarra we are committed to developing policies that ensure equality of treatment and opportunity between men and women, a strategic principle in our Corporate and Human Resources Policy. Not just by the Bank itself but also in the community of people and companies with whom we do business, and through the values and actions we spread and promote.

The Bank's Equality Plan is currently being rolled out. However, at the end of 2021 we began negotiations with the workers' legal representatives on a new Equality Plan that will put in place measures that reaffirm our equality policy, promote an egalitarian culture among the staff and establish the Bank as an equalities trailblazer in its community.

As required by regulations, we analysed the gender salary gap in 2020 and found no average overall salary gap for groups doing work of similar value. We then used this date to conduct an audit of salaries to help support further progress in this area. The analysis for 2021 is currently pending.

The workforce is evenly split between men and women, and 36.25 % of branch managers, a key role in the Bank, are women. This is one of the highest ratios in the sector.

## 5.11 INTEGRATION OF TALENT AND COMMITMENT TO EMPLOYMENT

The University is our main source of talent and as a result we are continuously present and working with this area.

In 2021 we attended the following jobs fairs: Empleogune in Vitoria, the Cámara de Gipuzkoa's employment meeting in San Sebastián, the Universidad de Navarra's Pamplona Career Forum and UPNA's Encuentro de Empleo y Emprendimiento.

Also, in Bilbao, we took part in the Industry Conferences organised by the University of the Basque Country and its Masters course in Portfolio Management and Private Banking.

### Access to the world of work

Our commitment to the wider community is evidenced by our Work Experience Programmes which give 251 young people the opportunity to get practical experience at Caja Rural de Navarra. Not only does the experience improve the participants' employability, but the programme is also the Bank's main source for recruiting new Talent.

In 2021, 93 students took part in the summer work experience programme, Introduction to the

Financial Sector, from all the universities in our region.

CENTER	STUDENTS
DEUSTO	2
ESIC	1
UNAV	4
UNIVERSIDAD DE LEÓN	1
UNIVERSIDAD DE VIGO	1
UPNA	44
UPV	19
URioja	11
UNIR	1
UZARAGOZA	9
<b>TOTAL</b>	<b>93</b>

### Advice professionals school

Our commitment to personal development and financial training are reflected in our welcoming of 135 students to the Experience Programme targeted at Young Talents.

Through a twin-track training programme, recent graduates looking for a career in the financial world can learn about MiFID 2 and the Mortgage Act,

while studying for a qualification as a Customer Experience Expert, and can put what they learn into practice in our teams.

### Tutoring and support

Guidance and feedback are key to personal development processes, particularly so when onboarding inexperienced young people into the Bank. To provide this, we assign an experienced internal tutor whose functions include:

- Welcoming new recruits
- Organizing their work
- Supporting them in the conduct of their role
- Overseeing, guiding and controlling the development of their work experience

We have a training pathway that supports the training department and provides management tools.

## Sustainable growth

Caja Rural de Navarra continues to consolidate talent, maintaining our positive trend in converting temporary to permanent contracts. This year, 54 people were recruited into the Caja Rural de Navarra team, 22 more than the previous year.

## Caja Rural de Navarra Alumni

In 2021 we set up the Alumni project. This is intended to create a community of talent, who can come together and stay in touch with others who have worked for Caja Rural de Navarra.

They can track trends in the financial sector and in Caja Rural de Navarra, receive opportunities that enrich their personal and professional development and join in networking meetings.

We want to continue growing and innovating as a company, involving our former colleagues, while continuing to maintain our commitment to professional development.

At its launch, Alumni has 66 members.

## 5.12 PROTOCOL ON SEXUAL AND GENDER HARASSMENT AND AGAINST ANY KIND OF DISCRIMINATION

As indicated in Article 7.1 of Act 3/2007 on the effective equality of men and women, sexual harassment consists of any type of sexual behaviour intended to violate a person's dignity, especially when such attitudes create an offensive, degrading or intimidating effect for the victim. Caja Rural de Navarra has gone further, introducing a protocol to combat harassment for reason

of racial origin, religion or beliefs, disability, age, gender or sexual orientation (Article 4.2 of the Labour Code), as psychological harassment is always a breach of the victim's personal dignity and moral integrity.

The Bank has set up a whistleblowing channel to receive complaints, investigate and respond to any workplace problems of this kind to deal with any conflict in a quick and effective manner. Confidentiality is guaranteed for the content of any complaint by the victim of harassment or any other employee who becomes aware of such behaviour.

It is vital to remember that a workplace culture that respects people's right to physical and psychological integrity is the responsibility of all employees of the Bank, particularly when it comes to reporting such behaviour.

## 5.13 PREVENTING WORK RELATED RISKS

To comply with applicable Regulations on the prevention of work-related risks and to guarantee the health and safety of its employees, Caja Rural has an In-house Prevention Service which works on prevention and embraces the specialist areas of Safety, Ergonomics and Applied Psychosociology. Industrial Hygiene and health monitoring are coordinated with the external prevention consultants Preveng Consultores.

The system for management and prevention of work-related risks is based on the Prevention of Work-related Risks Plan as regards procedures and associated record-keeping. The purpose of the system is to ensure compliance with Caja Rural de Navarra's health and safety policy incorporating preventative actions in all aspects of management and at all levels of the company.

The key elements are as follows:

- Prevention structures at Caja Rural de Navarra.
- Risk evaluation at workstations and other work areas.
- Prevention planning.
- Health research and measurements.
- Training and informing employees.
- Emergency and evacuation plans.
- Documentation of work teams and premises.
- Documentation of the Health and Safety Committee.
- Health monitoring: certificates of standards and medical protocols applied.

To achieve the objectives in the annual plans within the Prevention plan, the following actions were taken in 2021:

- 1.** The Prevention plan was revised and updated.
- 2.** Health monitoring actions were carried out.
- 3.** Internal checks were carried out on branches. In some cases, furniture was changed or workstations were overhauled.
- 4.** There was a Regulatory Audit of the Department for the Prevention of Work Related Risks.

In addition, in response to Covid-19, from March 2020, Caja Rural de Navarra drew up an Action protocol, which is continually updated, following the recommendations and standards laid down by

the health authorities and providing the necessary measures and means to safeguard the health of employees and customers at all times.

In 2021, there were a total of 8 workplace accidents at Caja Rural de Navarra, involving 5 women and 3 men, of whom 4 required time off work. Of these, 5 resulted in time off work. Of the accidents resulting in time off work, 3 took place in the usual workplace during the working day and 3 when travelling to or from work. There are no recognised occupational illnesses for the industry

2021 indicators are as follows:

► **Frequency rate: 4.96**

► **Severity rate: 0.20**

The following actions are planned for 2022:

- Training of new staff members.
- Continued coordination across business.
- Meeting the targets in the annual plan.
- Continuation of the Healthy Company group.
- Continuation of the actions set out in the Covid-19 action protocol for as long as necessary.

At Caja Rural de Navarra we have a Health and Safety at Work Committee representing all employees. It meets quarterly to deal with all actions designed to prevent work-related risks.



## 5.14 HUMAN RIGHTS

At Caja Rural de Navarra we have a Code of Conduct that governs how we go about our business. Compliance with the Code of Conduct is how we address Human Rights in our business. We ensure compliance, implementing our values of proximity, commitment and responsibility in the different fields of communication with our employees.

To achieve this, it is important we all be aware and work together to avoid and correct any type of inappropriate conduct.

During the induction process, new employees are given a guide to policies that workers must comply with and apply as members of Caja Rural de Navarra, and which is available to all for consultation as necessary.

The Bank's management and employees must always act in accordance with ethical principles and behaviour for the service and benefit of all,

which, fundamentally, is the reason the Bank was founded and the basis for all its actions.

Part of this comes down to the people who work in the Bank every day, in the way they behave at work and outside.

Ethical behaviour of employees in the way they relate to other colleagues, members, customers and suppliers is one of the fundamental ways to maintain and improve the Bank's reputation. Again, at the Bank we seek to support various projects to promote cooperation on international development, so fomenting respect for human rights.

We also believe that such ethical behaviour is good for the Bank's growth and profitability over the long term. Therefore, besides the moral and human imperative, ethics must be included as a basic part of our business policies and objectives.



## 06 SUPPLIERS

- 6.1 Supplier and employee relations
- 6.2 Control and monitoring of suppliers
- 6.3 Future planning
- 6.4 Percentage financing of local suppliers



## 6.1. SUPPLIER AND EMPLOYEE RELATIONS

Caja Rural de Navarra seeks to maintain with its suppliers and partner companies a close, respectful, trusting and transparent relationship which promotes in-depth knowledge of the companies we contract with and confidence in the quality of the services provided. Relationships always comply with the confidentiality provisions of Organic Law 15/1999, of 13 December, on Personal Data Protection (LOPD).

Caja Rural also has a Suppliers Handbook, approved by the Governing Board which sets, among other internal rules, the criteria for selecting suppliers. In general, supplier selection procedures must meet criteria of objectivity, impartiality and equality of opportunities.

Processes must also give due weight to the qualities imposed by the following ethical principles defined by the Bank:

### 1. FIT AND PROPER PERSON PRINCIPLE

In no circumstances shall the Bank contract with third-parties which are known to be under investigation for, charged with or guilty of criminal activities.

### 2. MORALITY AND ETHICS AT WORK

Suppliers shall be eliminated from the selection process if they are known or widely reputed to breach workers' rights recognised in the labour standards or their legal obligations as a business.

### 3. RECOGNISED EXPERIENCE AND QUALITY

Before being contracted, any new supplier must provide accreditation of their technical qualifications and experience in providing the services to be contracted. Accreditation may be by quality standards certificates (ISO) or similar, or by any other means that the Bank finds acceptable in the circumstances. To this end, a supplier may be contracted without providing the documentation indicated above when their experience and quality has been publicly recognised in the course of trade.

Caja Rural sets out in the Handbook a number of criteria which prevent suppliers from being selected if any of the following circumstances apply:

- There has been a serious incident in the course of providing a service to the Bank. Any exceptions must be authorised by General Management and the financial officer.
- In the provision of specific services or the supply to be contracted, suppliers who are undergoing bankruptcy proceedings are excluded if it is considered that this could have adverse consequences for the Bank.
- The candidate supplier is not up to date with their social security contributions and/or taxes.
- The candidate supplier has been found guilty of an offence relating to their professional morality (e.g. against their employees), or there are



convincing indications of their involvement in money laundering, terrorist financing or similar offences.

## 6.2. CONTROL AND MONITORING OF SUPPLIERS

Each area contracts with suppliers as its needs and demands dictate.

All areas follow the procedure set out in the Suppliers Handbook, which sets the following rules to ensure companies obtain a range of offers from potential suppliers depending on the size of the contract:

- > Up to EUR 10,000:** at least one quotation or invoice
- EUR 10,001 to EUR 50,000:** at least two quotations
- EUR 50,001 and higher:** at least three quotations

Any exceptions must be authorised by the Procurement and Outsourcing of Services Committee.

Having each department contract its own suppliers ensures better quality control of services provided. Each Area head has first-hand knowledge of any incidents or irregularities.

On cost control, General Management approves annual expense budgets for each Area. Expenses are checked monthly by the Management Committee and two six-monthly controls are run each year by the Procurement and Outsourcing of Services Committee.

Caja Rural de Navarra is fully aware of the

importance of a certain group of suppliers on whose services it depends for a significant part of the quality perceived by employees and customers. The Bank has identified the IT, back office and insurance departments as critical services. These services are therefore provided by companies in which Caja Rural de Navarra has an equity stake and which form part of the Caja Rural Group.

In the services the Bank considers most significant, including outsourced services overseen by the Bank of Spain, it requires audits and meetings between the parties, which review service quality and the flow and clarity of communications, to ensure the satisfactory delivery of final tasks and provide for business continuity for the Bank where services are outsourced. Final quality depends as much on the buyer of the service as on the supplier. Non-economic factors are considered where they affect service quality.

Caja Rural de Navarra complies with the Spanish General Disabilities Act (LGD). It contracts services from special employment companies to promote the social inclusion of these persons in line with its commitment to Corporate Social Responsibility.

## 6.3. FUTURE PLANNING

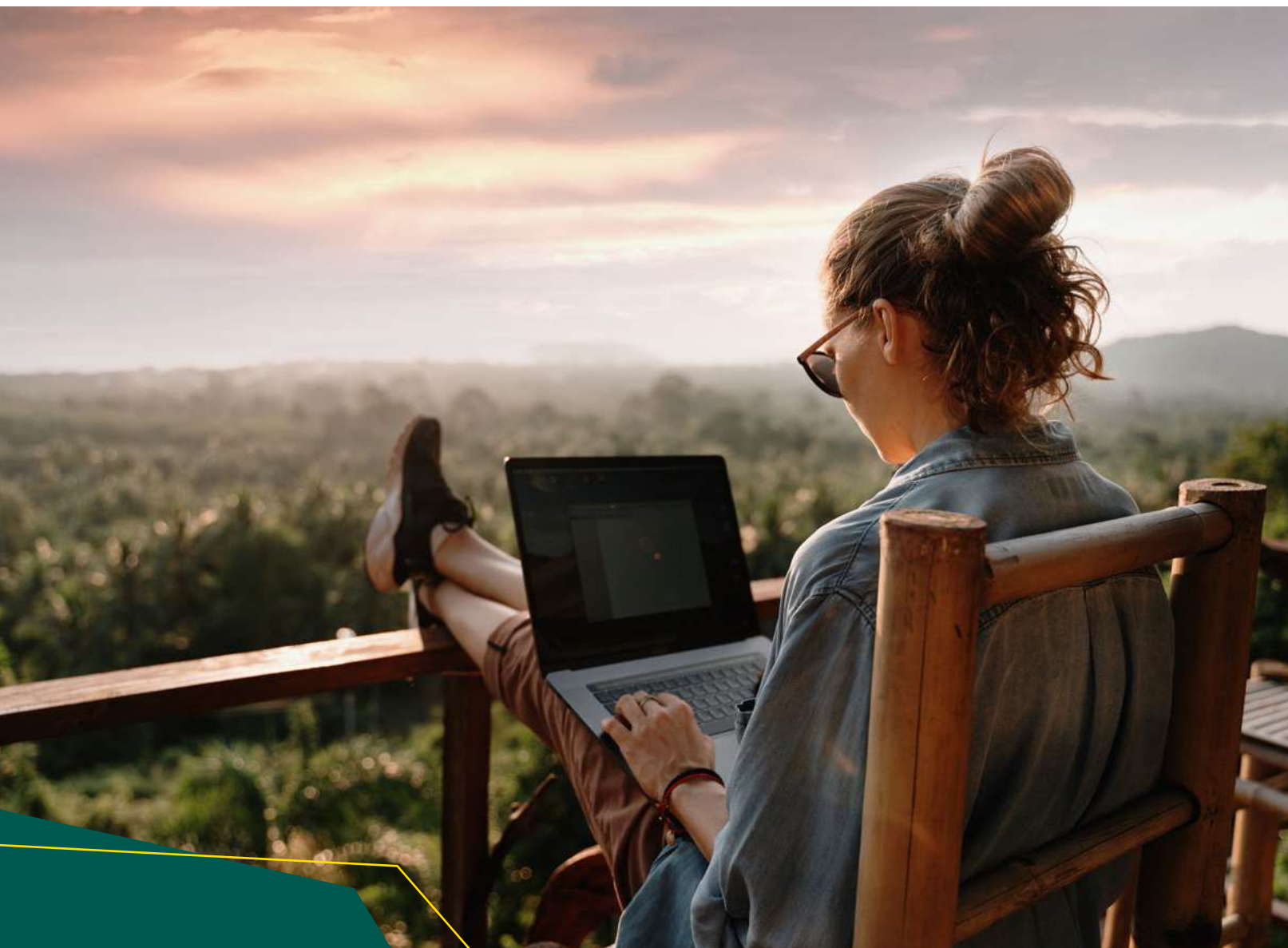
Caja Rural de Navarra has implemented a paperless office policy. This is an objective that should improve the productivity of employees while simultaneously reducing the volumes of paper and toner used.

Production of both comes with environmental costs.

Caja Rural de Navarra has drawn up a document that is systematically sent out with any request to the service provider. The document is a brief survey







about suppliers' commitment to social, gender equality, environmental and workforce issues. Caja Rural de Navarra's corporate governance standards ensure this requirement is passed on to bought-in services improving the general quality of suppliers working with the Bank. The effect is wealth-generating, as suppliers deliver a higher quality of service.

Caja Rural de Navarra checks that its critical suppliers are aligned with the Bank's commitments on CSR issues.

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#### **6.4. PERCENTAGE FINANCING OF LOCAL SUPPLIERS**

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The biggest suppliers in the financial sector are institutions' own creditors, who are the source of funding for their business (along with equity capital). Also, one of the peculiarities of banking is that the same individual can appear as a customer (consuming financial and other intermediation services) and as a supplier/creditor (providing funds to the institution as a depositor).

Looking at the figures for local suppliers, the total expense (2021 billings) is EUR 121.6 million, of which 65.3 million are purchases from suppliers in Navarre, the Basque Country and La Rioja (53.7%).





# 07 CAJA RURAL DE NAVARRA AND THE ENVIRONMENT

**7.1** Resource consumption and improvement plans

**7.2** Direct relation with sustainable environmental activities



The Rural Credit Cooperatives grew out of the agricultural and credit cooperatives of over a century ago and certain values have been maintained over time.

We view the natural environment as the place where we live, where our parents lived and where we want future generations to live. We are aware of the changing nature and fragility of the environment and the need to make our contribution, with sensitivity and the right focus.

For the first time in 2021, Caja Rural de Navarra has commissioned a detailed analysis of its carbon footprint which appears in this chapter.

Caja Rural de Navarra conducted its business in 2021 with a sense of responsibility toward the environment, successfully meeting a series of general targets that can be summarised as follows:



Direct actions to **improve the environment** (generation of renewable energy, planting trees, etc.)



**Support for our customers in sustainability projects:** renewing transport fleets, energy renovation of buildings, production of renewable energy, design and manufacture of equipment to produce renewable energy, etc.



**Support for cooperativism and the traditional farming sector,** which sustains the rural population and ensures farming is done in a way that respects nature.



We do not see rural communities as an unchanging bucolic place for tourists to visit at weekends but as **a place where people want to live with dignity and adequate services**. This requires sensible and sustainable human impacts.



**Optimising resource consumption** (energy, plastics, paper, etc.). Reduce, remove and recycle.



**Provision of essential services to customers** by opening and providing face-to-face services in all branches throughout the Covid-19 crisis. This is most important in small communities, where there is a higher proportion of older people.





## 7.1 RESOURCE CONSUMPTION AND IMPROVEMENT PLANS

Banking is usually thought of as running bureaucratic and largely inflexible structures. This is not true of Caja Rural de Navarra. Caja Rural de Navarra's own management model of lightweight structures close to the customer further reduces the need for paper and makes it easier to introduce systems for electronic processing of data. Although, for regulatory reasons, we are still far from being a paperless organization, over the year we have continued and intensified our strategy of digitising document management internally between the Bank's departments and branches and with customers. This process has many advantages, making management faster and more efficient while reducing storage space and the need for meetings and travel. It has additional environmental benefits such as less fuel used for travel and less consumption of paper.

We sincerely believe that we are developing an increasingly efficient and sustainable branch model with lower energy use.

With this in mind, the Bank has acted to minimise its environmental impact in the following areas:

### 1. RESOURCE CONSUMPTION

#### PAPER AND TONER

At Caja Rural de Navarra, we have had for ten years a document management system in the branches that digitises internal and customer processes, significantly reducing the volume of paper used by branches. In 2021 this process was implemented in the last remaining 21 branches, successfully concluding

the programme of branch digitization. Paper is the main commodity used in providing financial services, both in terms of cost and in its environmental impact, especially A4 paper printouts. For many years now, this paper has had Forestry Stewardship Council certification FSC C015403, which guarantees it has been made using a more environmentally respectful production process.

Over the year, we have continued to roll out procedures to save paper consumption in internal communications and with customers,

with a huge increase in virtual mailbox use by customers. The general circumstances created by the onset of Covid-19 have tended to accelerate this process, accelerating adoption of digital banking channels.

For instance, **total paper consumption** continued the general downward trend of recent years, although it increased in 2021 compared to the previous year as Covid-19 kept many customers away from branches (terminal paper is not included in the figures as we do not buy it directly):

Paper consumption	Kg/year					Forecast	Actual	Forecast
	2016	2017	2018	2019	2020	kg/2021	kg/2021	kg/2022
Chlorine-free paper (sheets)	65,656	63,278	58,349	50,800	45,825	48,000	49,387	49,000
PoS thermal paper	340	332	0	0	0	0	0	0
ATM paper	294	148	277	1,533	1,415	1,400	1,428	1,400
Envelopes	4,214	3,568	3,767	2,576	3,618	3,000	3,692	3,500
Brochure and poster paper	4,565	4,300	4,200	1,195	416	1,100	435	450
Total paper consumption	75,069	70,894	66,593	56,104	51,274	53,500	54,942	54,350

**Paper consumption per employee** in 2021 (at 31 December the headcount was 947) was 58.01, more than the ratio of 54.08 in 2020, but still lower than those for prior years (62.62 in 2019).

Toner use has continued to decline, but not very significantly in our view, partly because of the current transparency rules and banking regulations which oblige us to include a lot of information in new customer contracts. However, we are in the midst of a process to reduce the documentation sent out to customers' addresses. Most documentation is now sent via the web, by email and other digital communications channels.

Toner consumption figures:

Toner consumption (units)					Forecast	Actual	Forecast	Forecast
	2016	2017	2018	2019	kg/2021	kg/2021	kg/2022	kg/2022
Original toner	3,199	3,276	3,368	1,957	3,183	3,050	3,378	3,100
Tóner originales	231	251	229	106	82	70	78	80

Toner consumption per employee in 2021 was 3.56 in recycled toner and 0.08 in original toner, compared to 2020 figures of 3.35 recycled toner and 0.08 original toner.

## **ENERGY**

Caja Rural's branch network consumes no fossil fuels directly. The only energy supply is electricity which means it has no direct emissions. For the first time in 2021, all electricity was supplied from renewable sources.

2021 consumption data show a declining trend thanks to the energy efficiency measures in place.

Consumption was as follows:

Electricity consumption kw/h.					Actual	Forecast	Actual	Forecast
	2016	2017	2018	2019	2020	kg/2021	kg/2021	kg/2022
	5,771,985	5,557,303	5,814,696	5,307,239	4,870,619	5,100,000	4,567,736	4,900,000

Energy consumption per employee during the year was 4,823 KWh, compared to 5,137 KWh in 2020.

There is another minor indirect source of consumption, which is the fuel used by employees in the vehicles they use for their day-to-day work (not including journeys to and from home).





Consumption from this source in 2016 was 3,894 Gj, in 2017 3,921 Gj, in 2018 4,280 Gj, in 2019 4,026 Gj and in 2020 2,282.50 Gj. The figure in 2021 was 2,411.98 Gj, an increase on 2020 but one which can be viewed as a one-off uptick caused by Covid in a general downtrend lasting many years (based on a conversion rate of 1 KWh= 0.0036 Gj, and 1 litre of diesel = 10kwh)

The main energy efficiency measures put in place in 2020 were:

### **AIR CONDITIONING**

Replacement of the oldest and least efficient units by inverter heat pumps using variable refrigerant volume technology, which have a nominal consumption 40-50% lower than traditional heat pumps.

In 2021, we replaced units in 7 branches.

### **LIGHTING**

We continued to replace fluorescent with LED lighting, which is much more efficient and lower consumption. In 2021, 5 branches switched to LEDs.

### **EXTERNAL SIGNAGE**

Traditional signs use fluorescent tubes. For more than 10 years we have been gradually replacing these with LED tubes and also reducing and optimising the length of signs as well as reducing the programming for the hours they are lit. In 2021, 9 signs were replaced.

### **COMPUTERS AND ATMS**

We have planned no actions on this point as it is immaterial.

### **TRAVEL**

We continued to reduce face-to-face meetings with employees and customers, promoting videoconferencing, web-cams on executives' computers and the use of a virtual classroom for online training. Covid-19 gave a huge boost to videoconferencing between employees, at training meetings and even when dealing with customers.

### **WATER**

Water in Caja Rural de Navarra's branches comes from the municipal supply and is basically used for toilets in branches and cleaning. We have no buildings or premises with gardens so use no water for irrigation.

Water consumption in the branch network was as follows:

Water consumption m <sup>3</sup>					Actual	Forecast	Actual	Forecast
	2016	2017	2018	2019	2020	kg/2021	kg/2021	kg/2022
	5,771,985	5,557,303	5,814,696	5,307,239	4,870,619	5,100,000	4,567,736	4,900,000

**Water consumption per employee** in 2021 (at 31 December the headcount was 947) was 7.84 m3 compared to 8.98 m3 in 2020.

This consumption data was derived from adding up the Actual consumption of the 7 Central Services offices, plus an estimate of consumption by the branch network based on their Actual consumption, classifying branches into different types according to the number of employees and extrapolating the branch consumption to all offices of this type.



## 2. WASTE MANAGEMENT

Caja Rural de Navarra conducts its business through its branch network and the waste it generates is managed in accordance with current best practice, considering both mandatory regulations and ways of reducing, reusing or recycling waste.

This is an extensive network of 254 branches which are mostly small in size and therefore similar to urban offices. As such they require no special waste disposal measures (except for toner) but can use local waste collection services. In this sense, to help cleaning services with separating waste, this year special bins for each type of waste were installed in all branches.

Most of the waste generated is managed as follows:

**Waste paper** generated in the branches, and organic, plastic and packaging waste are deposited by cleaning services in special containers outside in the street.

**Used toner cartridges** are collected by a company licensed to recycle and reuse them.

**Fluorescent tubes and empty batteries** are collected either by the maintenance and cleaning services which take them to a recycling centre or by a licensed waste manager

**Computer hardware** which cannot be reused is donated or returned to the supplier whenever possible. Otherwise the equipment is passed to licensed waste managers.

The volume of toner collected for recycling by a licensed waste manager across the branch network was as follows:

## 3. ATMOSPHERIC EMISSIONS

The activity in branches does not generate direct atmospheric emissions. Branches do not

cause lighting or noise emissions, so no specific measures need be taken.

Emissions of tonnes of CO2 equivalent due to electricity consumption should be zero in 2021 as, as in the previous year, electricity was the only energy used and was all bought from renewable sources with the corresponding certificates of origin. The certificates are provided as part of a long-term supply agreement struck by the Caja Rural Group's flour companies with an energy supplier, which guarantees to supply all the consumption of the Group's centres and plants with renewably sourced electricity, and supports the building of the Campoliva II and Dehesa de Mallén wind farms, located in Aragon and owned by third parties.

This has prevented the emission of 11,000 tonnes of CO2 (average emission factor of our electricity supplier: 0.20). Of these savings, 920 tonnes correspond to Caja Rural de Navarra and the rest to its equity investments

The vast majority of air-conditioning units in branches use R-407 or R-410 refrigerant gases which do not damage the ozone layer. The remainder, which use other types of gas, are being replaced by newer units as part of the regular annual renovation plans.

## 4. WASTE WATER

The only waste water is from the toilets in branches and waste water is therefore not a significant item. It is recycled through the municipal water system.

There has never been any spill or leak which produced any environmental pollution.

Consumption (units)					Actual	Forecast	Actual	Forecast
	2016	2017	2018	2019	2020	kg/2021	kg/2021	kg/2022
Toner removed	2,788	2,280	684	3,162	3,277	2,800	3,035	2,950



## 5. EMISSIONS AND CARBON FOOTPRINT

Aware of the need to improve our environment, Caja Rural de Navarra decided to map the GHG emissions generated by its business activities and investigate ways of reducing them.

**The mapping process involved the following steps:**

### **A** Calculate the carbon footprint

- Define which activities generate most emissions
- Calculate the footprint based on the GHG protocol
- Issue the emissions report
- Register it with the Ministerial register

### **B** Draw up plan for reducing the carbon footprint

### **C** Draw up offsetting plan to be implemented in the next few years.

**The carbon footprint was calculated** using the GHG Protocol methodology on the **following scopes:**

**Scope 1:** This includes direct emissions due from the Bank's own business, which basically means emissions from the Bank's own vehicles and air-conditioning units

**Scope 2:** Indirect emissions generated by consumption of electricity

**Scope 3:** Emissions induced by the Bank's business. In detail this means:



Emissions caused by employees travelling to work. This figure was obtained through a mobility survey of employees.

Emissions caused by employees travelling for work purposes. This figure is for travel reported by the company's workers.

Emissions caused by the IT processing by in-house and subcontracted systems. This figure is derived from the carbon footprint study carried out by Rural de Servicios Informáticos in 2020.

Emissions caused by third parties in transporting goods for the Bank: couriers and cash delivery services, based on an estimate made by the courier company.

We are unable to calculate a number of types of emissions that come under scope 3, such as the energy consumed by Caja Rural de Navarra customers communicating with the Bank or conducting e-banking transactions, by outsourced services dealing with IT incidents and by the work-related travel of outsourced services (legal, cleaning, etc.).

It is reckoned that these uncalculated emissions would not exceed 2% of the total calculated footprint.

Caja Rural de Navarra's carbon footprint for 2021 is calculated at 1,728 tonnes of CO<sub>2</sub>, equivalent to 1.83 tonnes per employee. Of these, 1,200 tonnes correspond to travel to or from work.

Scope 1 and 2 carbon footprints were also calculated for associates more than 50% owned by Caja Rural de Navarra. These are the companies in Annex I of this Report.

In total, these companies had a carbon footprint in scopes 1 and 2 of 10,813 tonnes in 2021.

Scope 1: Emissions and particulates emitted into the atmosphere, waste from the Bank's own activities, including owned vehicles used to transport people (healthcare) and goods (flour companies)

Scope 2: Indirect emissions generated by consumption of electricity

Scope 3 was not measured. The biggest difficulty is in calculating the carbon footprint of supplying cereal to wheat-flour producers.

If we compare these figures to those for 2020, based on near-identical scopes 1, 2 and 3, we find:

Carbon footprint	2021		2020	
	Caja Rural de Navarra	Subsidiaries	Caja Rural de Navarra	Subsidiaries
T CO <sub>2</sub> Eq.				
Scope 1	30	6,004	30	4,747
Scope 2	0	4,809	0	11,11
Scope 3	1,698	N/A	N/A	N/A
Total	1,728	10,813	30	15,857
<b>Total</b>	<b>12,541</b>	<b>-21.1%</b>	<b>15,887</b>	



Note that the calculation of the carbon footprint for Caja Rural de Navarra and its equity investments has not been externally verified.

The carbon footprint reduction plan sets a number of **targets**:

**Caja Rural de Navarra, parent company, financial activity:**

- A 5% reduction in carbon footprint by 2024
- A 2% annual reduction in emissions from travel to/from work
- A doubling of the kilometres travelled in electric vehicles in 2022 (vs. 2021)

**Caja Rural de Navarra, subsidiaries:**

- A 5% reduction in carbon footprint by 2024 compared to 2022 (scopes 1, 2 and 3)
- A 3% reduction in carbon footprint in 2022 compared to 2021

To achieve this, Caja Rural de Navarra intends to introduce the following measures against its employees:

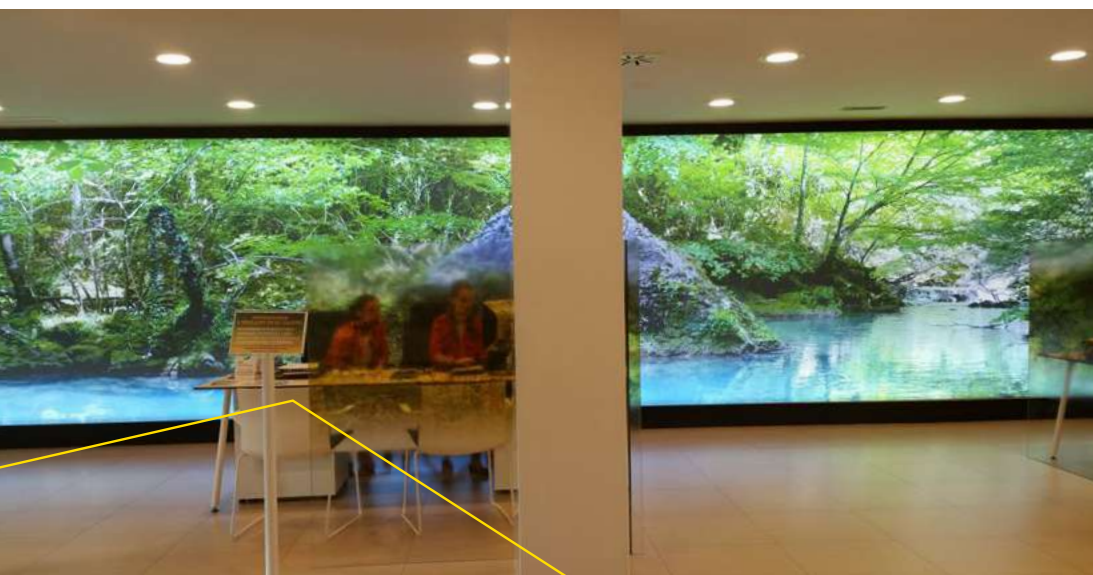
Incentivise urban mobility by bicycle. There has already been a campaign to make use of the Pamplona urban network, coinciding with its relaunch.

Incentivise the acquisition of plug-in hybrid and pure electric vehicles. Incentivise employees to install photovoltaic panels on the roofs of their homes, although this will have no impact on the Bank's carbon footprint, by offering them cheap financing conditions.

**6. DESIGN OF BRANCHES AND MANAGEMENT OF FIXTURES AND FITTINGS**

Branches are designed to help minimise the environmental impact of the business by various means, including the following:

- The network consists of a large number of small offices, which means customers do not need to travel far to receive services.



- Also, our employees tend to live in the same village or nearby, which again reduces mobility. This is an important point, particularly as the current trend in the banking industry is to close more branches every year, particularly in rural area.

The design, construction and renovation of Caja Rural de Navarra's branches takes into account the formal considerations, regulations for building, fixtures and fittings and an adequate quality of materials to create pleasant working environments, which are comfortable for employees and

customers, with ergonomic workstations and environmentally efficient fixtures.

Building materials used for branches and their furnishings are bought from local suppliers in the area where we operate, which contributes to the sustainability of the region and reduces the environmental footprint.

The branch network has a programme of corrective and preventative maintenance to optimise the control and functioning of the fixtures and create healthy and safe working spaces.



## 7. INITIATIVES TO REDUCE WASTE AND CONSUMABLES IN 2022

Key initiatives within Caja Rural de Navarra were, briefly, as follows:

**❄️ 7 air-conditioning units in branches replaced.** By installing new units with VRV technology, we achieved **better results with less electricity usage**. Note that new and renovated branches are all rated A for energy and emissions.

**💡 Replacement of fluorescent lighting with LEDs in branches.** This generates **better lighting with less electricity**. It is planned to re-equip 8 more branches in 2022.

**☀️ New signage.** There are plans to change 6 luminous displays, replacing them with **lower-consumption LED displays**.

**✅ Monitoring of guidelines and recommendations in the carbon footprint reduction plan.**

**💻 Digitization of branches to eliminate the use of physical paper.** This year, the last 21 branches are expected to go fully paperless. In 2022 there are plans for the central services departments to digitise the documentation of the last 9 remaining departments, which will conclude the digitization of the whole of Caja Rural de Navarra's network.

In the equity investments majority owned by the Bank, the following actions are planned for 2022:

- **Industria Tonelera de Navarra, S.L.:** installation of a PV roof in its plants supplying much of its own consumption

- **Solera Asistencial:** Installation of integrated equipment on the roofs of La Vaguada and



Torre Monreal to supply both hot water to reduce gas consumption and photovoltaic electricity to reduce the need to buy in power. These integrated devices combine both functionalities in each panel and, while not matching the efficiency of panels dedicated to just one of these functions, manage to deliver efficient results for places that rely on both types of energy but where space is limited. Also, these panels are made in Spain.

These actions are explained in more detail in the Annex.

### 7.2. DIRECT RELATION WITH SUSTAINABLE ENVIRONMENTAL ACTIVITIES

The sections above deal with the direct impact of Caja Rural de Navarra's activities. In addition to these, the Bank invests in a number of companies who we consider make a significant positive contribution to the environment:

**A.** Compañía Eólica de Tierras Altas, S.A.: this

company has developed and operates four wind farms in the north of Soria province. They were installed between 2001 and 2005 and generate a total of 99 MW with annual production of between 2.3 and 2.7 times the power consumed by the whole of Caja Rural de Navarra Group. In 2021 and 2020 they output 231 and 229 GWh, respectively.

**B.** Renovables de la Ribera, S.L.: owner of four wind farms in Navarre, whose construction was completed in 2020. Their total capacity is 111 MW and their production in 2021 was 272 GWh. This company received investment finance from the European Investment Bank.

**C.** Iberjalón, S.A.: owner of a 22.5 MW wind farm in Aragon, which came into service in 2020 and generated 64 GWh of power in 2021

Generation attributable to Caja Rural de Navarra in 2021 was 207 GWh.

This would be enough to power 63,900 average households, saving 76,590 tCO<sub>2</sub>eq of atmospheric emissions if the energy was produced in combined

cycle power stations (comparable to wind as such plants also act as load regulators).

Until 2021, Caja Rural de Navarra, in tandem with another three Rural Credit Cooperatives working through the equity investment Bosqalia also grows and exploits poplar trees. At end-2020 it managed 284 hectares of woodland, more than 90,000 trees. In 2021 nearly all of these plantations were sold.

Finally, the Flour Group (see the annex on Equity Investments), the umbrella for the wheat flour producing subsidiaries of Caja Rural de Navarra, has a long-term contract for electricity supply, covering the years 2019-2028, under which around 80% will come from renewable sources, specifically the Dehesa de Mallén and Campoliva II wind farms, both in Zaragoza and not owned by Caja Rural de Navarra. These plants came onstream in 2020.

Summarising these metrics, renewable generation attributable to Caja Rural de Navarra is 2.6 times the total electricity consumption of the Caja Rural Group, and this rises to 8.6 if we strip out wind-generated power bought in from third-party suppliers.



## 08 CAJA RURAL DE NAVARRA AND SOCIETY

8.1 Regional value

8.2 Social and environmental value

8.3 Institutional value



## 8.1. REGIONAL VALUE

Caja Rural de Navarra is a regionally based financial institution with 254 branches and employing 947 people at 31 December 2021. Legally constituted as a credit cooperative, it is strongly rooted in the regions where it is active, Navarre, the Basque Country and La Rioja.

Its activity has a direct and indirect impact in developing the local communities where it operates and the well-being of wider society, as well as supporting the social, economic, cultural and linguistic environments.

The local presence and strong commitment to the local community is part of the powerful base formed by its members and customers. The social footprint allows the Bank to interact with the social reality, making it an important social actor. It is a clear competitive advantage, providing a direct line to the real demands and needs of the community. Equally, having local decision centres mean we can offer a swift and flexible response thanks to our knowledge of the territory and its people.

All of which makes it easier for the Bank to maintain close relationships with economic and social agents, which it always seeks to deal with fairly by applying the Corporate Social Responsibility principles in its articles of association.

## 8.2. SOCIAL AND ENVIRONMENTAL VALUE

Caja Rural de Navarra uses its **Education and Development Fund (EDF)** as the main driver for its social action. This is used to return part of its profits from its financial activity to the community as what we consider to be a social dividend. Each year, it

mounts a major effort to support value-generating projects which help improve quality of life in our community, providing solutions to different social, environmental, sporting and cultural needs.

### ➤ PRINCIPLES AND GUIDELINES

The EDF follows these guidelines according to its articles of association:

► **10 per cent of the available surplus (profit) each year is donated to the Fund.**

► **Support activities that fulfil one of the following aims:**

**a.** Training and education of Caja Rural members and employees in the principles and values of the cooperative movement or in specific matters relating to its corporate or

labour-related activity and other cooperative activities.

**b.** Promoting the cooperative model and fostering relationships between cooperative entities.

**c.** Cultural, business and welfare initiatives serving the local area or community in general, initiatives that enhance quality of life, promote community development and/or protect the environment.

► **Working in conjunction with other companies and entities** in pursuit of the Fund's objectives, in such cases providing either full or partial funding.

Our social commitment seeks to address the needs of the community and is channelled through the four areas of activity:

**1.** The promotion of people's health and quality of life.

**2.** The drive for education and technology, supporting different processes of digitization.

**3.** Support for entrepreneurship and innovation to help drive progress.

**4.** Protection of the environment and development of local communities wherever the Bank is active.



## ► ALLOCATION OF BUDGET

We set out below the core lines and allocation of the Education and Development Fund approved by the General Meeting for financial year 2021:



(In thousands of euros)	2021		2020		2019		2018	
Consultancy, training and promotion of the cooperative model	1,924	44.09%	1,788	41.15%	1,783	43.39%	1,783	43.39%
Teaching and research	1,05	24.06%	769	30.59%	1,142	27.78%	1,142	27.78%
Sports aid	301	6.91%	84	3.60%	136	3.31%	136	3.31%
Charity work	147	3.36%	380	3.13%	85	2.06%	85	2.06%
Cultural, recreational and other activities	363	8.31%	412	6.23%	306	7.44%	306	7.44%
Economic and social development	579	13.27%	739	15.28%	658	16.01%	658	16.01%
<b>TOTAL</b>	<b>4,364</b>	<b>100%</b>	<b>4,172</b>	<b>100%</b>	<b>4,11</b>	<b>100%</b>	<b>4,110</b>	<b>100%</b>

Each year, we renew our commitment and provide continuity to many projects we have worked with for years. It is a source of great satisfaction that we continue to organise, sponsor and work with hundreds of institutions and initiatives that are now achieving a scale unimaginable just a few years ago. Caja Rural de Navarra works tirelessly to adapt to new social needs, channelling its contributions to the most in-demand projects at any time.

Through the EDF, Caja Rural de Navarra does its bit to help create a fairer society with greater solidarity. To achieve this, it is a reassuring to work with institutions that have for decades been working for the most disadvantaged segments of society, such as Cáritas, the Asociación Nuevo Futuro, Proyecto Hombre, Aspace, etc.



## INITIATIVES AND PROJECTS SUPPORTED

The most prominent projects supported in 2021 under each of the Fund's guidelines were as follows:

### COOPERATIVE MOVEMENT AND LOCAL DEVELOPMENT

- **Support for the cooperative movement**, especially in the primary sector, by signing collaboration agreements with cooperatives and their representative bodies such as UCAN, the Navarre agricultural cooperatives union, to develop effective training and professionalisation programmes.
- **Entrepreneurship Days**, to encourage young people into the farming sector, run jointly with the public sector company INTIA. The primary aim is to address the problem of next-generation farmers, prevent rural depopulation and promote the empowerment of women.
- **Advice to customers on processing PAC aid**, through a dedicated team of experts. In 2021, 4,686 applications were dealt with under this scheme.
- **Advice and processing services for income and wealth tax returns**, particularly in provinces where it is an official collaborator with the Spanish tax authorities (Hacienda), using a specially assigned team of professionals.

### SOCIAL, CHARITY AND SPORTING PROJECTS

- **Tour of Pamplona with Solera and Caja Rural**: a company volunteering programme in which Bank employees offer to take older people for rides on electric tricycles around Pamplona. This not only

relieves the pressure of loneliness and isolation but also helps them to rediscover their city.

- **Aspace**: colaboración para garantizar el cuidado y protección de personas con parálisis cerebral.
- **Proyecto Hombre**: partnering with programmes to attend and support people suffering from addiction problems.
- **La Rioja Association of family and friends of children with cancer (FARO)**: support for the programme "Integrated healthcare for young people with cancer and their families".
- **Día Más Solidario**: this initiative directed 10% of the income from Seguros RGA policies sold on solidarity day into the "Right to Food" project, financing the social canteen run by Cáritas in Barakaldo.
- **Issue, management and promotion of the Carné Joven Project in Navarre and La Rioja**. Caja Rural de Navarra renewed its partnership agreement with the Navarre and La Rioja regional governments to provide the Carné Joven for another year. Through this initiative, we provide thousands of young people between 14 and 30 with access to services and discounts on accommodation, transport, culture, stores and insurance among other things, through deals struck in Spain and more than 40 other countries which together give them discounts at more than 50,000 establishments.
- **Support for grass level sport and sporting activity** through cooperation agreements with clubs in our region, helping boost quality of life and healthy habits.
- **Social and leisure activities** for various groups and organizations of older people.



## RESEARCH, EDUCATION, TECHNOLOGY AND EMPLOYMENT

► **Eskola Digitala:** a new programme to support investment in digitization by educational centres in the Basque Country. A total of EUR 235,359 was distributed among 113 colleges in direct subsidies, to guarantee that no school should go without the right investment for lack of resources.

► **CIMA scholarships:** EUR 45,000 contributed to the Centre for Applied Medical Research to help build up the research activities of this leading national and international centre of the University of Navarra.

### ► Universities:

• **International scholarships:** despite Covid-19 restrictions on travel, Caja Rural de Navarra continued to support students at the Universidad de Navarra and Universidad Pública de Navarra through its scholarship programmes, helping them pursue their studies and research in countries around the world. Programmes included Erasmus, Palafox, Martín de Rada, ISEP USA, ISEP Internacional, bilateral arrangements and Alumni UN.

• **Other activities:** the Bank also promotes activities with the university community in the fields of sustainability, dissemination of scientific knowledge, volunteering, sport and health.

• **Creation and support of an area of enterprise,** which can finance special activities that drive and develop enterprise and start-ups throughout the university community.

### ► Professional training:

• **Support and development of Erasmus Plus,** through various international scholarships in collaboration with the Government of Navarra. Students benefit from Professional Training stays in other EU countries which allows them to experience cultural, social and working conditions different from their usual environment.

► **Work Experience at Caja Rural de Navarra:** these are part of our commitment to training and employment and are designed to complement

student training, introducing participants to the reality of the financial world, enhancing their knowledge, developing skills and making them more employable. Through these programmes, we have contributed to training more than a thousand students in these last ten years.

## CULTURE AND SOCIETY

► **I. Navarre Book Fair:** working with the Asociación de Librerías de Navarra to organise this event which holds a series of cultural activities in Pamplona, Tudela, Estella-Lizarra and Elizondo.

► **Kilometroak and Nafarroa Oinez:** support for the ikastolas festival in Gipuzkoa and Navarre, that works to promote euskera (the Basque language) and defend people's linguistic diversity.

► **La Experiencia Cinematográfica:** an integrated cultural project that seeks to improve students' personal and professional skills through cinematographic training.

► **Comparsa de Gigantes and Cabezudos del Valle de Larraun:** start-up support for this social and cultural project designed to enhance community cohesion in the Larraun Valley and foster relationships between generations at fun events.

► **Music and cinema festivals:** support the cultural sector through hard times by sponsoring new initiatives and festivals such as Flamenco On Fire, Clásica Plus, Confluencias de Estella-Lizarra and the Navarra International Film Festival.

► **Huertas Solidarias Project:** in this project the Bank deploys resources so that retired people with the knowledge can cultivate allotments, donating the produce to social projects.



► **Bodas de Oro Navarra:** recognition for all married couples in Navarre who celebrated their 50th wedding anniversary in 2021 and are customers of CRN.

► **VII. Concurso fotográfico de Caja Rural de Navarra:** en el año 2021 se ha organizado una nueva edición de este concurso que ha contado con cientos de fotografías presentadas.

### **ENVIRONMENT**

► **Navarre food bank:** development of the “Foods that aren’t eaten” digital programme, a graphic adventure that seeks to raise awareness among schoolchildren on food wastage, while educating them on sustainability, responsible consumption and combating poverty.

► **Aula de la Naturaleza de Fundación Ilundain – Haritz Berri:** environmental education project, helping sustain it. This is an educational resource visited by 5,000 schoolchildren each year.

► **Pamplona electric bicycle service:** support for sustainable mobility in the city, contributing EUR 45,000 to develop a range of actions that introduce 1,000 new users a year to this service.

► **Iniciativa Equinoccio 2030 en la Mejana de Tudela:** a day of celebration through the planting of vegetables and pulses, as well as shrub species to protect the plants by acting as natural windbreaks and barriers against infestation. The initiative involved 125 schoolchildren from three local colleges.

► **Acción forestal in Lerín:** project to plant 1.5 hectares of woodland in and around the Lerín municipality. The project involves a total of 1,556 shrubs, a contribution that will partly offset CO2

emissions by the Lerín local authority and create a new woodland area to encourage biodiversity.

### **ENTREPRENEURSHIP**

Support for entrepreneurs via Inicia. This is an exclusive credit facility for financing and advising young entrepreneurs, through which the Bank gives preferential treatment to people dreaming of starting their own business, to give their business a boost.

The Caja Rural’s Línea Inicia advisors analyse the viability of the business, the experience of the workers and their commitment. Besides more technical points, they gauge enthusiasm and commitment to the projects.

Through Inicia, we advise on finance and propose customised solutions, adapting to the specific needs of each project and making sure they are eligible for all types of support and subsidies. To facilitate this action, there are collaboration agreements with development agencies, other business organizations and universities.

Línea Inicia solutions are as diverse as people’s needs and the forms of finance are adapted to each enterprise project.

In the 15 years that the line has been running it has supported 2,306 projects which have helped economic and social development in the areas where they operate.

Over this time, 3,956 direct jobs have been created. In 2021, 367 direct jobs were created. They were taken by 241 men and 126 women (66% and 34%, respectively) with an average age of 40.09 years.



Caja Rural de Navarra’s aim is that everyone presenting a sound project should have initial support and the finance they need to start developing their business. Enterprise is one of the engines of the Navarre economy and in this way Caja Rural de Navarra is supporting the entrepreneurs and SMEs of the near future.

By these and other actions, Caja Rural de Navarra is keeping its commitment to local economic development, now and in the future, contributing to the region’s sustainability.



### 8.3. INSTITUTIONAL VALUE

Caja Rural de Navarra's business puts us in constant direct contact with society. This means, we need to agree policies with different public and private players in the region, so we can put these actions into effect. As a result, the Bank has a host of different agreements with public and private sector institutions. The most important agreements we have with such institutions are as follows:

#### AGREEMENTS WITH PUBLIC AUTHORITIES AND OTHER AGENCIES

GOVERNMENT OF NAVARRRE - MANAGEMENT  
OF THE NAVARRRE CARNÉ JOVEN SCHEME

GOVERNMENT OF NAVARRRE - INCOME TAX  
AND PAC

GOVERNMENT OF NAVARRRE - EDUCATION  
DEPARTMENT (PROFESSIONAL TRAINING)

GOVERNMENT OF NAVARRRE - MANAGEMENT  
OF THE LA RIOJA CARNÉ JOVEN SCHEME

BASQUE GOVERNMENT - R&D&I

BASQUE GOVERNMENT - LANGUAGE RIGHTS

BASQUE GOVERNMENT - SENDOTU SMES  
AND SELF-EMPLOYED WORKERS IN THE  
AGRICULTURAL, FORESTRY AND FISHING  
SECTORS

GOVERNMENT OF ARAGON - PAC

REGIONAL GOVERNMENT OF VIZCAYA - VIA T  
REMOTE TOLL SYSTEM

UNIVERSITY OF NAVARRRE

PUBLIC UNIVERSITY OF NAVARRRE

FUNDACIÓN PARA LA INVESTIGACIÓN MÉDI-  
CA APLICADA

ALTUBE UNIVERSITY ASSOCIATION

OFFICIAL CHAMBER OF COMMERCE AND  
INDUSTRY IN NAVARRRE

ELKARGI SDAD. GARANTÍA RECÍPROCA

IBERAVAL, SDAD. DE GARANTÍA RECÍPROCA

ANEL

ASSOCIATION OF WORKERS SOCIETIES OF  
EUSKADI (ASLE)

CONFEDERATION OF COOPERATIVES OF  
EUSKADI (ERKIDE)

GARAPEN - DEVELOPMENT AGENCIES OF  
EUSKADI

GRUPO INTEGRA SOCIAL

UEMA (MANCOMUNIDAD DEL EUSKERA) - GIA



# 09 CSR REPORT – ROAD MAP

**9.1** Environment

**9.1** Social issues

**9.1** Economic-financial analysis and corporate  
governance developments

## 5.1. ENVIRONMENT

ISSUE	OBJECTIVE 2021	DEGREE OF ACHIEVEMENT 2021	OBJECTIVE 2022
Energy efficiency	Remain involved in EeMAP and EEML, playing an active role in promoting funding for energy efficiency through this European initiative.	<b>Objective achieved.</b> Caja Rural de Navarra remains a member of EeMAP-EEMI (Action Plan-Energy Efficient Mortgage Initiative) and EEML (Energy Efficient Mortgage Label) actively collaborating in various initiatives and international working groups to develop green finance and promote energy efficient housing that help meet the environmental and social goals set out in the UN Paris Agreement.	Continue playing an active part in this initiative, which helps expand funding for energy efficiency.
	Specify parameters for home energy efficiency improvement loans.	TBC	TBC
Volunteering	Creation of a pool of volunteers to develop various environmental projects in collaboration with local organisations (reforestation, cleaning up woodland, etc.).	<b>Objective achieved.</b> Voluntary reforestation projects in Arive	Continue developing the volunteering strategy
Environmental actions in our community	Promote environmental initiatives in all regions where Caja Rural de Navarra operates	<b>Objective achieved.</b> A Forest Management Plan was drawn up, with the goal of developing environmental actions in all the Bank's regions of operation, working through local organizations. Carried out initiatives in Navarre and the Basque Country, respectively, the Mejana project as part of the Equinoccio 2030 day and the "Hua da green" project. Between them, the two projects mobilised 862 students and 24 schools.	Continue with the reforestation activities plan.
Waste in CRN branches	Specify a recycling process for solid urban waste generated at the branches	<b>Objective achieved.</b> Installation of separate colour-coded waste bins for plastics, paper and organic waste.	N/A
CRN carbon footprint	Measure current emissions and realise an action plan	<b>Objective achieved.</b> Carbon footprint calculated using the GHG Protocol methodology for scope 1 (direct emissions), scope 2 (indirect emissions) and scope 3 (induced emissions)	Continue measurement. Reduce carbon footprint for employees travelling to and from work (scope 3)

<b>Carbon footprint at the Grupo Harinero and Solera Asistencial</b>	Continue working to raise awareness and realise an action plan	<b>Objective partly achieved.</b> Calculate carbon footprint using the GHG Protocol methodology for scope 1 (direct emissions) and scope 2 (indirect emissions).	Extend measurement of scope 3 (induced emissions) to all subsidiaries.
<b>Capital market finance</b>	N/A	N/A	Issue a green mortgage covered bond under the sustainability framework which complies with the European Union Taxonomy
<b>Investment products (Gescooperativo funds)</b>	Fill out the fund range with a risky profile investment fund	<b>Objective achieved.</b> The Rural Futuro Sostenible fund was launched in July 2021	Market the first sustainable impact fund (SFDR Article 9 fund)
<b>Investment products (Gescooperativo funds)</b>	Expand the range of SFDR Article 8 funds	One new fund was added to the range.	Convert existing funds in the range into SFDR Article 8 and/or 9 funds This objective will be conditional on customers' responses to the sustainability question included in the suitability test from 1 August.
<b>Investment products (Gescooperativo funds)</b>	Implementation of all obligations under the Sustainable Finance Disclosure Regulation (SFDR) EU 2019/2088 for financial advisors.	<b>Objective achieved.</b>	Continue complying with all regulatory requirements set for 2022, including the introduction of a sustainability question to the suitability test from 1 August.
<b>Investment products (Gescooperativo funds)</b>	Marketing of our sustainable fund range.	<b>Objective partly achieved.</b> Work was done to prepare a video and marketing brochures.	Finalise drafting of marketing materials and disseminate them through the commercial communication channels.
<b>Investment products (third-party funds)</b>	Increase the number of third-party investment manager products on offer that meet the criteria in Articles 8 and 9 of the SFDR.	<b>Objective achieved.</b> More qualifying funds were added to the range.	Continue filling out the range of other managers' Article 8 and 9 funds.
<b>Investment products (GDC)</b>	Continue increasing the percentage of sustainable assets in GDC portfolios to above the 50% level to be deemed sustainable.	<b>Objective postponed.</b> The objective was pushed back by one year while awaiting responses to the sustainability question in the suitability test.	Convert existing portfolios to sustainable portfolios. This objective will be conditional on customers' responses to the sustainability question included in the suitability test from 1 August.
<b>Investment products (pension plans and EPSVs)</b>	All pension and voluntary social provision plans (Entidades de Previsión Social Voluntaria or EPSVs) we sell should qualify under Article 8 of the SFDR.	<b>Objective achieved.</b> At end-2021 all pension plans and ESPVs met Article 8 criteria.	Market the first pension plan and ESPV to meet Article 9 sustainability criteria.
<b>Investment products</b>	Sign up to the UN principles for responsible investment (PRI) on behalf of the group (Gescooperativo and RGA)	<b>Objective not achieved.</b> This objective was not met by end-2021 although work was done in preparation.	Sign up to the UN principles for responsible investment (PRI) on behalf of the group (Gescooperativo and RGA)

<b>Investment products</b>		N/A	Train the retail network on sustainability issues in financial advice. This objective will be conditional on customers' responses to the sustainability question that will be included in the suitability questionnaire from 1 August.
<b>Sustainable finance loans: own consumption</b>	Agreement with solar panel installers supported by an attractive financing package.	<b>Objective postponed.</b> Project launched in January 2022.	Launch and continue working on the project.
<b>Sustainable mobility loans: electric vehicle financing</b>	Launch of an attractive financing line for those looking to buy an electric vehicle.	<b>Objective achieved.</b>	N/A
<b>Sustainable renovation loans: renovation financing</b>	An attractive financing line for sustainable renovation projects.	<b>Objective postponed.</b>	Review whether this objective can be met in the second half of the year.



## 5.2. SOCIAL ISSUES

ISSUE	OBJECTIVE 2021	DEGREE OF ACHIEVEMENT 2021	OBJECTIVE 2022
<b>Financial inclusion</b>	Objective maintained for 2021, given the increasing importance of financial education in modern society.	Objective in progress. Sign up to UNACC's "Finance for All" financial education programme for schoolchildren aged 12 to 13. Invitations to take part were sent out to all schools who were customers.	Implement the Plan for Digital Training of Older People, developed in-house, to make sure they are financially included, through training workshops run in retired peoples' associations and clubs in three distinct areas: using mobiles, digital banking and using ATMs.
<b>Human resource management (equality and diversity, health and safety etc.)</b>	The physical and mental well-being of employees remains a priority for the Bank so we will continue offering programmes of this kind.	<b>Objective in progress.</b> Run a Healthy Recipe competition for all employees, with bran as the main ingredient, to help instil healthy eating habits into our daily life.	Continue supporting various initiatives to promote the physical and mental well-being of employees.
<b>Social action</b>	Draw up educational content for school students to raise awareness of socially responsible consumption from a young age.	<b>Objective in progress.</b> Design and delivery of "Behoria Garbia", a 3-month programme of environmental education and awareness-raising, attended by 287 students and 23 teachers in primary, secondary and post-school education at 5 schools in Guipúzcoa and Vizcaya. This project, based around the 3Rs (reduction, reuse and recycling), uses game-based techniques in classrooms, culminating in an end-of-course project collecting rubbish on the banks of the Oria river.	Continue supporting various activities that help raise environmental awareness among new generations.
<b>Social action</b>	N/A	N/A	Creation of the "Gaiñditu Awards" for social contributions, honouring best practice and projects run by Vizcaya organisations in various categories.
<b>Volunteering</b>	Extend this commitment to the different existing working groups to address new areas in the future.	<b>Objective achieved.</b> Publicising volunteering	Continue to highlight volunteering actions.
	Promote corporate volunteering actions, focusing on care at a local level.	Around 186 employees took part in the "Share a smile" initiative and around 30 in various social actions (Llodio, Solera, SanSilvestre de Logroño).	Continue developing the volunteering strategy Increase volunteering actions in the areas of support for children and older people via the CRN choir, Share a Smile, the Solera seniors' walk, digital training for older people, etc.
<b>Contribution to society</b>	Continue to prepare and publish the Corporate Social Responsibility Report	<b>Objective achieved.</b> Caja Rural de Navarra Group prepared its fifth Corporate Social Responsibility Report	We will continue to prepare and publish the Corporate Social Responsibility Report
<b>Dialogue with and development of local communities</b>	Complete a comprehensive materiality analysis, giving us the opportunity to effectively reach all stakeholders and hear their main concerns and demands.	The materiality analysis was completed, based on consultation with Caja Rural de Navarra's stakeholders and companies reported as equity investments	Maintain dialogue with all stakeholders in Caja Rural de Navarra and all the companies reported as equity investments.

<b>Training</b>	Continue promoting online training and delivering update sessions to prevent older employees falling behind.	Regular use of digital media. Most training in digital format.	Continue digital training in all fields for the Bank's staff.
<b>Time register</b>	Guarantee family life balance for our employees offering alternatives and flexible working methods (teleworking).	Time register process consolidated. Employees offered greater flexibility in managing working hours.	Install improved reporting software. Apply flexibility in self-management in collaboration with the team.
<b>Employee affinity groups, diversity councils or networking groups</b>	Create a private Alumni group on LinkedIn to foster the Talent community, for people who have worked at CRN.	<b>Objective achieved.</b> Group up and running.	Publicise the group and add new content.
<b>Diversity initiatives</b>	Update the CRN Equality Plan, including the concept of diversity.	Negotiations on introducing the new plan begun. Previous plan will remain in force until 2023.	Complete negotiations on the Equality plan and start implementing its measures.
<b>Equal pay</b>	Conduct an in-depth study on CRN's gender pay gap	Independent company registered and audited salaries	Consolidate the salary registration process
<b>Overall median gross gender pay gap</b>	Study the Bank's pay gap compared to median pay	Independent company registered and audited salaries	Consolidate the independent salary audit process
<b>Advice</b>	Define the policy for integrating sustainability risks into investment advice	<b>Objective achieved.</b> Inclusion of an ESG section in the proposed Customer Advice System (CAS) for advisory and managed portfolios.	Include open questions on aspects of ESG in the suitability test to obtain information and make the right recommendation for the customer's interests.
<b>Expand the Sustainable Funds range</b>	"Develop a new Sustainable Fund "Rural Futuro Sostenible". Its investment policy will not only consider environmental and social issues, but will also contribute a percentage of management fees to non-profit organizations. "	<b>Objective achieved.</b> Launch of Rural Futuro Sostenible, FI, which not only considers environmental and social issues, but also contributes a percentage of management fees to non-profit organizations.	Donate the promised percentage of management fees to non-profit organisations and report on donations to customers.  Investigate the feasibility of converting some Article 6 funds into Article 8 or 9 funds, as defined by the EU's SFDR regulation. Article 6 applies to funds whose investment process takes no account of sustainability. Article 8 ("promotion of environmental or social characteristics") applies when a financial product promotes, among other features, environment or social characteristics, or a combination of the two, provided the companies they invest in have good corporate governance. Article 9 ("products with sustainable investment as its objective") covers products intended for sustainable investments and applies when a financial product has sustainable investment as its objective and has designated a benchmark index.

<b>Introduction of the loyalty module in local businesses</b>	Define the customer loyalty module which allows businesses to offer discounts, issue vouchers, special offers and prize draws.	<b>Objective achieved.</b> Implementation in physical marketing.	Implement phase 1 in online marketing and the “Somos tu Comercio” marketplace.
<b>Digitisation of schools</b>	Call for applications for grants for schools in the Basque Country, coupled with a financing line, to facilitate investment in digital classrooms	<b>Objective achieved.</b> The “Eskola Digitala” programme was developed to support schools and families with digitisation. This lending line helped support investments in software and hardware, the installation of networks, and improvements to educational institutions totalling more than EUR 3,100,000. More than 50,000 students and 4,000 teachers benefited from the initiative, with the Bank contributing a total EUR 238,000 to 113 colleges in the Basque Country Region, with the aim of narrowing the digital divide between students, improving the classroom experience, and helping teachers by getting better technology into schools to better support their educational aims.	Launch a follow-up programme to “Eskola Digitala” to improve connectivity between educational institutions and families, thanks to agreements with a telephony operator.
<b>Digitisation of social organisations</b>	N/A	N/A	Call for applications for grants for third sector organisations in the Basque Country, working in the field of disability, coupled with a financing line, to facilitate investment in equipment and resources.
<b>Employability and integration to the labour market for young people</b>	Draw up a collaboration agreement that promotes young people's employability and integration to the labour market (practical training, company visits, grants, etc.)	<b>Objective achieved.</b> Strategy of collaboration with over 10 universities and Experience Programme with the International University of La Rioja.	Continue the Experience Programme with UNIR and other collaboration agreements with universities

### 5.3. ECONOMIC-FINANCIAL ANALYSIS AND CORPORATE GOVERNANCE DEVELOPMENTS

ISSUE	OBJECTIVE 2021	DEGREE OF ACHIEVEMENT 2021	OBJECTIVE 2022
<b>Sustainable practices</b>	We will continue the same policy. Personalised advice is a key part of our focus on proximity to customers.	The strategy for advisory services includes training in continuity of advice.	Continue the same policy. Personalised advice is a key part of our focus on proximity to customers.
<b>Customer-focused services</b>	The same objective is maintained for 2021.	<b>Objective achieved</b> and extended by conducting a comprehensive materiality analysis for the Caja Rural de Navarra Group	Maintain dialogue with customers through the channels provided by the Bank.
<b>Socially responsible investment</b>	Maintain the current Framework.	<b>Objective achieved.</b> In 2021, the Bank reviewed its Sustainability Framework to better align use of proceeds with the technical screening criteria of the EU taxonomy and draft EU green bond standards (EU GBS). The Framework is aligned with the 2021 versions of the green bond principles (GBP), social bond principles (SBP) and sustainable bond guidelines (SBG). The review was verified by Sustainalytics through the publication of its Second-Party Opinion.	Maintain the current Framework
	Continue obtaining Sustainalytics Second-Party Opinion for sustainable bond issues.	<b>Objective achieved.</b> Sustainalytics issued a new Second-Party Opinion on the framework for sustainable bond issuance revised in the later months of 2021.	Maintain a positive Second-Party Opinion from Sustainalytics on issuance of sustainable bonds.
	Continue to identify this information adequately for all new mortgages.	<b>Objective achieved.</b> Caja Rural de Navarra has recorded the 4 areas of energy efficiency since 2019 (certificate of consumption, consumption, certificate of CO2 emissions, CO2 emissions). In late 2021, a further project was launched with an external service provider to register the remaining energy efficiency data for loans made before the above-mentioned registration process was introduced.	Complete the project to record energy efficiency data in the system, covering as much as possible of the mortgage loan book. Also analyse the possibility of including data on physical climate risk.
	Continue identifying renovation projects.	<b>Objective achieved.</b> This information was included in the 2021 CSR report.	Continue identifying energy renovation projects on buildings.



<b>Sustainable products</b>	Specify parameters for home energy efficiency improvement loans.	TBC	TBC
	Complete the Bank's adaptation to the sustainability Disclosure Regulation, both on products and the Bank's obligations as an investment advisor. Adapt to the requirements flowing from the new taxonomy and its impact on non-financial reporting obligations, such as the Green Asset Ratio (GAR).	<b>Objective achieved.</b> Adapt to the Disclosure Regulation in compliance with the European Commission Delegated Regulation of 6 July 2021	Continue to adapt to the new sustainability regulations and requirements.
<b>Suppliers</b>	Objective maintained for 2021 and the procurement policy expanded to include social, gender equality and environmental issues.	Send a "Statement letter" to our 100 largest suppliers, setting out our concerns on sustainability and inviting them to join our efforts in the framework of our existing and future relationship.	Include sustainability policies and progress by our suppliers as a weighting element when contracting products and services, which they must set out when proposing a budget.
<b>Regulatory compliance, corporate governance and transparency</b>	Maintain a high ESG risk rating by Sustainalytics.	Send a "Statement letter" to our 100 largest suppliers, setting out our concerns on sustainability and inviting them to join our efforts in the framework of our existing and future relationship.	Include sustainability policies and progress by our suppliers as a weighting element when contracting products and services, which they must set out when proposing a budget.
	The objective for 2021 is to have the Regulatory Compliance Engine fully up and running and implement the new improvements identified in 2020.	This objective was largely achieved and the Bank now has a well-defined methodology, understood by all business areas, which is in place and functioning. As it stands, the Regulatory Compliance Engine has been loaded with parameters for all the component Compliance Sections within the scope of operations of the Regulatory Compliance Unit.	Continue with the areas for action identified in the Strategic Plan, stabilising actions already in place and, most importantly, completing testing tasks in a more regular and planned fashion. We have also made it a priority to complete the other objectives under this three-year plan which remain outstanding or have not yet been fully implemented. Work continues to develop from a function closely focused on advising on regulatory changes and their impact on the Business line into a function whose responsibility for testing allows us to measure how far regulations have been implemented and are being applied by the Bank's employees/processes/controls, etc..
	Promote women's candidacies as Directors of the Bank during statutory renewals of Board membership.	<b>Objective achieved.</b> At the moment, there are two women on the Bank's Board following the election of members in 2021.	Appoint another woman to the Board as employee representatives, raising the total women members to three by the end of 2022.
	Develop and launch the Risk Appetite Framework sustainability project	Progress has been made in capturing granular data to allow automatic calculation of metrics such as the green asset ratio (GAR)	Establish automatic calculations for the risk appetite framework and lower reporting levels.

<b>Regulatory compliance, corporate governance and transparency</b>	Define the carbon footprint of the Bank's loan book by sector and start to define new monitoring variables.	Energy certificates are now included in the data base for all buildings in the mortgage portfolio.	Record sustainability factors for mid-sized and large corporates.
	Define objectives and establish the control and identification process.	The proportion of eligible economic asset exposures as a share of total assets, exposure to central government, central banks and supranational issuers and similar, and exposures to companies that are not obliged to publish non-financial information.	Publish these ratios as part of the Bank's external reporting, adapting measurement to meet the newly published standards.

# 10 ANNEX I

## FILE ATTACHED

**10.1** GRI Standards Mandatory Indicators

**10.2** GRI standards material indicators



GRI STANDARDS – MANDATORY INDICATORS				
	INDICATOR		COMMENT	PAGE
Profile of the organization	<b>102-1</b>	Organization name	CAJA RURAL DE NAVARRA, Sociedad Cooperativa de Crédito ABOUT US PROFILE OF THE ORGANIZATION	- 17 22
	<b>102-2</b>	Activities, brands, products and services	ABOUT US PROFILE OF THE ORGANIZATION	17 22
	<b>102-3</b>	Location of headquarters	PROFILE OF THE ORGANIZATION	22
	<b>102-4</b>	Location of operations	ABOUT US PROFILE OF THE ORGANIZATION	22
	<b>102-5</b>	Ownership and legal form	PROFILE OF THE ORGANIZATION	22
	<b>102-6</b>	Markets served	PROFILE OF THE ORGANIZATION	22
	<b>102-7</b>	Scale of the organization	KEY FIGURES	39
	<b>102-8</b>	Information on employees and other workers	THE TEAM	78
	<b>102-9</b>	Supply chain	SUPPLIERS The biggest suppliers in the financial sector are institutions' own creditors, who are the source of funding for their business (along with equity capital). Also, one of the peculiarities of banking is that the same individual can appear as a customer (consuming financial and other intermediation services) and as a supplier/creditor (providing funds to the institution as a depositor). As a result, Caja Rural de Navarra's local suppliers (depositors) form a high percentage of total suppliers.	99
	<b>102-10</b>	Significant changes to the organization and its supply chain	There were no significant changes to the organization and its supply chain in 2021	-
	<b>102-11</b>	Precautionary principle or approach	There were no significant changes to the organization and its supply chain in 2021	-
	<b>102-12</b>	External initiatives	ABOUT US CORPORATE CULTURE CAJA RURAL DE NAVARRA AND SOCIETY	17 34 113
	<b>102-13</b>	Membership of associations	CAJA RURAL DE NAVARRA AND SOCIETY ABOUT US	113 17



GRI STANDARDS – MANDATORY INDICATORS				
		INDICATOR	COMMENT	PAGE
Strategy	<b>102-14</b>	Statement from senior decision-makers	CHAIRMAN'S LETTER	5
	<b>102-15</b>	Key impacts, risks, and opportunities	STRATEGY The main mechanisms for identifying risks are: sector analysis, identifying customer expectations through established dialogue mechanisms and retreats for reflection by the managers on the different committees.	14
Ethics and integrity	<b>102-16</b>	Values, principles, standards, and norms of behaviour	ABOUT US: CORPORATE STRUCTURE	28
	<b>102-17</b>	Mechanisms for advice and concerns about ethics	CONFIDENTIAL CHANNELS FOR 'WHISTLEBLOWING' AND COMMUNICATION COMMUNICATION: To promote its values throughout the organization and create a structured path for the resolution of ethical dilemmas that may arise, the Bank has created a Whistle-blowing channel for employees. Employees can use this to securely and confidentially report any potential irregularities so that they can be investigated and studied by the competent bodies. This is in addition to the ordinary internal control and review work instituted by the Company.	-
Governance	<b>102-18</b>	Governance structure	GOVERNING BODIES GOVERNING BODIES AND INTERNAL MANAGEMENT AND CONTROL STRUCTURE	23 24
	<b>102-19</b>	Delegation of authority	ABOUT US: CORPORATE STRUCTURE	28
	<b>102-20</b>	Executive-level responsibility for economic, environmental, and social topics	ABOUT US: CORPORATE STRUCTURE, Governing Board	25
	<b>102-21</b>	Consulting stakeholders on economic, environmental, and social topics	ABOUT THE REPORT	7
	<b>102-22</b>	Composition of the highest governance body and its committees	<a href="https://www.cajaruraldenavarra.com/sites/default/files/gobierno-coorporativo/composicion-consejo.pdf">https://www.cajaruraldenavarra.com/sites/default/files/gobierno-coorporativo/composicion-consejo.pdf</a> <a href="https://www.cajaruraldenavarra.com/sites/default/files/2021-11/2021-11nov-17-nota-web-comite-de-riesgos.pdf">https://www.cajaruraldenavarra.com/sites/default/files/2021-11/2021-11nov-17-nota-web-comite-de-riesgos.pdf</a> <a href="https://www.cajaruraldenavarra.com/sites/default/files/2021-11/2021-11nov-17-nota-web-comite-de-remuneraciones-crn-2021.pdf">https://www.cajaruraldenavarra.com/sites/default/files/2021-11/2021-11nov-17-nota-web-comite-de-remuneraciones-crn-2021.pdf</a> <a href="https://www.cajaruraldenavarra.com/sites/default/files/2021-11/2021-11nov-17-nota-web-comite-de-nombramientos.pdf">https://www.cajaruraldenavarra.com/sites/default/files/2021-11/2021-11nov-17-nota-web-comite-de-nombramientos.pdf</a> <a href="https://www.cajaruraldenavarra.com/sites/default/files/2021-11/2021.11.22-nov-17-nota-web-comite-de-auditoria.pdf">https://www.cajaruraldenavarra.com/sites/default/files/2021-11/2021.11.22-nov-17-nota-web-comite-de-auditoria.pdf</a>	
	<b>102-23</b>	Chair of the highest governance body		

GRI STANDARDS – MANDATORY INDICATORS				
	INDICATOR		COMMENT	PAGE
Governance	<b>102-24</b>	Nominating and selecting the highest governance body	ÓRGANOS DE GOBIERNO Y ESTRUCTURA INTERNA DE DIRECCIÓN Y CONTROL.	26
	<b>102-25</b>	Conflicts of interest	<p>Caja Rural de Navarra's Governing Board is obliged to define a system for corporate governance that guarantees sound and prudent management and addresses the issue of conflicts of interest.</p> <p>Caja Rural de Navarra has put in place a series of measures to identify different types of conflict of interest. The mechanisms are set out in three areas:</p> <p>Article 48 of the Bank's Articles of association.</p> <p>Article 8.4 of the Governing Board's Rules of Procedure. Both these documents can be found at: <a href="http://www.cajaruraldenavarra.com">www.cajaruraldenavarra.com</a></p> <p>Internal mechanisms created by the Bank to comply with Royal-Decree 84/2015 regarding limits on loans, pledges and guarantees to the senior managers of the Bank. To this end, the Bank has a procedure to follow when making any loans to its directors and general management</p> <p>Approved by the Governing Board in September 2021.</p> <p>Caja Rural de Navarra's oversight of the Compliance Function has a section on conflicts of interest, including the policy on conflicts of interest whose latest update was approved by the Bank's Governing Board in October 2021.</p> <p>The policy sets out details on the following issues: Definition of a conflict of interest, scope of application; situations likely to generate conflicts of interest, measures to prevent, remedy or mitigate conflicts of interest, notification and registration of a conflict of interest, register of conflicts of interest, and review and maintenance of the policy on Conflicts of Interest</p>	
	<b>102-26</b>	Role of the highest governance body in selecting objectives, values and strategy	ABOUT US: CORPORATE STRUCTURE	28
	<b>102-27</b>	Collective knowledge of highest governance body	ABOUT US: CORPORATE STRUCTURE	28
	<b>102-28</b>	Performance evaluation of the highest governance body	GOVERNING BODIES AND INTERNAL MANAGEMENT AND CONTROL STRUCTURE	24

GRI STANDARDS – MANDATORY INDICATORS				
		INDICATOR	COMMENT	PAGE
Governance	<b>102-29</b>	Identifying and managing economic, environmental, and social impacts	ABOUT THE REPORT GOVERNING BODIES AND INTERNAL MANAGEMENT AND CONTROL STRUCTURE	7
	<b>102-30</b>	Effectiveness of risk management processes	INTERNAL CONTROL FRAMEWORK FOR CAJA RURAL DE NAVARRA NAVARRE	24
	<b>102-31</b>	Review of economic, environmental, and social topics	Economic, environmental and social issues and their associated impacts, risks and opportunities will be assessed annually to coincide with the preparation of this Report.	29
	<b>102-32</b>	Highest governance body's role in sustainability reporting	ABOUT THE REPORT	-
	<b>102-33</b>	Communication of critical concerns	CUSTOMERS	7
	<b>102-34</b>	Nature and total number of critical concerns	CUSTOMERS	7
	<b>102-35</b>	Remuneration policy	THE TEAM	77
	<b>102-36</b>	Process for determining remuneration	With summary of the remuneration policy: <a href="https://www.cajaruraldenavarra.com/es/gobierno-corporativo-politica-remuneraciones">https://www.cajaruraldenavarra.com/es/gobierno-corporativo-politica-remuneraciones</a>	
	<b>102-37</b>	Stakeholders' involvement in remuneration	Stakeholders do not participate in determining remuneration	-
	<b>102-38</b>	Annual total compensation ratio	THE TEAM	77
	<b>102-39</b>	Total annual compensation percentage increase ratio	CRN REMUNERATION POLICY (SUMMARY) <a href="https://www.cajaruraldenavarra.com/es/gobierno-corporativo-politica-remuneraciones">https://www.cajaruraldenavarra.com/es/gobierno-corporativo-politica-remuneraciones</a>	
Stakeholder engagement	<b>102-40</b>	List of stakeholder groups	ABOUT THE REPORT	7
	<b>102-41</b>	Collective bargaining agreements	THE TEAM	77
	<b>102-42</b>	Identification and selection of stakeholders	ABOUT THE REPORT EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION	7 9
	<b>102-43</b>	Approach to stakeholder engagement	ABOUT THE REPORT EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION	7 9

GRI STANDARDS – MANDATORY INDICATORS				
	INDICATOR		COMMENT	PAGE
Stakeholder engagement	<b>102-44</b>	Key topics and concerns raised	EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION	9
	<b>102-45</b>	Entities included in the consolidated financial statements	ABOUT US: CORPORATE STRUCTURE, EQUITY INVESTMENTS	35
	<b>102-46</b>	Defining report content and topic boundaries	EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION	9
	<b>102-47</b>	List of material topics	ABOUT THE REPORT	7
Reporting practice	<b>102-48</b>	Restatement of information	<p>There are no restatements resulting from:</p> <ul style="list-style-type: none"> <li>• Mergers or acquisitions;</li> <li>• Changes in base years or periods;</li> <li>• The nature of the business;</li> </ul> <p>There are some restatements in Annex II, relating to the methods used to measure employees and remuneration in companies comprising the consolidated Group. Age range data in permanent and temporary contracts have also been restated to bring the report into line with GRI guidance. They remain comparable having been adjusted for all reporting periods.</p>	
	<b>102-49</b>	Changes in reporting	EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION A new materiality analysis was carried out for both the parent, Caja Rural de Navarra, and the equity investments referring to financial year 2021.	9
	<b>102-50</b>	Reporting period	ABOUT THE REPORT	7
	<b>102-51</b>	Date of most recent report	CHAIRMAN'S LETTER	5
	<b>102-52</b>	Reporting cycle	The reporting cycle is prepared each year.	6
	<b>102-53</b>	Contact point for questions regarding the report	ABOUT THE REPORT	7



GRI STANDARDS – MANDATORY INDICATORS				
		INDICATOR	COMMENT	PAGE
Reporting practice	<b>102-54</b>	Claims of reporting in accordance with the GRI Standards.	CHAIRMAN'S LETTER ABOUT THE REPORT	5 7
	<b>102-55</b>	Table of GRI contents	ANNEX I	150
	<b>102-56</b>	External assurance	Caja Rural de Navarra is publishing its fourth Corporate Social Responsibility Report and the 2021 Non-Financial Statements for the Caja Rural de Navarra Consolidated Group. Caja Rural de Navarra has commissioned AENOR to undertake the Exhaustive Verification of its CSR Report based on GRI standards, verify the information on the companies in the Group and so issue an External Verification Report.	
Profitability, solvency and risk management.  Sustainable finances	<b>GRI 103: agement focus</b>	103-1 Explanation of the material topic and its boundary	ABOUT THE REPORT  The materiality analysis was conducted covering the parent Bank (Caja Rural de Navarra), and its equity investments.	9
		103 -2 The management approach and its components	ABOUT US	17
		103-3 Evaluation of the management approach	ABOUT THE REPORT	13

GRI STANDARDS - MANDATORY INDICATORS			
INDICATOR		COMMENT	PAGE
Profitability, solvency and risk management.  Sustainable finances	<b>GRI 201: Desempeño económico</b>	201-1 Direct economic value generated and distributed	ABOUT US 17
		201-2 Financial implications and other risks and opportunities due to climate change	-

GRI STANDARDS MATERIAL INDICATORS			
KEY ISSUE			COMMENT
Profitability, solvency and risk management  Sustainable finances	<b>GRI 201: Economic development</b>	201 -3 Obligations of the defined benefit plan and other retirement plans	There is no Pension Plan, but the Bank has obligations under the national collective agreement on life and accident insurance and widow/er and orphan supplements.
		201-4 Financial assistance received from government	
		202 -2 Proportion of senior executives hired from the local community	ABOUT US All the senior executives come from the local community.
	<b>GRI 203: Impactos económicos indirectos</b>	203-1: Infrastructure investments and services supported	<p>Caja Rural de Navarra provides financial services and the key risks and opportunities due to climate change arise not from the Bank's own activities but from the businesses carried on by its customers, particularly those mounted by its borrowers using the Bank's loans.</p> <p>For this reason, several years ago, the Bank implemented a Sustainability 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.</p> <p>These lines are consistent with its principles of commitment to its local social and natural environment. The framework is dynamic. It evolves and develops over time in tandem with responsible social and environmental practices.</p> <p>The latest update to the Framework was conducted in December 2021.</p> <p>The consultancy Sustainalytics has ratified through its Second-Party Opinion (SPO) that the Bank's framework is aligned with the principles and objectives mentioned above, including the Green Bond Principles (GBP) and Social Bond Principles (SBP) of the ICMA (International Capital Market Association) and that it finances projects that contribute to environmental sustainability, social challenges and the United Nations Sustainable Development Goals (SDG) in line with guidelines on transparency, communication and reporting. These principles and objectives are consistent with the commitments the bank makes in its Sustainability Framework.</p> <p>The latest SPO published by Sustainalytics on the Bank's Sustainability Framework is dated 2021.</p> <p>The Framework and SPO are available on the investors' website: <a href="https://www.cajaruraldenavarra.com/en/information-investors">https://www.cajaruraldenavarra.com/en/information-investors</a></p>

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GRI STANDARDS MATERIAL INDICATORS			
KEY ISSUE			COMMENT
Profitability, solvency and risk management  Sustainable finances	<b>GRI 203: Indirect economic impacts</b>	203 -2 Significant indirect economic impacts	<p>Caja Rural de Navarra provides financial services and the key risks and opportunities due to climate change arise not from the Bank's own activities but from the businesses carried on by its customers, particularly those mounted by its borrowers using the Bank's loans.</p> <p>For this reason, several years ago, the Bank implemented a Sustainability 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.</p> <p>These lines are consistent with its principles of commitment to its local social and natural environment. The framework is dynamic. It evolves and develops over time in tandem with responsible social and environmental practices.</p> <p>The latest update to the Framework was conducted in December 2021.</p> <p>The consultancy Sustainalytics has ratified through its Second-Party Opinion (SPO) that the Bank's framework is aligned with the principles and objectives mentioned above, including the Green Bond Principles (GBP) and Social Bond Principles (SBP) of the ICMA (International Capital Market Association) and that it finances projects that contribute to environmental sustainability, social challenges and the United Nations Sustainable Development Goals (SDG) in line with guidelines on transparency, communication and reporting. These principles and objectives are consistent with the commitments the bank makes in its Sustainability Framework.</p> <p>The latest SPO published by Sustainalytics on the Bank's Sustainability Framework is dated 2021.</p> <p>The Framework and SPO are available on the investors' website: <a href="https://www.cajaruraldenavarra.com/en/information-investors">https://www.cajaruraldenavarra.com/en/information-investors</a></p>
	<b>GRI 204: Procurement practices</b>	204 -1 Proportion of spending on local suppliers	<p>The Bank does not have this information. It is planning to work, firstly, on defining its suppliers, and secondly on measuring its spending on local suppliers.</p>

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GRI STANDARDS MATERIAL INDICATORS				
KEY ISSUE			COMMENT	PAGE
Strategy of the organization.	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	ABOUT THE REPORT	7
		103 -2 The management approach and its components	ABOUT THE REPORT	13
		103-3 Evaluation of the management approach	ABOUT THE REPORT Stakeholders did not participate in the strategic planning process.	13
Responsible and transparent marketing.	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	ABOUT THE REPORT	9
		103 -2 The management approach and its components	ABOUT US CUSTOMERS	17 48
		103-3 Evaluation of the management approach	ABOUT THE REPORT	13
	<b>GRI 206: Anti-competitive behaviour</b>	206-1: Legal actions related to anti-competitive behaviour, anti-trust and monopoly practices	In 2021, there was no legal action in relation to anti-competitive behaviour or infringements of the applicable monopoly practices and anti-trust legislation.	-

GRI STANDARDS MATERIAL INDICATORS				
KEY ISSUE			COMMENT	PAGE
Responsible and transparent marketing. Transparency in marketing. Digitization. Marketing channels.	<b>GRI 417: Marketing and Labelling</b>	417 -1 Requirements for product and service information and labelling	CUSTOMERS	48
		417 -2 Incidents of non-compliance concerning product and service information and labelling	CUSTOMERS	48
		417 -3 Incidents of non-compliance concerning marketing communications	CUSTOMERS	48
	<b>GRI 418: Customer privacy</b>	418-1: Substantiated complaints regarding breaches of customer privacy and losses of customer data	CUSTOMERS	48
Customer services department Publicity for products and services	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	ABOUT THE REPORT	9
		103 -2 The management approach and its components	ABOUT THE REPORT CUSTOMERS	13 47- 51
		103-3 Evaluation of the management approach	ABOUT THE REPORT	13

GRI STANDARDS MATERIAL INDICATORS				
KEY ISSUE			COMMENT	PAGE
Social Action  Contribution to economic growth and development  Sustainability strategy  Support for environmental protection initiatives	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	CAJA RURAL DE NAVARRA AND SOCIETY CUSTOMERS	9
		103 -2 The management approach and its components	CAJA RURAL DE NAVARRA AND SOCIETY CUSTOMERS	44
		103-3 Evaluation of the management approach	CAJA RURAL DE NAVARRA AND SOCIETY CUSTOMERS	6-9
Ethics, integrity and good governance	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	ABOUT THE REPORT	9
		103 -2 The management approach and its components	ABOUT THE REPORT	13
		103-3 Evaluation of the management approach	ABOUT THE REPORT	13
Management focus	<b>GRI 205: Management focus</b>	205 -1 Operations assessed for risks related to corruption	There were no transactions assessed in this area in 2021	-
		205 -2 Communications and training on anti-corruption policies and procedures	The Bank has introduced a Code of Conduct, communicating to all employees, whose latest version is dated 18 June 2020. This Code of Conduct in general is also available on the employee portal. The Bank has introduced a Criminal Compliance Management System that meets the requirements of the Spanish UNE 19601 standard which all employees are familiar with. Employees and the general public can access an Ethics Channel to report any kind of conduct they detect.	-
		205 -3 Confirmed incidents of corruption and actions taken	There were no cases of corruption in 2021	-

GRI STANDARDS MATERIAL INDICATORS				
KEY ISSUE			COMMENT	PAGE
The Bank's mission, vision and values	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	ABOUT US: CORPORATE STRUCTURE	9
		103 -2 The management approach and its components	ABOUT US: CORPORATE STRUCTURE	9
		103-3 Evaluation of the management approach	ABOUT US: CORPORATE STRUCTURE	9
Personal development Equality, diversity and work-life balance	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	THE TEAM	9
		103 -2 The management approach and its components	THE TEAM	9
		103-3 Evaluation of the management approach	THE TEAM	9
		404-1 Average annual training hours per employee	THE TEAM	9
		404-2 Programmes to improve staff aptitudes and programmes to support the transition		
		404-3 Percentage of employees that receive regular assessments of professional achievement and development		
		405-1 Diversity in governance and employee bodies		
		405-2 Ratio of basic salary and women's compared to men's remuneration		



GRI STANDARDS MATERIAL INDICATORS				
KEY ISSUE			COMMENT	PAGE
Responsible purchasing	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	SUPPLIERS	9
		103 -2 The management approach and its components	SUPPLIERS	9
		103-3 Evaluation of the management approach	SUPPLIERS	9
Reducing the environmental footprint	<b>GRI 103: Management focus</b>	103-1 Explanation of the material topic and its boundary	CAJA RURAL DE NAVARRA AND THE ENVIRONMENT	9
		103 -2 The management approach and its components	CAJA RURAL DE NAVARRA AND THE ENVIRONMENT	9
		103-3 Evaluation of the management approach	CAJA RURAL DE NAVARRA AND THE ENVIRONMENT	9
		302-1 Energy consumption within the organization	CAJA RURAL DE NAVARRA AND THE ENVIRONMENT	9
		302-4 Reduction of energy consumption		
		303-1 Water withdrawal by source		
		305-1 Direct GHG emissions		
		305-2 Indirect GHG emissions		
		305-5 Reduction of GHG emissions	ABOUT US: CORPORATE STRUCTURE	9

# 11 ANNEX II

## NON-FINANCIAL STATEMENTS OF COMPANIES COMPRISING THE CAJA RURAL DE NAVARRA CONSOLIDATED GROUP

### 1\_ GENERAL INFORMATION

- 1.1** Business model description
- 1.2** Description of the group's policies
- 1.3** Administrative body remuneration
- 1.4** Caja rural de navarra group – cross-group management
- 1.5** Key indicators for non-financial results
- 1.6** Main sector risks
- 1.7** Disconformidades y quejas

### 2\_ ENVIRONMENTAL ISSUES

- 2.1** Energy and pollution metrics
- 2.2** Climate change and energy model transition

### 3\_ SOCIAL AND PERSONAL ISSUES

- 3.1** Employment
- 3.2** Employee relations
- 3.3** Training
- 3.4** Equality

### 4\_ RESPECT FOR HUMAN RIGHTS

- 4.1** Extension of human rights policies to suppliers and customers

### 5\_ CORRUPTION AND BRIBERY

### 6\_ SOCIAL CONTEXT

- 6.1** The company's commitments to wider society
- 6.2** Impact on the local economy
- 6.3** Food safety
- 6.4** Senior care
- 6.5** Covid-19
- 6.6** Tax information

## 1. GENERAL INFORMATION

This Annex refers to the companies that make up the Caja Rural de Navarra Consolidated Group with the exception of the activity of the parent financial institution (Caja Rural de Navarra). The information is presented in accordance with Law 11/2018 of 28 December on non-financial information and diversity and also takes into account European Commission Communication 2017/C 215/01, Guidelines on Non-financial Reporting.

The statement takes a concise approach by disclosing only the most relevant information. This information is presented in accordance with the standards of the Global Reporting Initiative (GRI), on which Caja Rural de Navarra bases its CSR Report.

The story of 2021 was one of stop-go recovery from 2020. Covid was a constant presence but came in irregular waves of intensity and continued to affect the global economy. Spain was hit via foreign tourism and, to a lesser extent, its home industries. Caja Rural de Navarra maintains a stable portfolio of equity investments in the field of finance and in other business sectors. Below is a list of the subsidiaries (all of which are wholly owned) at 31 December 2021:

*No (\*): The company does not undergo a formal audit but is analysed in the audit of its parent company*

Company	Location	TAX ID	% ownership interest	External audit
HARIVASA 2000 S.A	Noain (Navarre)	A31013402	100%	Yes
Transnoain S.A	Noain (Navarre)	A31870058	100%	No (*)
Cerelia I+D S.L	Noain (Navarre)	B71312888	100%	No (*)
Cerelia Agro, S.L.	Almenara (Castellón)	B44539682	100%	No
Cerelia S.L	Noain (Navarre)	B31949217	100%	No
Harinera de Tardienta S.A	Tardienta (Huesca)	A22001499	100%	Yes
Harinas Selectas S.A	Tardienta (Huesca)	A50107143	100%	No
Le Moulin de Navarre	Bayonne (France)	FR25813803103	100%	No (*)
Harántico, S.L.	Marcon (Pontevedra)	B36562593	100%	No
Reyes Hermanos S.L	Marcon (Pontevedra)	B36000818	100%	Yes
Harinera del Mar S.L	Almenara (Castellón)	B97832232	100%	Yes
Haribéricas SXXI S.L	Seville (Seville)	B64939341	100%	Yes
Harivenasa S.L	Noain (Navarre)	B71075774	100%	Yes
HRVS Eood	Sofia (Bulgaria)	BG203420883	100%	No
Espiga I&D Alimentaria, S.L.	Pamplona (Navarre)	B71434427	100%	No
Explotación Agrícola Las Limas	Tudela (Navarre)	J71085179	100%	No
Industria Tonelera de Navarra S.L	Monteagudo (Navarre)	B31688336	100%	No
Tonnellerie de L'Adour S.A.S	Plaisance du Gers (France)	FR96425029972	100%	No
Merranderie de L'Adour (antes Oroz Fils STE Exploitation)	Plaisance du Gers (France)	FR94379700966	100%	No
Tonnellerie de L'Adour USA Inc	Sunland, California (USA)	C3886342	100%	No
Bouquet Brands S.A	Esquiroz (Navarre)	A31884000	100%	No
Bahia de Cádiz S.L	Pamplona (Navarre)	B84996743	100%	No
Solera Asistencial S.L	Pamplona (Navarre)	B71150866	100%	Yes
Solera Navarra S.L	Pamplona (Navarre)	B71186654	100%	Yes
Torre Monreal S.L	Tudela (Navarre)	B31872872	100%	Yes
SERESGERNA S.A	Pamplona (Navarre)	A31697808	100%	Yes
Preventia Sport S.L	Pamplona (Navarre)	B71008783	100%	No
Promoción Estable del Norte S.A	Pamplona (Navarre)	A31663651	100%	Yes
Informes y Gestiones Generales, S.A.	Pamplona (Navarre)	A31437635	100%	No
Informes Técnicos y Valoraciones Generales, S.L.	Pamplona (Navarre)	B31917305	100%	No
Administración De Fincas Informes Y Gestiones S.L.	Pamplona (Navarre)	B71054944	100%	No



We also show the sectors and regions where each company offers its products and services.

Company	Regions
<b>Flour sector</b>	
HARIVASA 2000 S.A.	Spain, south of France
TRANSNOAIN	Spain, south of France
CERELIA I+D	Spain
HRVS EOOD	Bulgaria, Rumania
CERELIA	Spain
CERELIA Agro	Spain
ESPIGA I&D ALIMENTARIA	No activity in 2021
HARINERA DE TARDIENTA	Spain, south of France, exports to Africa
HARINAS SELECTAS	Spain
LE MOULIN DE NAVARRE	France
REYES HERMANOS	Spain, Portugal
HARINERA DEL MAR	Spain
HARIBÉRICAS SXXI	Spain, Portugal
HARIVENASA	Spain, exports to twenty countries
DON OBRADOR	Madrid
<b>Winery supplies</b>	
INDUSTRIA TONELERA DE NAVARRA	Spain
TONNELLERIE DE L'ADOUR	Global
OROZ FILS STE EXPLOITATION ETS OROZ	France
TONNELLERIE DE L'ADOUR USA, INC	USA
BOUQUET BRANDS	Navarre
BAHIA DE CADIZ	Cádiz
<b>Senior care</b>	
SOLERA ASISTENCIAL	Navarre
SOLERA NAVARRA	Navarre
TORRE MONREAL	Navarre
SERESGERNA	Navarre
<b>Support for Caja Rural de Navarra customers</b>	
INFORMES Y GESTIONES GENERALES, S.A.	Navarre. Rioja, Basque Country
INFORMES TECNICOS Y VALORACIONES GENERALES, S.L.	Navarre. Rioja, Basque Country
ADMINISTRACION DE FINCAS INFORMES Y GESTIONES S.L.	Navarre
PROMOCION ESTABLE DEL NORTE	Navarre, Rioja, Basque Country
PREVENTIA SPORT	Navarre

In addition to these subsidiaries controlled by CRN, the Bank also has a number of investments where it shares control or that it does not control, in a range of sectors. Financial reporting lists all investments but the purpose of this document is to highlight the Group's businesses and how and why they are run.

Caja Rural de Navarra's investments are stable. There have over the course of time been investments and divestments, but the aim of this activity is not speculative and many of the companies we mention have been consolidated in CRN since the last century.

Any new equity investment in a new or existing company – we are excluding here any short-term portfolio investments in the stock market – must be approved by the Governing Board. Factors considered will include whether:

- It has a reasonable expectation of generating adequate returns, either directly from the investee company or indirectly through business induced by the new equity investment.

- It adheres to corporate and managerial values consistent with those of the Bank.

- Caja Rural de Navarra's presence will not have a negative impact on other participants in the market, either by significantly diminishing competition or by creating an unbalanced competitive situation.

Below we lay out a formal list of the Group's investee companies and their business activities in accordance with the regulatory guidelines. This annex includes non-financial reporting information for the companies listed as subsidiaries below but not for those companies over which they do not exercise financial control, listed as associates or equity investments. We list the activity of all companies comprising our equity investment area by sector of activity. For associates and equity investments we only include the parent or, in a few cases, biggest company, omitting some of their functional subsidiaries:





COMPANY	STATUS IN GROUP
<b>FOOD</b>	
<b>Cereal transformation</b>	
HARINERA DEL MAR, S.L.	Subsidiary
HARIBERICAS XXI, S.L.	Subsidiary
HARANTICO, S.L.	Subsidiary
REYES HERMANOS, S.L.	Subsidiary
HARINERA DE TARDIENTA, S.A.	Subsidiary
HARIVASA 2000, S.L.	Subsidiary
HARIVENASA, S.L.	Subsidiary
HRVS Eood	Subsidiary
HARINAS SELECTAS	Subsidiary
CERELIA AGRO	Subsidiary
ESPIGA I&D ALIMENTARIA	Subsidiary
<b>Vineyards and wineries</b>	
RIOJA VEGA, S.A.	Associate
PRINCIPE DE VIANA, S.L.	Associate
BOUQUET BRANDS, S.A.	Subsidiary
INDUSTRIA TONELERA DE NAVARRA	Subsidiary
TONNELLERIE DE L'ADOUR	Subsidiary
MERRANDERIE DE L'ADOUR	Subsidiary
<b>Dairy</b>	
IPARLAT	Associate
<b>Support for Cooperatives, Farmers and Stock-raisers</b>	
SERVICIOS EMPRESARIALES AGRO INDUSTRIALES, S.A. – SENAI	Associate
<b>ECOLOGICAL TRANSITION, RENEWABLE ENERGY</b>	
<b>Renewable energy generation</b>	
COMPAÑÍA EOLICA DE TIERRAS ALTAS	Associate
RENOVABLES DE LA RIBERA	Associate
MINICENTRALES CANAL BARDENAS	Equity investment
RURAL ENERGIAS ARAGONESAS, S.A.	Associate
IBERJALON	Associate
RURAL DE ENERGIA DE TIERRAS ALTAS, S.A.	Associate
<b>Poplars</b>	
BOSQALIA	Associate

COMPANY	STATUS IN GROUP
<b>REAL ESTATE</b>	
<b>Rental of state-Subsidized housing</b>	
ERROTABIDEA	Associate
<b>PROMOCION ECONOMICA REGIONAL</b>	
<b>Venture capital and seed finance</b>	
START UP	Equity investment
<b>Mutual guarantee societies (Sociedades de garantía recíproca)</b>	
SONAGAR	Equity investment
ELKARGUI	Equity investment
IBERAVAL	Equity investment
<b>CARE</b>	
<b>Senior care</b>	
SOLERA ASISTENCIAL	Subsidiary
<b>ENGINEERING</b>	
<b>Civil engineering and testing</b>	
LABORATORIOS ENTECSA	Associate
ICEO2	Associate
<b>AREA OF SUPPORT SERVICES FOR CAJA RURAL'S BUSINESS</b>	
<b>Real estate</b>	
PROMOCION ESTABLE DEL NORTE	Subsidiary
<b>Complementary services</b>	
INFORMES Y GESTIONES GENERALES	Subsidiary
INFORMES TECNICOS Y VALORACIONES GENERALES	Subsidiary
ADMINISTRACION DE FINCAS INFORMES Y GESTIONES	Subsidiary
BANCO COOPERATIVO ESPAÑOL	Equity investment
SEGUROS GENERALES RURAL, S.A. DE SEGUROS Y REASEGUROS	Equity investment
CRUCAJRURAL INVERSIONES	Equity investment
ESPIGA CAPITAL INVERSIÓN	Equity investment
ESPIGA CAPITAL INVERSIÓN II	Equity investment
ESPIGA EQUITY FUND	Equity investment
RURAL SERVICIOS INFORMÁTICOS	Equity investment
DOCALIA	Equity investment

A glance at this list makes clear that these are companies embedded in their markets, but with a focus on three additional aims: the sustainability of the primary sector – farming, climate change and renewable energy are all converging towards the ecological transition, to use the vogue term, and we are including clean energy here as well – senior care and support for the economic and social environment.

Finally, note that investee companies must themselves be viable, even as many of them pursue aims that go beyond the merely financial, as this is the only way to sustain their activity consistently over the long-term.

The rest of this chapter and the two following focus in detail on the subsidiaries.

## 1.1. BUSINESS MODEL DESCRIPTION

### FLOUR GROUP

The Flour group comprises companies that manufacture wheat flour, semolina, oat flakes and mixes of flours and cereals for human consumption. There are seven production centres (factories) located throughout Spain and fifteen companies, among which we include factory-owning companies and those that provide services or auxiliary activities. Also, two of these companies focus on farming of high-quality wheat and oats, in Spain and abroad.

The wheat flour and oat markets are different, with different uses for each product. Wheat flour is mainly used in bread and biscuit production, where cakes and pastries are less important. In Spain, consumption of bread and other flour derivatives per head has been declining for decades, as it has changed from being a staple food to an optional extra which is not always highly valued.

As a consequence, traditional bakers are disappearing, with industrial bakers taking over. Spanish industrial producers (whose production is concentrated on biscuits and pre-baked bread) have a strong presence in foreign markets and this has helped keep demand and manufacturing reasonably steady in recent years.

By way of a final comment on the market, there are three large flour groups with a nationwide presence that account for around 60% of national flour production. Their advanced procedures and systems provide a high standard of food safety, highly valued by industrial customers. As a result, the trend towards market concentration visible in other sectors is also evident in flour production.

This is a global trend that can be found in all major markets worldwide.

We would also point out that Spain consumes more wheat than it produces. An average of 20-25 million tonnes of cereals are produced annually, of which about 35% is wheat. An additional 10-15 million tonnes of cereals are imported to make up the total domestic consumption – animal and human – of 35-38 million tonnes.

Looking at wheat alone, 6-7 million tonnes are produced each year and around 4.5-6 million tonnes imported, most of it from EU. This represents domestic consumption of around 11 million tonnes. Of this, around 4.2 million is eaten by humans with the rest going to animal feed, biofuels and seeds for re-sowing crops.

Oat flakes, pearls, flour and bran go into pastry products, biscuits, drinks and breakfasts, as well being consumed directly. These are traditional products in Anglo-Saxon countries that have now established a strong foothold in Spain.





As this is a mature market, with a significant overcapacity in milling, the key issues are efficient production and food safety.

The Group's mission has been defined as "transforming cereals through an integrated food chain, providing value solutions to our customers".

Our mission statement summarises the Group's business model:

- Careful selection of raw materials, along with in-house or outsourced production of specialist flours that are hard to find on the market. This is important in a net wheat importing country like Spain, with customers who are very demanding on product standards.
- Optimised factory performance to maintain a competitive position
- Absolute priority on food safety
- Proximity to industrial customers so we can reformulate our flours to meet their specific needs
- Focus on traditional customers as well, to help them make high-quality artisanal breads which are not in direct competition with pre-baked bread.

The group's structure is based on providing synergies and cross-knowledge throughout the organization and on implementing values and strategies across the board.

Basic TQM (Total Quality Management) methodologies are used as working tools, while the 5S Project (focused on organization, order and hygiene) has been running since 2016. The project instils the need to keep workstations in good condition as a basic discipline that has a

strong impact on safety and quality. All workers participate and are organised into stakeholder groups. The project has shown immediate results in improving productivity and resource efficiency and reducing costs, in addition to motivating people and improving the company's image.

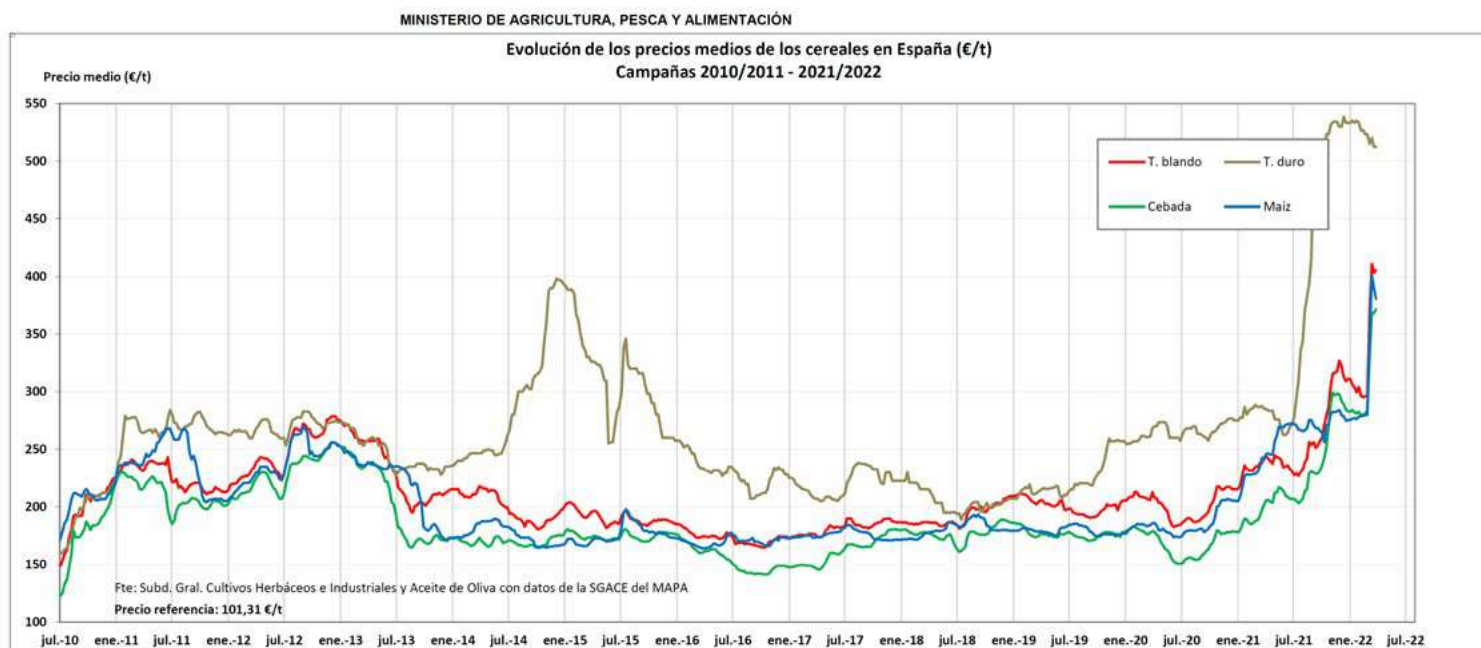
The project was planned jointly between the group's seven factories to promote consistency and sharing of best practice between flour plants.

The "8D lean manufacturing" methodology was also initiated with a slightly different emphasis. It, too, involves wide participation by all workers in each area. It is basically a continuous improvement process and has been running throughout the two years covered by this Annex.

The mission, vision and values of the companies in this group can be summarised as follows:

- **Mission:** To be a benchmark in flour production for the regions and products where it operates, controlling the whole of the cereal's value chain with the aim of offering a product tailored to each of our customers, with the greatest possible guarantees of food safety.
- **Vision:** To be a national benchmark in developing comprehensive solutions, individually tailored to each customer, which meet our customers' needs in the bread, cakes and pastries sectors, and to lead both the craft and industrial segments in our regions.
- **Values:** The customer comes first. Products and services must maintain impeccable quality. People are at the core of the company and we must work in collaboration with colleagues and customers. Continuous improvement of products and processes.

We also note that prices on the global cereals market shot up during the year. As well as the usual factors of supply/storage and demand, we also had problems with international transport, the poor harvest in North America, the effect of hedge funds in the commodities market and production imbalances in China.



For several years Caja Rural de Navarra has been producing specialist wheats for specialist flours in Spain and Bulgaria, and oats in Spain. It has also been striking agreements with farmers and cooperatives to grow and then buy certain varieties of wheat and oats. Since 2020, this business has been headed by Cerelia Agro (and its subsidiary HRVS Eood in the rest of the EU).

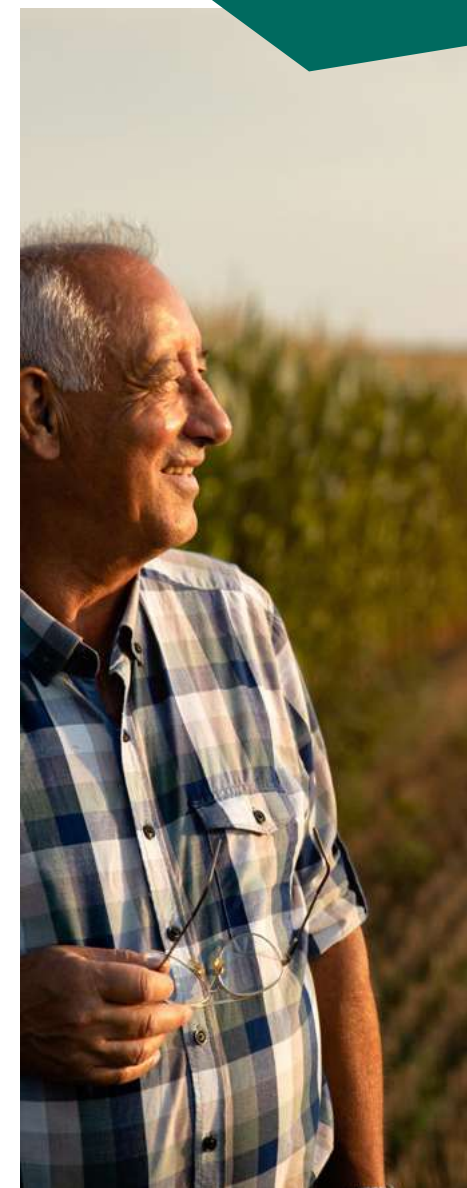
These actions meant that while the volatility of the cereals market still took its toll, we were able to keep supplying certain high-quality varieties to our factories and continue developing the area of sustainable farming and crop traceability.

The Group is involved alongside some of its customers in projects that take an end-to-end approach to sustainability – from planting to the customer – considering all factors, applying environmentally friendly practices and taking great care of food safety. Such initiatives remain in a minority, but a phase of formal certification is under way which brings together farmers, cooperatives and production plants.

The impact of prices on exports to African countries has been enormous. These countries simply cannot pay for these products and are restricting themselves to locally produced goods, mainly rice.

At the end of March 2022 a request was filed with the Spanish National Markets and Competition Commission (CNMC) to approve the merger of the wheat-producing companies with the flour-producing companies that make up Grupo de Harinera la Meta.

The Commission will give its decision at the end of the second quarter. If approved, Caja Rural de Navarra would retain a major stake in the new merged company which would include all the production plants, so remaining active in the sector, but the new company would then be reported as an associate rather than a subsidiary as the current companies are.





### **WINERY SUPPLIES GROUP**

The Grupo de Servicios Auxiliares a Bodegas comprises the oak barrel factories in Navarre (Spain) and Gers-Occitanie (France); and the wine and spirits distributor Bouquet Brands with a physical presence in Navarre and Cadiz.

**The details of each activity are as follows.**

#### **→ The cooperage group**

The Navarra barrel factory is located in Monteagudo and trades as Industrial Tonelera de Navarra (INTONA). It manufactures and markets oak barrels for ageing wine and spirits.

The French barrel factory is located in Plaisance du Gers and the company is called Tonnellerie de L'Adour.

The key for both companies is their control over the entire value chain; from procurement of raw materials, thanks to close collaboration with oak suppliers, to technical advice and after-sales service for customers.

The barrel adds characteristic notes to the products it contains, and since wood is a natural product its influence on the wine is so notable that for winemakers and their oenologists the origin – species – of the oak and the working methods used – combining traditional craft with modern methods of wood selection, quality and production control – are a vital part of business case they offer wineries. Worldwide, French barrels are still considered to be the premium category in this industry, and this is why the decision was taken a few years ago to invest in Tonnellerie de L'Adour, which is an established factory. This also explains the differences in mission and business vision between the French and Spanish companies.

There are seven main manufacturers of oak wine casks in Spain, some of which are owned by French cooperage groups. INTONA competes on an equal footing and alternates yearly between being the second or third largest producer by units produced. INTONA has to differentiate itself by the consistency and quality of its products and its service.

There are around one hundred French cooperages, but four groups account for 70% of global sales, so L'Adour is among the smaller firms. However, it does have a recognised product, which allows it to maintain a selling price above the average for the French market.

Adour's business model is therefore to manufacture and market French oak barrels, in the French style. Its strength lies in working from the origin, producing its own staves (via Merranderie de L'Adour), and with a wide range of products thanks to its vocation as a retail-scale company with a craft spirit.

Having explained these differences, we note the following:

**INTONA's mission:** to supply the wine and spirits sector with a versatile, comprehensive tool based on knowledge and tradition, that allows its customers to achieve the notes they seek in their products.

**INTONA's vision:** to be a benchmark in the world of wine ageing due to our commitment to research, respect for the environment and personalised local customer service. Standing out on quality.

**Adour's mission:** from the heart of Armagnac in rural France, to export around the world a near century-old coopering tradition, which is based on tight control of the raw materials and craftwork in small batches.

**Adour's vision:** to become a global cooperage, established in the premium barrel sector, with a worldwide presence and trading on its image as a rural artisan company.

#### **→ Bouquet Brands**

Bouquet Brands distributes wine and spirits under its own brand in Navarre, and through its subsidiary, Exclusivas Bahía de Cádiz, in Andalusia. This gives it a strong commercial network and optimal logistics system.

The wines distributed include those from Caja Rural de Navarra's investee wineries Príncipe de Viana and Rioja Vega (non-Group scope).

Bouquet Brands' mission: to market the products from our suppliers, providing our customers with prestigious wines, beers and spirits that support their local positioning.

Bouquet Brands' vision: to develop a competitive product portfolio and enthuse the hospitality sector by persuading them that our portfolio of Navarre and La Rioja wines – and other beverages and premium beers – will be appreciated by their customers and deliver the leisure experience they are looking for. Plus streamlined logistics and a punctual and friendly service.

The key issues in wine and spirits distribution are: a wide portfolio of products to meet customer demand, close customer focus and service.

We will now take a look at how the business developed in 2021. Spain's domestic hospitality and tourism industries had another lacklustre year, improving slightly on 2020 but still well off the levels seen in 2019. Against this backdrop, wine production continued at low levels and investment in new barrels contracted.

Bouquet Brands, which supplies bars and restaurants, had a mixed year including expanding its services - on a limited scale to begin with - to Madrid and Málaga.

### SENIOR CARE GROUP

Solera Asistencial was set up to offer comprehensive services for the elderly. Its objective is to give families access to a service that meets their economic needs and the physical and cognitive needs of the elderly person, with services tailored to their own organizational constraints.

Spain has a generally adequate network of services for the elderly. The public support that older people receive means that over the last 20 years good facilities and infrastructure have been created to provide the care they need. The current network of services is sufficient for their needs, but perhaps the sector's greatest weakness is that the cost of the services is beyond the reach of many people.

The Dependency Act allowed economic agents from other areas, such as construction companies and investment funds with little knowledge of the elderly care sector, to enter the market in the hope they could run the service over the long-term as a conventional business. Many of them have not achieved the returns they anticipated and have opted for concentration in a sector that has traditionally been fragmented.

In parallel, municipalities and, to a lesser extent, regional governments, have also established services for the elderly. Their implementation has been partially frustrated by budgetary constraints, the increase in the supply of places and Spain's economic crisis.

Thus, at the national level, the insufficient budget allocated to these activities has resulted in public

under-funding of places, a smaller number of people covered by the benefits system – only dependent persons have the right to the benefits, with delays between the need for assistance being recognized and the start of payment – and the elimination of non-guaranteed services, leaving other essential services outside the basic portfolio of publicly funded services.

The situation in Navarre can be considered as one of the best in the country, but with progressive adjustments in the funding and in the services financed. The local administrations are supporting part of the basic services provided for the elderly, including day centres, respite care and care services provided in the home.

As an operator providing comprehensive services for the elderly, Solera Asistencial has a good market position, offering a full range of welfare services. It is dependent on government policies, but in recent years, it has identified and set up a number of services that do not depend on the public purse.

Our two old people's homes, La Vaguada and Torre Monreal, focus on providing a high level of service and we believe that the residents' families understand and appreciate this.

The services provided in the day centres, the only ones of their kind in Navarre, focus on responding flexibly to the needs of users and their families.

The "Solera en casa" (Solera at Home) home care services have grown thanks to the community's appreciation of their structured and professional organization.

### The group has developed as follows:

- **Solera Asistencial:** central services in the areas

of Planning, Marketing, Administration, Human Resources and Maintenance.

- **Seresgerna:** residential service developed in the La Vaguada home.
- **Torre Monreal:**
  - Residential service in Torre Monreal Social-Medical Centre
  - Solera Urban "Mendebaldea"
- **Solera Navarra:**
  - La Vaguada Day Centre
  - Solera Ensanche Day Centre
  - Torre Monreal Day Centre
  - Ribaforada Day Centre
  - Larraga Day Centre
  - Pio XII Day Centre
  - Home Care Service: "Solera encasa"
  - Physiotherapy Unit
  - Wounds Unit

• **MISSION:** Committed to the elderly, our mission is to achieve the best comprehensive care

for seniors through high-quality care services that ensure the well-being and satisfaction of our users, families and residents.

• **VISION:** To be a benchmark and pioneer in implementing quality care models for the elderly, structuring ourselves as a comprehensive services operator that provides innovative and pioneering responses to society's present and future needs. Solera Asistencial seeks to be a benchmark in the sector for its quality, specialization in high value-added care services and capacity to respond to all the needs that seniors may have.

### The core action principles to ensure quality of service are:

- **Individual attention** to users and residents
- **Attention to families, advice, support and facilitating their participation** in the daily life and activities of our residences and centres





- **Professional and personal development of the team**, maintaining a high level of motivation and professional qualifications
- **Innovation in services and management models**, seeking excellence in processes and activities. Versatility and adaptation to new needs and demands
- **Clarity, transparency and trust in the institution, with regular communication**
- **Measurement, monitoring and control of our services** to maximize their quality
- **Investment in technical resources to support therapeutic programmes** and a high level of comfort for our users and their relatives

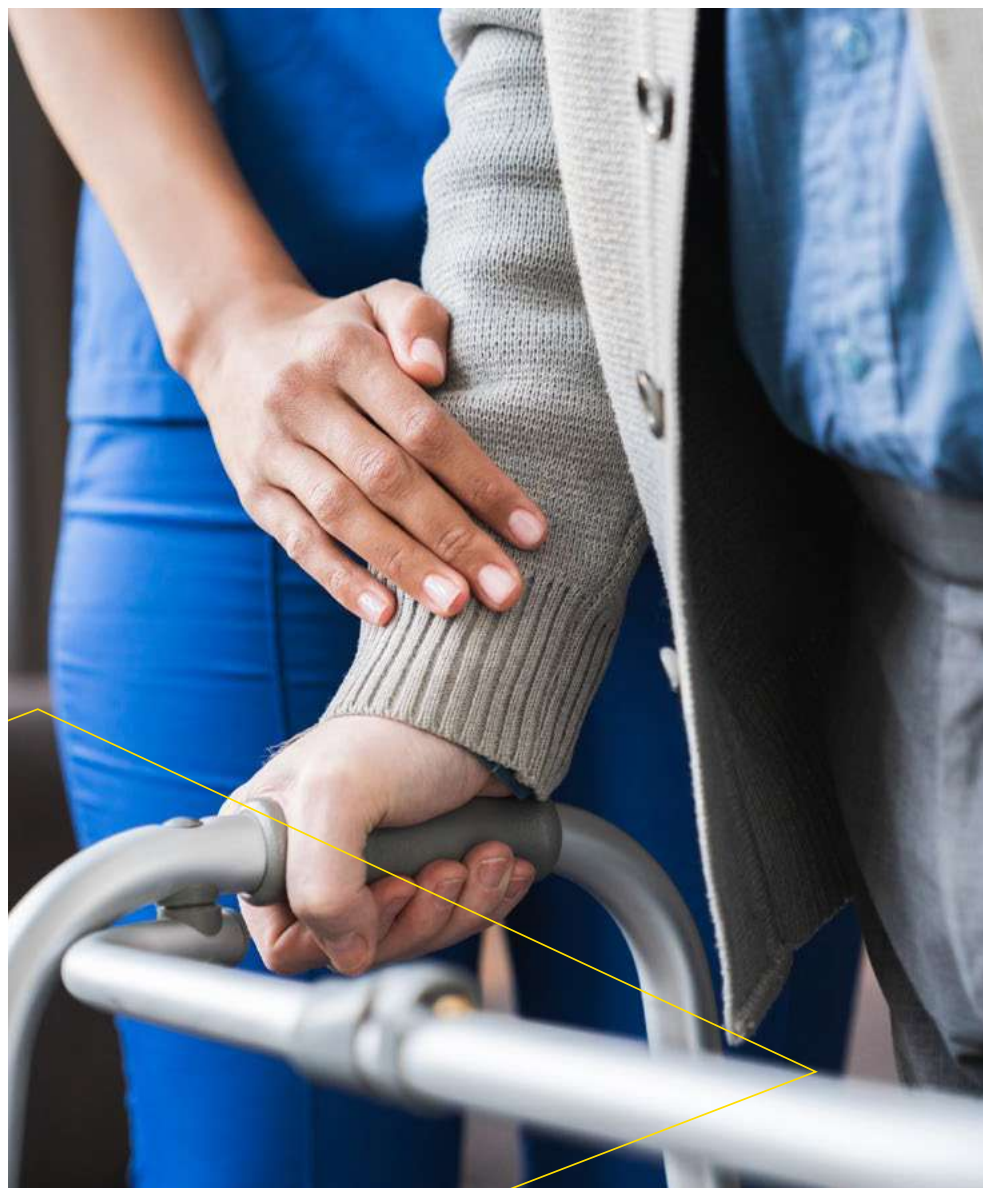
In this sector too, a massive effort was made by residents, staff and families in 2021. Without the dramas of 2020 and with faster hospital response times, helped too by the experience of the previous year, the sector had a difficult and intense year but managed to avoid the extreme pressures of 2020 (see 2020 annual report)

We are aware that the pandemic forced these centres to completely rethink their configuration. The next few years will undoubtedly bring changes in regulations. However, in Solera Group staff working units we have already begun a review into how we should plan and implement this reconfiguration.

#### **AUXILIARY FINANCIAL SERVICES GROUP TO CAJA RURAL DE NAVARRA**

This group comprises three companies whose business model is to provide a service to Caja Rural de Navarra and/or its customers.

First, we look at Promociones Estable de



Norte. This company used to build residential developments in the Bank's area of operation, either alone or with partners. When the property crisis hit, it was decided to suspend – for a few years – all development and participation in third-party developments and to transfer certain real estate assets from the Bank to this company, which as a specialist had a greater chance of selling them on successfully.

Informes y Gestiones Generales, S.A. provides processing services for all types of public and private documents associated with the property, trade and assets registers. Its other services include carrying out checks and providing responses to public and private queries, defining and processing powers of attorney, mortgage services, drafting wills and acceptance of inheritances, etc.

Other areas of activity include legal, labour, tax and accounting consultancy.

Every year, between four and five thousand customers rely on Informes y Gestiones, which manages around ten thousand documents and requests for more than 20,000 registry entries and certificates.

Informes y Gestiones has two subsidiary companies “Informes y Valoraciones”, which carries out architectural studies, projects, valuations and appraisals; and “Administración de Fincas Informes y Gestiones”, which manages property. This latter company was sold to another property management company in Pamplona early in 2022 but was fully consolidated for all purposes throughout 2021.

Informes y Gestiones has professional teams in Pamplona, San Sebastian, Bilbao, Vitoria and Logroño and can therefore serve all customers of Caja Rural de Navarra and third parties.

Finally, “Preventia Sport” is the nucleus of a sports medicine centre that provides some of the support given to the Caja Rural-RGA cycling team. It also has facilities that are open to the general public. Medical tests are carried out at the centre on an athlete’s capacity to adapt and improve in their sporting discipline. It has also made some small-scale sales of cycling equipment.

## 1.2. DESCRIPTION OF THE GROUP’S POLICIES

The Group’s companies have the following processes for risk analysis, control and monitoring:

### FLOUR GROUP

On the management side, each company has a matrix management structure, which combines management reporting lines in each area with the group level functional structures, providing coordination of purchasing, manufacturing, quality and R&D and sales and marketing to large industrial groups.

Each factory has a management committee in which all areas are represented.

The committee meets at least monthly. Monthly meetings are also held to monitor and coordinate the activities at each factory, attended by key executives from the Flour group’s functional areas and the Bank’s management.

The companies running the factories have either a Sole Director appointed by Caja Rural de Navarra, who sits on the Bank’s Management Committee, or a Board of Directors attended by managers from the Flour group’s functional areas and employees of Caja Rural de Navarra.

The strategies of the Caja Rural de Navarra managers in these companies are clear: top priority goes to food safety and health and safety at work, plus strengthening medium- and also long-term strategies that enable the companies to maintain sustainable commercial and economic competitiveness.

### WINERY SUPPLIES GROUP

This group, which has a much smaller staff, has three Sole Directors, one for each of the three subsidiaries.

Each company also has a managing director, reporting to these Sole Directors, who runs the operational dynamics for their company. These, in turn, always have a manager for each operational area.

The cooperages have an chief administration-finance officer and a production manager, who is in charge of managers for each production area, and a sales team. This team meets regularly with the managing director.

The distributor has a chief financial officer, a sales team manager and a logistics and warehouse manager, who meet with their manager at least weekly.

In the case of INTONA and Bouquet Brands, the Sole Director is an executive at Caja Rural de Navarra. For Tonnellerie de L’Adour, the Director is INTONA’s managing director.

### SENIOR CARE GROUP

The Solera Asistencial group has a Sole Director at its head, who is an executive at Caja Rural de Navarra.

At least once a month, the Quality Committee and Management Committee meet, attended by all the different area managers: Managing Director, Head of Quality, Care Manager, Chief Administration-Finance Officer, Head of Maintenance, General Services Manager, Day Centres Manager. Teamwork is an essential factor in successfully implementing and coordinating the social and welfare objectives of each of the residents.

The team consists of doctors, nurses, nursing assistants, social workers, occupational therapists, psychologists, physiotherapists, podiatrists, pharmacy personnel, sociocultural therapists and dieticians who all interact with each other.

### AUXILIARY FINANCIAL SERVICES GROUP TO CAJA RURAL DE NAVARRA

Most companies in this group are again headed by a Sole Director, including Promoción Estable de Norte, Informes y Gestiones and Preventia Sport. Each company employing its own staff has a full-time manager as its chief operating officer. In the case of Informes y Gestiones, the managing director is supported by area managers, and the management system is based on weekly meetings with area managers and monthly meetings with all the members of each department, to review key indicators and set general strategy and specific goals.

Promoción Estable del Norte actively collaborates with the Caja Rural de Navarra housing area through continuous contacts and regular meetings to analyse progress in different actions and toward achieving targets. These meetings are attended by the management from Promoción Estable del Norte managers and managers from Caja Rural de Navarra’s housing area.

Preventia Sport is closely tied into the Bank’s institutional life and involved in training the cycling team. It therefore holds regular meetings with the Bank’s Head of Institutions.





### 1.3 ADMINISTRATIVE BODY REMUNERATION

As we said, the subsidiaries have directors linked to Caja Rural de Navarra or its subsidiaries. No director receives any financial or other consideration, attendance fees or similar. They are remunerated for work done for the Bank or subsidiary depending on their job category, in accordance with the salary tables in this document.

There is no bonus for belonging to subsidiaries' administrative bodies.

Grupo Cooperativo, and Caja Rural de Navarra within it, have civil liability insurance for managerial positions. This covers their activity as both employees and directors of the subsidiaries.

### 1.4 CAJA RURAL DE NAVARRA GROUP - CROSS-GROUP MANAGEMENT

As we have seen, the companies in which Caja Rural de Navarra has equity investments work mostly in the agri-food and welfare sectors as well as supporting the Bank's activities.

The agri-food sector has traditionally had significant strategic weight in Caja Rural de Navarra's financial operations. Its share in gross domestic product is falling, but the sector's professionalisation and initiatives to produce frozen and pre-prepared convenience foods are pushing to maintain the economic importance of these activities, meaning it can offer sustained value added over time so helping halt the decline in rural population and reduce the population drift toward provincial and county capitals.

For an institution like Caja Rural de Navarra, which

was born alongside agricultural cooperatives in small and medium-sized population centres, it is both consistent with its values and rewarding to back initiatives that help sustain our farming and stock-raising fabric and encourage cooperativism as a driver of economic sustainability in the sector. Part of the Social Welfare Fund is dedicated to this purpose.

In the case of the care services, we wanted to respond to a growing need in our community. First religious institutions and subsequently public authorities have for many years been the basic support for the sector, which now needs to adapt to the greater demands of an ageing population, who nonetheless still have the capacity to enjoy life and maintain family ties.

We would also like to highlight the activities carried out by other investee companies in protecting the environment, even though they do

not form part of the Consolidated Group. As an example, we would draw attention to renewable energy companies (Compañía Eólica de Tierras Altas, Renovables de la Ribera, etc.) and the forestry company (Bosqalia).

### 1.5 KEY INDICATORS FOR NON- FINANCIAL RESULTS

Caja Rural de Navarra began by compiling its first Corporate Social Responsibility Report in 2017, following the guidelines established by the GRI (Global Reporting Initiative).

The report includes a materiality analysis to determine the issues most relevant to the stakeholders that Caja Rural de Navarra interacts with. The materiality analysis was updated in preparation for this document. In preparation for these 2021 non-financial



statements, a materiality analysis was conducted, focusing for these corporate sub-groups on their individual definitions of stakeholders, giving their voices the weight prescribed in the procedures.

The materiality analysis had external support in the form of a specialist consultancy. It seeks to identify and prioritise the economic, environmental, social and governance priorities for customers, employees and suppliers (external materiality) and the companies' strategy based on its potential impact for the Bank (internal materiality).

#### Surveys and focus groups, which worked as follows:

- **Flour group:** a survey focused on three opinion groups: customers, suppliers and employees, plus focus groups.
- **Elderly services group:** not done because it would have overlapped with quality questionnaires being completed by residents and their relations.
- **Winery supplies group:** a survey focused on

three opinion groups: customers, suppliers and employees, plus focus groups.

• **Auxiliary financial services group to Caja Rural de Navarra:** as their customers and other stakeholders are identical with those of the parent, the analysis used the same surveys and focus groups as for the Bank.

• **Energy companies group:** in this case, the only stakeholders were workers and suppliers.

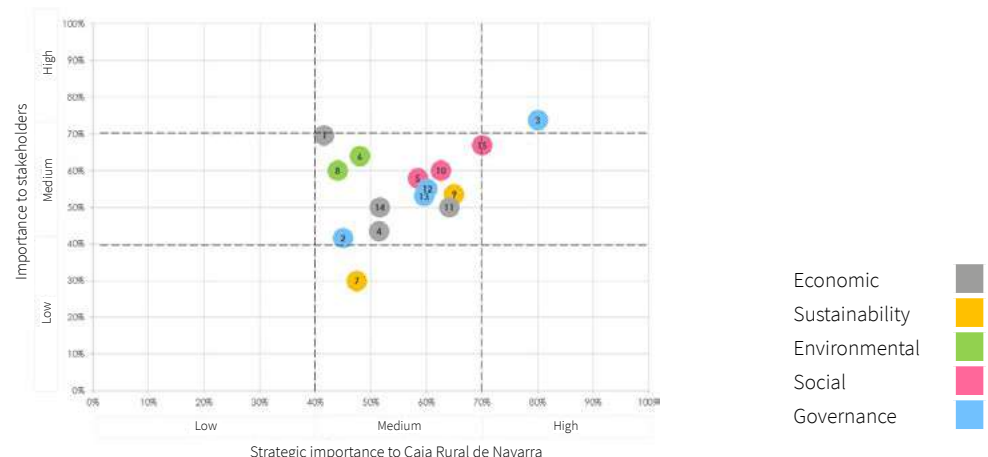
We detail the conclusions of the materiality analysis below:

#### A) FLOUR PRODUCING GROUP

This new materiality analysis by Caja Rural de Navarra identified 15 material issues:



#### Caja Rural de Navarra Materiality Matrix

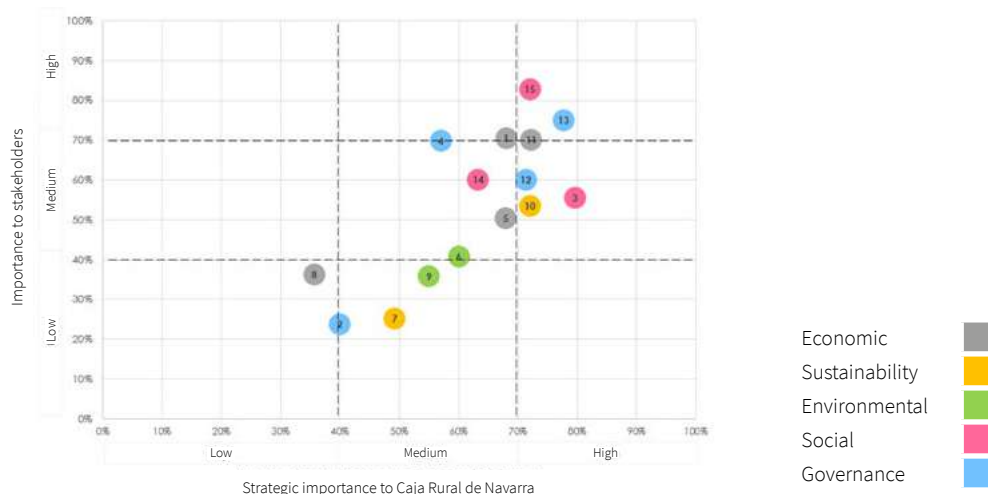


PRIORITY	ISSUE	AREA
High	3 Sales and customer service channels	Governance
	1 Range of products and services	Economic
Medium-High	15 Relations with suppliers	Social
	8 Reducing the environmental footprint	Environmental
	6 Environmental protection	Environmental
	5 Contribution to economic growth and development	Social
	10 Working conditions	Social
	14 Staff training	Economic
	12 Transparency and responsible communications	Governance
Average	13 Internal communications	Governance
	9 Responsible purchasing	Sustainability
	11 Product management	Economic
	2 Ethics, integrity and good governance	Governance
	4 Strategy	Economic
Medium-Low	7 Social and environmental sustainability	Sustainability

One surprisingly low priority for stakeholders was social and environmental sustainability in general, which is consistently the main plank of CSR policies, although individual aspects of environmental issues were a concern.

## B) WINERY SUPPLIES GROUP

### Caja Rural de Navarra Materiality Matrix



PRIORITY	ISSUE	AREA
High	15 Relations with suppliers	Social
	13 Internal communications	Governance
	11 Staff training	Economic
Medium-High	1 Range of products and services	Economic
	4 Sales and customer service channels	Governance
	3 Contribution to economic growth and development	Social
	12 Transparency and responsible communications	Governance
	10 Responsible purchasing	Sustainability
Average	14 Working conditions	Social
	5 Strategy	Economic
	6 Environmental protection	Environmental
	9 Reducing the environmental footprint	Environmental
Medium-Low	7 Social and environmental sustainability	Sustainability
	2 Ethics, integrity and good governance	Governance
	8 Product management	Economic



## C) AREA OF SERVICES FOR THE ELDERLY

The external consultant reviewed the following documents from the previous year, with Covid as a core issue:

- “Solera Residencias annual review of the quality system 2020”
- “Satisfaction survey on departure 2020”
- “Satisfaction survey during stay 2020”
- “Staff survey 2020”

Based on this information, the consultant conducted a preliminary non-financial materiality analysis (assessing the importance of various issues for stakeholders).

- The stakeholders covered by these methods and the analysis of the Group’s services for the elderly are: customers (relatives of service users), users themselves and employees. The big stakeholder group omitted was suppliers.

- The material issues identified in these methods and analysis of the Senior Care Group services related to Social issues. The material issues that were omitted were: **Environmental and Governance**.

The consultant thus focused the questions on the material issues and analysed the results, management targets, comments by interviewees and change in indicators.

- **Management targets:** Management has set a series of targets relating to different areas and reports back on progress or otherwise in each area year-on-year and whether or not the targets were met.

- **Comments by interviewees:** The report includes a number of comments by employees, which add depth to its findings.

- **Change in indicators:** The responses in surveys and management targets have evolved over time, with possible positive or negative effects on the record.

Based on this analysis it was concluded that the following issues were material for each stakeholder group:



Scope	Material issue	CUSTOMERS		
		Individuals	Institutions	Employees
1. Business model	Innovation and digitization	•	•	•
			•	
2. Corporate Governance	Corporate governance	•		•
	Good governance and transparency	•	•	•
	Ethics and anti-corruption	•	•	•
3. Relations with customers/ customer satisfaction	Service quality and user satisfaction	•		
	Service accessibility	•	•	
	Privacy and data security	•		
	Communication with main parties			•
4. Workforce management	Working environment			•
	Equality and non-discrimination			•
	Work-life balance			•
	Job creation and stability			•
	Staff turnover	•		•
	Personal development	•		•
	Equal pay			•
5. Environmental management	Energy consumption	•	•	•
	Waste management and food waste	•	•	•
	Impact on climate change	•	•	•
6. Health and safety	Health and safety at work			•
	Sustainable architecture and facilities	•		
	Covid-19	•	•	•
7. Protection of human rights				
8. Community commitment	Growth and environmental sustainability	•	•	

## 1.6. MAIN SECTOR RISKS

Group companies face the following sector risks, which can be mitigated in the following ways. The analysis here is not based on economic risks, which are reflected in their respective annual reports, but on corporate social responsibility issues:

### FLOUR GROUP

→ **Baker's asthma.** In Spain, asthma caused by handling flour was first recognised as a professional disease in 1978. Flour has been a staple food for millennia, albeit one that can trigger allergies in some people who work with it. The cause is breathing in flour dust suspended in the air. Even in ancient Rome the slaves who worked in grinding and handling flour wore masks. The same system, updated with modern filters and protection covering skin and eyes, is the right way to mitigate the effects. Periodic medical check-ups are also carried out.

→ **Explosion and/or fire** (due to explosive atmospheres)

→ **Atmospheres saturated with wheat flour and powder** are classified as an explosion hazard. The process and procedures have been adjusted to minimize this risk. This is one of the key points of focus to achieve year-on-year improvements.

→ **Usual risks of any industrial environment.**

→ **Working at height**, getting caught in machinery, electric shocks, etc. Like the abovementioned risks, these are analysed by the health and safety manager in each factor, and advice is sought from external consultants leading to action plans for each factory.

→ **Coronavirus infection**

→ **Cereal contamination.** Cereals are susceptible to contamination, especially in the transportation, unloading and storage phases. This risk can be mitigated by taking appropriate measures when buying and transporting the raw material, through a maintenance and cleaning programme and by having a laboratory constantly checking the control parameters.

### SENIOR CARE GROUP

→ **Risks for personnel derive** from the physical nature of the job

→ **Musculoskeletal disorders** are the most frequent. These can be mitigated by measures to reduce the effort used, varying standing and sitting positions, having processes and equipment in place to avoid excessive physical loads, and training employees in best practice.

→ **Emotional risk** for staff derived from working in shifts and due to the condition of certain residents

Actions to alleviate them include allowing breaks, sufficient rest between working days, dynamics to allow the sharing of experiences and training in how to deal with these situations.

→ **Risks of transmitting illnesses** between staff and patients or within these groups, more acute for infectious diseases

→ **Injuries to residents.** From the physical point of view, the use of handling equipment and procedures also reduces the risk of injury to residents.

Emotional stress should be picked up by staff, which is why operational procedures and staff training are key.



### **WINERY SUPPLIES GROUP**

This business is exposed to the risks of both a manufacturing environment and a distribution company

#### → Usual risks of any industrial environment.

→ **Working at height, getting caught in machinery, electric shocks, etc.** These are analysed by external consultants leading to action plans for each factory.

#### → Risks derived from the continuous movement of freight

Organization of the warehouse and routes. Optimal packaging. Use of auxiliary methods.

Time off between working days and each week

#### → Risks derived from urban mobility

→ **Proper vehicle maintenance.** Sensible and balanced routes. Management of distribution schedules. Rest between work days

#### → Coronavirus infection

### **AUXILIARY FINANCIAL SERVICES GROUP TO CAJA RURAL DE NAVARRA**

These are essentially office-based companies, therefore, their main risks are:

#### → Coronavirus infection

#### → Risks deriving from the work environment

These risks are essentially related to posture and lighting. Rules relating to comfort are updated periodically and devices that improve postural comfort are provided

#### → Risks deriving from stress at work

These risks are alleviated by adjusting workload and a policy of recognizing work done

### **KEY RISKS AND SIGNIFICANCE**

The key risks to the equity investments, both in absolute terms and as they affect Caja Rural de Navarra, are: (i) food safety, (ii) proper treatment of seniors, (iii) health of employees, suppliers and customers, (iv) poor management systems involving unethical practice and (v) economic downturn affecting the Parent Company.

As far as possible, some risks may be mitigated by taking out specific insurance policies, such as civil liability insurance. Nonetheless, these risks pose the dual threat of impacting the subsidiary's activities and reputational harm to the Parent Company, which is why we opt to prioritize some risks over others.

RISK	MITIGATION ACTIONS
Food safety	Integrated process control Quality metrics Staff training Insurance
Transmission of disease	Cleaning and work protocols Use of collective and personal protective equipment
Treatment of residents	Selection process Staff training Quality metrics
Employee ethics	Selection process Working environment and training plans Internal and external audits of Caja Rural de Navarra
Economic downturn	Regular business reporting Internal audit



## 1.7. DISPUTES AND COMPLAINTS

The channel to make comments, complaints and claims changes from sector to sector, but we think each is appropriate and accessible for customers, consumers or our service users:

**A.** In the Flour Group, each company has a general phoneline to deal with claims and comments, reporting to the quality control department. This group works with street-front stores, who receive most of the complaints from the craft bakery and technical staff working with industrial customers, which are usually dealt with via the general complaints channel.

Complaints from final consumers, such as complaints about a kilo of flour bought in a supermarket, the complaint is always dealt with through the customer service department of the chain concerned. Some also submit dummy complaints to test the response.

**B.** In the care sector, although there is a phone line, complaints are usually dealt with through two fundamental channels: the manager of the institution or day centre, in the case of a complaint that needs to be resolved on the spot, and through customer satisfaction surveys when dealing with less urgent or less specific issues.

Many centres have a suggestion box and comments and complaints can be registered at reception, but this is usually a secondary channel.

**C.** In the winery supplies sector, there is a public relations phone number but, given the nature of the clientele, complaints and comments are always received by the sales team.

**D.** For companies providing support services to Caja Rural de Navarra, complaints are generally made directly by phone. Occasionally, they are made through the Caja Rural branch network or in person.

**The next section looks at customer complaints, by sector:**

### FLOUR GROUP

All customer suggestions and complaints are recorded. All incidents are answered by the Quality Department, regardless of the size of the customer.

Incidents are catalogued by category which can be grouped into functional issues (product fails to meet customer needs for moisture, kneadability, protein, etc.), logistical or administrative issues (incorrect shipments, shipping note mix-ups, torn sacks on pallets, etc.), and issues relating to food safety (broken threads in sacks, metal filings from piping, etc.). In addition, they are classified as Serious or Minor. All those that affect food safety are considered serious. Minor incidents only include administrative or logistics incidents that do not result in a product being returned.

That said, a product can still trigger an incident even if it has not been returned. To take a simple example, a customer who orders 20 sacks of one type and 8 of another, and receives 19 and 8, respectively, will generate a logistics incident but probably no returns. An industrial flour can have 4 to 12 parameters and if one of them falls even minimally short, for instance with moisture being 0.1% too high or low, it always generates a functional incident, whether or not the sack is returned.

**Flour plants handle large volumes of products:**

Units	2021	2020	2019
Baker's sack	10,006,075	8,874,250	8,942,842
Tanker/Big Bag	20,9	24,2	21,0
1/5/10 kg packet	19,164,056	33,311,752	23,938,236





Incidence was 36 in 2021, (23 in 2020), per million units delivered. Percentage of total incidents classed as serious: 40.1% (18.9% in 2020).

#### **Breakdown by type:**

Household use (0.5kg/1kg/5kg packet): Incidence of 4.4 per million packets in 2021 (1.38 in 2020)

Industrial use (25bksack/tanker/big bag): Incidence of 531.1 per million packets in 2021 (104.3 in 2020). Of these, 68 were considered serious (18 in 2020) as they related directly or indirectly to food safety and 128 (40 in 2020) related to functional or quality issues.

Industrial customers will obviously check all deliveries individually.

#### **SENIOR CARE GROUP**

Quality policies are a key element in the group's management. The approach taken is multi-faceted and includes:

**A.** Surveys of residents and relatives

**B.** Multi-year targets

**C.** Specific annual improvement targets

**D.** External audits, conducted by the Social Welfare Department

Despite the strange year, perceived quality measurements were maintained, with surveys of relatives when a resident's stay ends and of families and residents during their stay.

**The section below looks at the focus and outcomes of these working methods.**

**A.** The annual satisfaction survey asks residents to score from 0 (terrible) to 5 (excellent) various aspects of their day-to-day experience and is broken down by activity and even by floor in residences. They are also asked for comments or suggestions for improvements.

The target was 4.0/5. In 2021, the score was 3.97 compared to 4.04 in 2020 and 3.97 in 2019, respectively.

Responses are subjective – i.e., assessed by each resident or relative – and the percentage of residents completing the survey improved on 2020 (68% vs. 60%).

There are always areas for improvement and our duty is to identify and work on them, but we are now at scores that will be very difficult to beat year on year.

**B.** End-of-stay surveys of relatives

Stays may end in other ways than death. Sometimes due to illness or an accident, and other times because the resident has recovered and can go back to their former life.

The target to beat is 4.45/5 and this year's score was 4.81 (4.87 in 2020).

Also, Solera has set some multi-year targets. 13 general objectives were set, to measure one or other of the associated indicators. These are maintained over several years to allow progress tracking.

One of these objectives relates to complaints and numbers fell by 12% between 2020 and 2021. All complaints are recorded, whether made formally in writing or verbally.

**C.** An annual improvement plan is developed based on the surveys, audits, incidents and training, which is broken down by activities and departments. Indicators are set for direct monitoring. In 2021, 106 actions for improvement were identified all told, irrespective of their scale or complexity, and of these 71% were deemed to be successfully concluded.

We also repeated in 2021 the internal assessment survey of employees, first carried out in December 2020, measuring stress and effort, especially in the elderly care groups. The general satisfaction score improved by 10% in 2021 compared to 2020 and, as last year, routes for improvement were identified.

#### **WINERY SUPPLIES GROUP**

This group attracts few complaints and they are addressed immediately and directly. The cooperages do not receive many complaints but they are more common for the distributor, particularly regarding late deliveries and logistical errors.

This sector reported a number of complaints about administration (wrong shipping note, wrong products) and also three complaints about the functional performance of the barrels.

#### **AUXILIARY FINANCIAL SERVICES GROUP TO CAJA RURAL DE NAVARRA**

These are companies providing services to final customers where complaints mainly relate to disagreements about the cost of services and delays.

In 2021, complaints were received about 0.016% of actions (0.04% in 2020).



### **COST OF QUALITY**

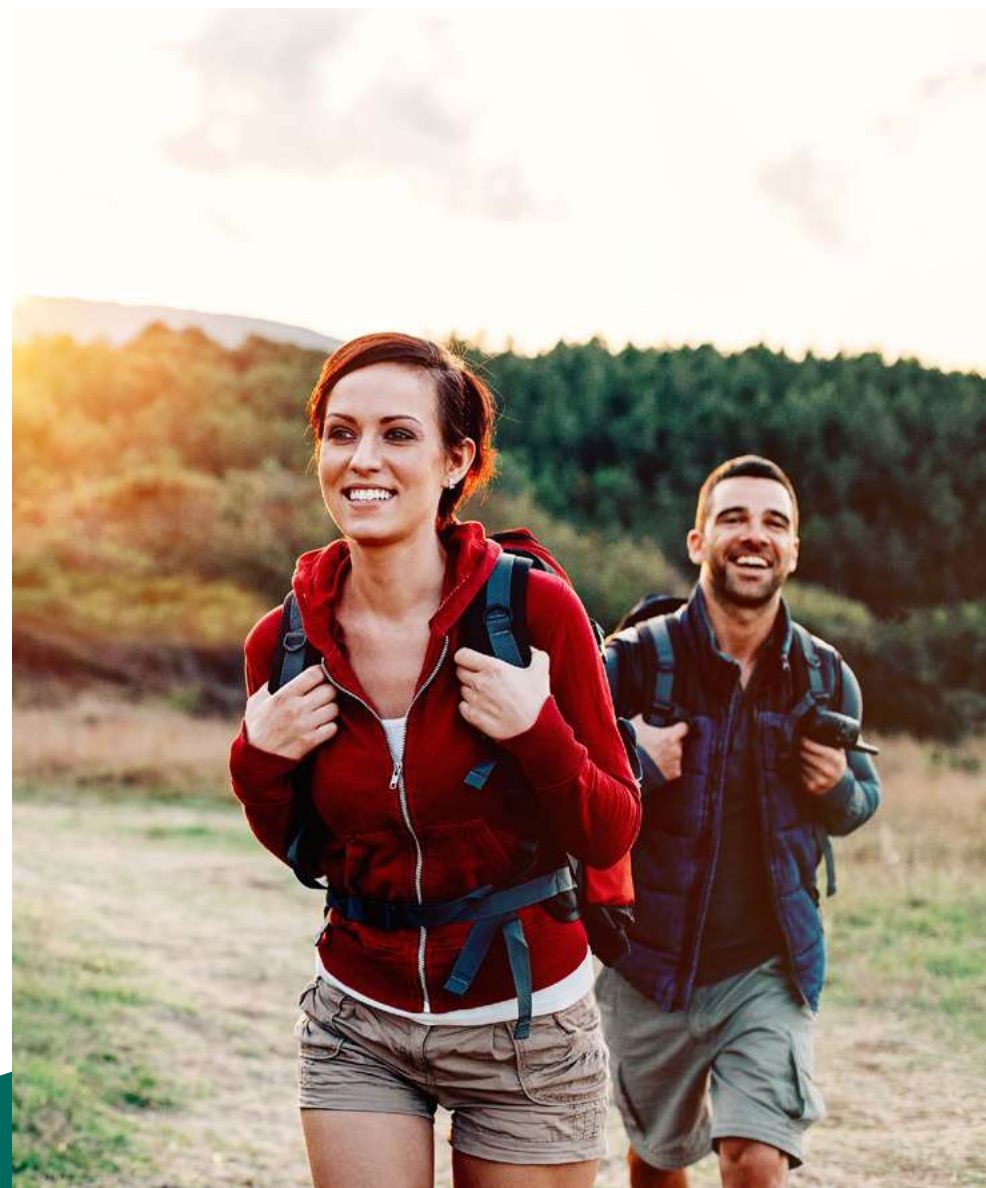
In 2021 and 2020, the following costs of maintaining the quality of products and services were identified in all companies:

	2021	2020
Internal quality costs	EUR 1,281,315.64	EUR 1,058,490.45
External quality spending	EUR 323,043.57	EUR 415,999.34
Food defence spending	EUR 176,922.73	EUR 161,486.84
Quality audits (customers, FSC, etc.)	EUR 53,167.93	EUR 39,287.58

## **2. ENVIRONMENTAL ISSUES**

The activities carried out by the Group's companies are not considered to be a special source of direct pollution.

We will try to provide a qualitative analysis of the different forms of pollution and what can be done about them, given the processes and activities being carried out. We will not go into the production of raw materials or the use of products here. These will be briefly analysed later in this document.





Type of pollution	Flour-producing companies(1)	Winery supplies companies(1)	Senior care services	CRN auxiliary services
Waste water	Draining only (pumps, cooling units) Sewage to sanitation network	Draining only (pumps, cooling units) Sewage to sanitation network	Corresponding to sewage network	Corresponding to sewage network
Waste	Packaging and scrap metal, etc.	Packaging and scrap metal, etc.	Packaging and food waste, etc.	Paper, etc.
Emissions	Essentially derived from heat used in some processes, silos and cereal cleaning Leaks from air conditioning units	Leaks from air conditioning units	Leaks from air conditioning units	Leaks from air conditioning units
Indirect emissions	Electricity consumption Travel by employees and for product delivery	Electricity consumption Travel by employees and for product delivery	Electricity consumption Travel by employees and services to residents	Electricity consumption Travel by employees
Noise	24h mill process Trucks coming and going Location in industrial estate	Trucks coming and going Manufacturing location in industrial estate	Minimal, residential business	Minimal, office business
Light	Lighting of 24h plants only	None	None	None

<sup>(1)</sup> These industrial activities are subject to national, regional and sector environmental standards.

For more information on this point see section 2.2 in this Annex.



The flour-producers take in more than million tonnes of wheat a year, which are converted into three-quarters of a million tonnes of wheat for food and a quarter of a million tonnes of by-products used for animal feed.

The principles of the circular economy require us to prioritise proximity, reduced need for products, re-use and recycling. Each of the four business groups achieves this to different degrees and we expect that in future reports we can provide more details on actions taken in these areas and the pollution metrics that we have sought to set out above.

We will also be trying to collect data on waste generated and its ultimate destination (recycling or landfill).

Quantitatively, the Flour group uses the most energy in the Caja Rural Group. Wheat milling is a power intensive process and in 2021 the Flour group consumed approximately 73 GWh (compared to 68 GWh in 2020), an absolute terms rise mitigated by a 3.6% rise in flour production compared to 2020, which meant consumption per unit produced rose by 2.5%.

Of this, in 2021 50.4 GWh (compared to 28.6 GWh in 2020) was attributable to renewable sources with certificate of origin (i.e. irrespective of the grid mix) to cover the production of organically sourced flour and bran, wholemeal flours and production of certain specific products.

Also, the heat treatment and softening process of oat flakes used 7.8 GWh of piped natural gas (7.6 GWh in 2020).

As indicated in Chapter 7, this year scopes 1 and 2 carbon footprints were calculated for subsidiaries covered in this Annex. Equity investments emitted a total of 10,816 tCO<sub>2</sub>eq in 2021, measured across the scopes indicated.

All the factories work to ISO 14.001 procedures and have their respective certifications. Waste levels are very low in this sector and generally related to non-hazardous waste.

Electricity consumption depends not only on the annual volume of flour produced, but also on other factors such as the cereal varieties milled, temperature and humidity, level of micronized flour, etc. Therefore, a year-to-year comparison may not reflect the work undertaken by the flour production group to improve its energy performance.

In order to reduce the environmental impact due to energy consumption, in December 2018 the Group entered into a long-term power purchase contract that, among other objectives, aims to support the construction of two wind farms. Since the second half of 2020, these wind farms provide approximately 80% of the group's estimated electricity consumption.

In parallel, in recent years, significant investment has been made to upgrade the lorry fleet to the current Euro6 standard, the highest possible environmental rating.

In the Winery Supplies group, we would highlight the actions of INTONA, which works with PEFC-certified oak and is certified annually as having a zero-carbon footprint. In order to compensate for its manufacturing carbon footprint, it is planting sessile oak in the Navarre Pyrenees. The cooperages are also compensating for their emissions by collaborating in building up sessile oak populations that will, in the future, be a source of the high-quality raw materials they need for their barrels.

In the Senior Care Group, energy consumption in 2021 was 1.1 GWh of electricity (0.8 in 2020 and 1.0

in 2019) and 0.9 GWh of mains natural gas (1.6 in 2020 and 2.1 in 2019). 12,700 litres of diesel were consumed in the transport of people and goods (8,600 in 2020 and 12,300 in 2019). The return to normality after Covid was in evidence here. In 2020 day centres were temporarily closed and there were far less movements between centres.

Power consumption by the Bank's Auxiliary Financial Services Group are counted as part of Caja Rural de Navarra's own consumption, whose branch offices it shares.

On actions to limit the environmental impact, **it was planned to implement the following improvements in 2022:**

- **Industria Tonelera de Navarra, S.L.;** installation of 100 kWh of rooftop photovoltaic panels in Monteagudo, which will deliver around 80% self-consumption.

- **Solera Asistencial:** Installation of integrated hybrid equipment on the roofs of La Vaguada and Torre Monreal that supply both hot water to reduce gas consumption and photovoltaic electricity to reduce the need to buy in power.

At La Vaguada it is expected to generate 200 MWh of thermal energy and 65 MWh of electricity, which will prevent around 100 tCO<sub>2</sub>eq annually and self-consumption of 66% of thermal energy and 20% of electricity.

At Torre Monreal, it is expected to generate 153 MWh of thermal energy and 40 MWh of electricity, which will prevent around 67 tCO<sub>2</sub>eq annually and self-consumption of 25% of thermal energy and 10% of electricity.

Finally, we would point out that a large part of the environmental impact of the activities by Caja Rural and its equity investments are offset by the

results of other investee companies that are not consolidated (equity investments of 25-50%).

- Compañía Eólica de Tierras Altas, SA produces between 240 GWh and 260 GWh of renewable electricity per year.

- Renovables de la Ribera launched four wind farms in the south of Navarre in August 2020, with total capacity of 111 MW and production of 270 GWh in 2021.

In each of the Group's companies is integrated into production considerations by the Steering Committee. No special committee has been appointed to date.

The costs of reducing environmental risks break down as follows:

<b>FLOUR GROUP</b>	<b>2021</b>	<b>2020</b>
Removing urban waste and waste water	24,714	31,907
Removing hazardous waste	3,106	8,954
Removing non-hazardous waste	47,421	34,221
Environmental management audits	8,628	18,805
Spending on energy efficiency	7,5	1,406
Environmental consultancy	5,093	3,27
<b>Total</b>	<b>96,462</b>	<b>98,563</b>

#### SENIOR CARE GROUP

<b>Direct expenses charged to the EMS (EUR)</b>	<b>2021</b>	<b>2020</b>
Maintaining the Environmental Management System	0	0
Waste management	50638	5,048
<b>Total (EUR)</b>	<b>50638</b>	<b>5,048</b>

#### WINERY SUPPLIES

<b>Direct expenses charged to the EMS (EUR)</b>	<b>2021</b>	<b>2020</b>
Maintaining the Environmental Management System	3488	3,532
Waste management	8072	3,059
<b>Total (EUR)</b>	<b>11560</b>	<b>6,541</b>

As noted above, the Auxiliary Financial Services Sector does not report separate figures. These figures are included in those for Caja Rural de Navarra.

## 2.1. ENERGY AND POLLUTION METRICS

Below are the values for energy and water consumption and the implied pollution levels, comparable between 2020 and 2021. We would stress that these values do not cover the full carbon footprint of these companies, but do provide a fair view of the progress from year to year.

### 1) Flour Group

This activity accounts for 90% of the Caja Rural Group's total consumption and nearly all its consumption of gas and diesel.

FLOUR-PRODUCING COMPANIES	2021		2020	
	Uds.	CO <sub>2</sub> Eq, T	Uds.	CO <sub>2</sub> Eq, T
Water				
Consumption in m <sup>3</sup>	68,771	-	72,0	-
Natural Gas				
MWh	7,789	1,418	7,6	1,39
Propane	5,658	12	-	-
Electricity				
Non-renewable consumption, MWh	22,31	4,462	40,2	10,847
Renewable consumption, MWh	50,399	0	28,7	0
Fuel consumption				
Process (litres)	115,202	309	128,8	349
Diesel – own fleet (litres)	823,338	2,211	1,044,339	2,604
<b>Total CO<sub>2</sub> equivalent emissions (T)</b>	<b>8,412</b>		<b>15,190</b>	

### 2) Other sectors (Senior Care, Auxiliary Financial Services and Winery Supplies)

	2021		2020	
	Uds.	CO <sub>2</sub> Eq, T	Uds.	CO <sub>2</sub> Eq, T
Water				
Consumption in m <sup>3</sup>	52,238	-	36,824	-
Natural Gas MW,h				
Natural MW,h	10,523	1,915	1,765	321
Electricity				
Non-renewable consumption, MWh	1,630	349	974	263
Renewable consumption, MWh				
Fuel consumption	51,641	140	33,118	83
<b>Total CO<sub>2</sub> equivalent emissions (T)</b>	<b>2,404</b>		<b>667</b>	

Note that 2020 was highly atypical for the senior care and winery businesses due to Covid-19 restrictions.

As for consumption of paper and toner, the following cumulative figures were reported for all companies in this Annex:

	2021	2020
Paper, Kg	10,891	6,64
Toner, units	381	258





## 2.2. CLIMATE CHANGE AND ENERGY MODEL TRANSITION

The activities carried out by the Group's companies produce very low levels of direct pollution. In general, they do not produce waste, as the by-products generated are reused as feed, livestock bedding, raw material for pellets and some oak wood chippings are even burned directly to toast the barrels, following the traditional method.

Therefore, the main direct wastes produced are those derived from the staff changing rooms and toilets, those produced by the users and residents in the residential and day centres and certain packaging of primary and replacement materials, which are segregated and removed by waste collection companies.

Other items are also sorted and collected including plastics, packaging, waste pallets, scrap from maintenance and, when it happens, small ground spillages of fuel and its impregnation material.

As indicated, a calculation was made of the carbon footprint of these companies, limited to scopes 1 and 2 with an outcome of 10,816 tCO<sub>2</sub>eq.

These figures do not include the attributable generation of renewable energy in Group investee companies.

## 3. SOCIAL AND PERSONAL ISSUES

Last year, we gave only a brief summary of Covid's impacts, in terms of the effort and commitment by staff in senior care services, the response of the food sector and the effects on other businesses. Covid continued in 2021, putting constant pressure on services which we were nevertheless better able to cope with, as we had more experience and were less short of resources and hospital capacity than the previous year.

We will now focus on descriptive information.

### 3.1 EMPLOYMENT

Employment per work centre, summarised by country and region:

Country	2021			2020		
	Total	Men	Women	Total	Men	Women
Spain	881	413	468	813	393	420
France	22	16	6	17	12	5
<b>Total active employees at Dec. 31</b>	<b>903</b>	<b>429</b>	<b>474</b>	<b>830</b>	<b>405</b>	<b>425</b>

Spain	2021			2020		
	Total	Men	Women	Total	Men	Women
Navarre	581	186	395	551	189	362
Valencia	90	69	21	88	70	18
Andalusia	73	57	16	64	50	14
Aragon	87	66	21	67	54	13
Galicia	37	28	9	36	28	8
Basque Country	6	3	3	7	2	5
La Rioja	2	0	2	1	0	1

The following is a breakdown of selected statistics relating to the staff in subsidiaries, grouped by activities:

### A) FLOUR GROUP

Bajas voluntarias	2021			2020		
	Total	Men	Women	Total	Men	Women
Bajas por excedencia						
Bajas por jubilación (y prejubilación)	394	315	79	393	316	77
Bajas por fin de contrato	403.1	321.9	81.3	379.962	307.865	72.097
Bajas por despido	91	58	33	68	35	33
Bajas de contratos en el año	55	35	20	66	35	31
Bajas voluntarias	34	24	10	11	7	4
Bajas por excedencia	0	0	0	3	2	1
Bajas por jubilación (y prejubilación)	5	4	1	3	3	0
Bajas por fin de contrato	24	15	9	36	16	20
Bajas por despido	6	2	4	13	7	6
Total de plantilla a 31/Diciembre	416	329	87	395	316	79
<b>Tasa de salidas</b>	<b>13.6%</b>	<b>10.9%</b>	<b>24.6%</b>	<b>17.4%</b>	<b>11.4%</b>	<b>43.0%</b>

Contractual relationship (situation to 31/12)	2021			2020		
	Total	Men	Women	Total	Men	Women
"Active"	416	329	87	395	316	79
Leave	0	0	0	3	2	1
Temporary Contracts, annual average	8	7	1	16	13	3
Permanent Contracts, annual average	394	314	80	379	303	77
Total active employees at Dec. 31	416	329	87	395	316	79

Below we give details of employees who worked for sector subsidiaries during the year but not all year. Figures are not given as an annual average but show the contracts of everyone who worked this year for however short a time.

It is particularly important to deal with all contracts, of whatever duration, to give a clear picture of salary relativities by activity and gender.

Accordingly, the figures for 2021 and 2020 were as follows:

### By age range

	2021				2020			
	Men	%	Women	%	Men	%	Women	%
Less than 30 years	42	8.9%	29	6.2%	38	8.5%	23	5.1%
31 to 40 years	89	18.9%	36	7.7%	91	20.3%	35	7.8%
41 to 50 years	128	27.2%	28	6.0%	122	27.2%	28	6.2%
51 to 60 years	88	18.7%	7	1.5%	91	20.3%	4	0.9%
Over 60	20	4.3%	3	0.6%	14	3.1%	3	0.7%
<b>Total</b>	<b>367</b>	<b>78.1%</b>	<b>103</b>	<b>21.9%</b>	<b>356</b>	<b>79.3%</b>	<b>93</b>	<b>20.7%</b>

There was one person with recognised disability in 2020 and three in 2021, all men.

**By professional category:**

	2021			2020		
	Total	Men	Women	Total	Men	Women
General and area management	48	40	8	39	33	6
Engineers and graduates, reporting to a function area manager	25	20	5	18	13	5
Administrative, workshop and shift managers Sales	36	34	2	20	18	2
First-grade managers, administrators and production or quality	77	47	30	152	125	27
Second-grade managers, administrators and production or quality	213	168	45	105	92	13
Administrative assistants, third-grade workers, assistants, labourers.	68	57	11	113	73	40
Trainees and work experience	3	1	2	2	2	0

**Figures by education are as follows:**

	2021			2020		
	Total	Men	Women	Total	Men	Women
PhD	1	1	0	1	1	0
Graduate	97	52	45	88	54	34
Higher professional qualification or long working experience	106	90	16	92	83	9
Professional training 2	100	76	24	128	95	33
High school or Professional training 1	128	114	14	113	97	16
No qualifications	38	34	4	27	26	1



**By type of contract:**

	2021				2020			
	Men	%	Women	%	Men	%	Women	%
Permanent full-time	349	74.3%	88	18.7%	331	73.7%	73	16.3%
Permanent part-time or discontinuous	2	0.4%	8	1.7%	0	0.0%	7	1.6%
Work experience, trainees and apprentices	2	0.4%	3	0.6%	3	0.7%	2	0.4%
Temporary contract (replacing those on parental or sick leave, departure or political activity)	1	0.2%	1	0.2%	1	0.2%	1	0.2%
Temporary full-time contracts for time-limited work or services	13	2.8%	3	0.6%	21	4.7%	10	2.2%
Temporary part-time contracts for time-limited work or services	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>367</b>	<b>78.1%</b>	<b>103</b>	<b>21.9%</b>	<b>356</b>	<b>79.3%</b>	<b>93</b>	<b>20.7%</b>





## B) SENIOR CARE GROUP

	2021			2020		
	Total	Men	Women	Total	Men	Women
Total headcount at 1 January	336	30	306	332	35	297
Average headcount in the year	285	25	260	284.82	26.05	258.77
New contracts in the year	975	99	876	940	78	862
Contracts terminated in the year	936	96	840	933	82	851
Voluntary resignation	31	-	31	58	6	52
Voluntary leave	4		4	10		10
Retirement (and early retirement)	1		1	2		2
End of contract	893	96	797	851	76	775
Dismissal	7		7	12		12
<b>Total headcount at 31 December</b>	<b>377</b>	<b>33</b>	<b>344</b>	<b>343</b>	<b>31</b>	<b>312</b>
<b>Departure rate</b>	<b>328.6%</b>	<b>386.0%</b>	<b>323.1%</b>	<b>327.6%</b>	<b>314.8%</b>	<b>328.9%</b>

Contractual relationship (situation to 31/12)	2021			2020		
	Total	Men	Women	Total	Men	Women
"Active"	377	33	344	343	31	312
Leave	4	0	4	10	0	10
Temporary Contracts, annual average	66	5	61	83	10	73
Permanent Contracts, annual average	219	20	199	202	16	186
Total active employees at Dec. 31	377	33	344	343	31	312

Among the personnel, one person was reported as having a disability in 2020 and none in 2021.

Below we give details of employees who worked in the sector during the year but not all year. Figures are not given as an annual average but show the contracts of everyone who worked this year for however short a time. Accordingly, the figures for 2021 and 2020 were as follows:

### By age range:

	2021				2020			
	Men	%	Women	%	Men	%	Women	%
Less than 30 years	19	3.3%	124	21.6%	23	4.0%	125	21.9%
31 to 40 years	13	2.3%	123	21.4%	14	2.5%	128	22.5%
41 to 50 years	17	3.0%	135	23.5%	12	2.1%	140	24.6%
51 to 60 years	6	1.0%	105	18.3%	7	1.2%	94	16.5%
Over 60	0	0.0%	33	5.7%	0	0.0%	27	4.7%
<b>Total</b>	<b>55</b>	<b>9.6%</b>	<b>520</b>	<b>90.4%</b>	<b>56</b>	<b>9.8%</b>	<b>514</b>	<b>90.2%</b>

### By professional category:

	2021			2020		
	Total	Men	Women	Total	Men	Women
General and area managers	1	1	0	5	3	2
Doctors, psychologists	8	0	8	10	2	8
Nurses, nutritionists and physiotherapists	90	12	78	92	6	86
Nursing and geriatric assistants	4	2	2	21	4	17
Administrators and technical staff in socio-cultural activities	311	28	283	319	30	289
Administrative assistants, cleaners, wardens	161	12	149	123	11	112
<b>Total</b>	<b>575</b>	<b>55</b>	<b>520</b>	<b>570</b>	<b>56</b>	<b>514</b>

**By academic qualifications:**

	2021			2020		
	Total	Men	Women	Total	Men	Women
PhD	0	0	0	0	0	0
Graduate	98	13	85	114	11	103
Higher professional qualification or long working experience	319	32	287	334	35	299
No qualifications	158	10	148	122	10	112
<b>Total</b>	<b>575</b>	<b>55</b>	<b>520</b>	<b>570</b>	<b>56</b>	<b>514</b>

**By contract type:**

	2021				2020			
	Men	%	Women	%	Men	%	Women	%
Permanent full-time	17	3.0%	183	31.8%	1	0.2%	178	32.0%
Permanent part-time or discontinuous	4	0.7%	42	7.3%	3	0.5%	44	7.9%
Work experience, trainees and apprentices	0	0.0%	1	0.2%	0	0.0%	0	0.0%
Temporary contract (replacing those on parental or sick leave, departure or political activity)	23	4.0%	176	30.6%	18	3.2%	174	31.3%
Temporary full-time contracts for time-limited work or services	3	0.5%	29	5.0%	7	1.3%	34	6.1%
Temporary part-time contracts for time-limited work or services	8	1.4%	89	15.5%	13	2.3%	84	15.1%
<b>Total</b>	<b>55</b>	<b>9.6%</b>	<b>520</b>	<b>90.4%</b>	<b>42</b>	<b>7.6%</b>	<b>514</b>	<b>92.4%</b>

### C) WINERY SUPPLIES GROUP

	2021			2020		
	Total	Men	Women	Total	Men	Women
Total headcount at 1 January	72	57	15	62	50	12
Average headcount in the year	65.70	52.33	13.37	38.98	28.89	10.09
New contracts in the year	21	17	4	13	10	3
Contracts terminated in the year	12	10	2	13	11	2
Voluntary resignation	10	8	2	5	4	1
Voluntary leave	0	0	0	0	0	0
Retirement (and early retirement)	0	1	0	0	0	0
End of contract	0	1	0	6	5	1
Dismissal	1	1	0	2	2	0
<b>Total headcount at 31 December</b>	<b>75</b>	<b>59</b>	<b>16</b>	<b>62</b>	<b>49</b>	<b>13</b>
<b>Departure rate</b>	<b>18.3%</b>	<b>19.1%</b>	<b>15.0%</b>	<b>33.4%</b>	<b>38.1%</b>	<b>19.8%</b>

Contractual relationship (situation to 31/12)	2021			2020		
	Total	Men	Women	Total	Men	Women
"Active"	75	59	16	62	49	13
Leave	0	0	0	0	0	0
Temporary Contracts, annual average	4	3	1	3	2	1
Permanent Contracts, annual average	61	49	12	59	47	12
Total active employees at Dec. 31	75	59	16	62	49	13

Below we give details of employees who worked in the sector during the year but not all year. Figures are not given as an annual average but show the contracts of everyone who worked this year for however short a time. Accordingly, the figures for 2021 and 2020 were as follows:

#### By age range:

	2021				2020			
	Men	%	Women	%	Men	%	Women	%
Less than 30 years	5	5.4%	2	2.2%	9	8.5%	2	5.1%
31 to 40 years	17	18.5%	8	8.7%	10	20.3%	9	7.8%
41 to 50 years	23	25.0%	7	7.6%	38	27.2%	8	6.2%
51 to 60 years	15	16.3%	4	4.3%	18	20.3%	3	0.9%
Over 60	4	4.3%	0	0.0%	5	3.1%	0	0.7%
<b>Total</b>	<b>71</b>	<b>77.2%</b>	<b>21</b>	<b>22.8%</b>	<b>80</b>	<b>79.3%</b>	<b>22</b>	<b>20.7%</b>

#### By professional category:

	2021			2020		
	Total	Men	Women	Total	Men	Women
General and area management	7	6	1	8	8	0
Engineers and graduates, reporting to a function area manager	0	0	0	0	0	0
Administrative, workshop and shift managers Sales	19	17	2	19	14	5
First-grade managers, administrators and production or quality	1	1	0	2	2	0
Second-grade managers, administrators and production or quality	27	25	2	43	40	3
Administrative assistants, third-grade workers, assistants, labourers.	37	21	16	29	15	14
Trainees and work experience	1	1	0	1	1	0



### By academic qualifications

	2021			2020		
	Total	Men	Women	Total	Men	Women
PhD	0	0	0	0	0	0
Graduate	10	3	7	19	7	12
Higher professional qualification or long working experience	43	40	3	46	44	2
Professional training 2	3	0	3	7	1	6
High school or Professional training 1	36	28	8	30	28	2
No qualifications	0	0	0	0	0	0
<b>Totales</b>	<b>575</b>	<b>55</b>	<b>520</b>	<b>570</b>	<b>56</b>	<b>514</b>

### By contract type:

	2021				2020			
	Men	%	Women	%	Men	%	Women	%
Permanent full-time	53	57.6%	14	15.2%	61	59.8%	15	14.7%
Permanent part-time or discontinuous	3	3.3%	3	3.3%	6	5.9%	4	3.9%
Work experience, trainees and apprentices	1	1.1%	0	0.0%	1	1.0%	0	0.0%
Temporary contract (replacing those on parental or sick leave, departure or political activity)	8	8.7%	4	4.3%	0	0.0%	0	0.0%
Temporary full-time contracts for time-limited work or services	6	6.5%	0	0.0%	12	11.8%	3	2.9%
Temporary part-time contracts for time-limited work or services	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>71</b>	<b>77.2%</b>	<b>21</b>	<b>22.8%</b>	<b>80</b>	<b>78.4%</b>	<b>22</b>	<b>21.6%</b>



## D) AUXILIARY FINANCIAL SERVICES GROUP

	2021			2020		
	Total	Men	Women	Total	Men	Women
Total headcount at 1 January	35	9	26	36	9	27
Average headcount in the year	36.38	9.34	27.04	34.83	9.16	25.67
New contracts in the year	14	3	11	5	1	4
Contracts terminated in the year	10	5	5	7	1	6
Voluntary resignation	2	0	2	1	0	1
Voluntary leave	0	0	0	0	0	0
Retirement (and early retirement)	0	0	0	0	0	0
End of contract	7	5	2	5	1	4
Dismissal	1	0	1	1	0	1
<b>Total headcount at 31 December</b>	<b>35</b>	<b>8</b>	<b>27</b>	<b>35</b>	<b>9</b>	<b>26</b>
<b>Departure rate</b>	<b>27.5%</b>	<b>53.5%</b>	<b>18.5%</b>	<b>20.1%</b>	<b>10.9%</b>	<b>23.4%</b>

Contractual relationship (situation to 31/12)	2021			2020		
	Total	Men	Women	Total	Men	Women
"Active"	35	8	27	35	9	26
Leave	0	0	0	1	0	1
Temporary Contracts, annual average	6	0	6	12	2	10
Permanent Contracts, annual average	30	9	21	26	8	19
Total active employees at Dec. 31	35	8	27	35	9	26

Below we give details of employees who worked in this business during the year but not all year. Figures are not given as an annual average that shows the contracts of everyone who worked this year for however short a time. Accordingly, the figures for 2021 and 2020 were as follows:

### By age:

	2021				2020			
	Men	%	Women	%	Men	%	Women	%
Less than 30 years	0	0.0%	12	26.7%	1	2.4%	6	14.3%
31 to 40 years	4	8.9%	7	15.6%	3	7.1%	12	28.6%
41 to 50 years	5	11.1%	12	26.7%	5	11.9%	11	26.2%
51 to 60 years	1	2.2%	4	8.9%	1	2.4%	3	7.1%
Over 60	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>10</b>	<b>22.2%</b>	<b>35</b>	<b>77.8%</b>	<b>10</b>	<b>23.8%</b>	<b>32</b>	<b>76.2%</b>

### By category:

	2021			2020		
	Total	Men	Women	Total	Men	Women
General and area management	2	2	0	2	2	0
Engineers and graduates, reporting to a function area manager	0	0	0	2	0	2
Administrative, workshop and shift managers Sales	1	0	1	14	5	9
First-grade managers, administrators and production or quality	14	5	9	20	3	17
Second-grade managers, administrators and production or quality	20	3	17	1	0	1
Administrative assistants, third-grade workers, assistants, labourers.	8	0	8	3	0	3
Trainees and work experience	0	0	0	42	10	32

**By academic qualifications**

	2021			2020		
	Total	Men	Women	Total	Men	Women
PhD	0	0	0	0	0	0
Graduate	29	10	19	28	10	18
Higher professional qualification or long working experience	0	0	0	1	0	1
Professional training 2	16	0	16	11	0	11
High school or Professional training 1	0	0	0	2	0	2
No qualifications	0	0	0	0	0	0

**By contract type**

	2021				2020			
	Men	%	Women	%	Men	%	Women	%
Permanent full-time	9	20.0%	21	46.7%	7	59.8%	21	14.7%
Permanent part-time or discontinuous	0	0.0%	0	0.0%	0	5.9%	0	3.9%
Work experience, trainees and apprentices	0	0.0%	4	8.9%	0	1.0%	3	0.0%
Temporary contract (replacing those on parental or sick leave, departure or political activity)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Temporary full-time contracts for time-limited work or services	1	2.2%	10	22.2%	3	11.8%	7	2.9%
Temporary part-time contracts for time-limited work or services	0	0.0%	0	0.0%	0	0.0%	1	0.0%
<b>Total</b>	<b>10</b>	<b>22.2%</b>	<b>35</b>	<b>77.8%</b>	<b>10</b>	<b>78.4%</b>	<b>32</b>	<b>21.6%</b>

In this sub-sector there was no-one with a recognized disability.

Regarding the introduction of policies and procedures to disconnect from work, a common Group procedure is currently being drawn up for all equity investments in line with those applying in Caja Rural de Navarra.

## REMUNERATION

Remuneration is based on sector collective agreements, supplemented in some jobs by professional performance bonuses. There are no differences based on age or sex, beyond supplements for years of service with the company that may exist in certain agreements

Selected remuneration parameters are provided below. The data are recorded as a value that represents the annual gross salary multiplier for the sector analysed, so that the metrics can be compared without breaching the confidentiality of the data and also to cast light on the remuneration in each sector.

To arrive at these comparative figures, we took the total remuneration received by each worker on the payroll in 2021 or 2020, irrespective of type or duration of their contract, divided by the number of hours worked. For the sector figures, we took the value assigned to a worker in a specific category of each collective agreement, shown for each sub-sector, divided by the number of annual working hours stated in the agreement.

So, if the value was greater than one, the group being analysed earned more per hour on average than the benchmark worker in the collective

agreement, and vice versa.

Group averages are calculated weighted by the total number of hours worked by all workers in this group in the comparison year.

### A) FLOUR PRODUCING GROUP

The sector benchmark is taken to be a person classed as lab assistant in the sector collective agreement (National Collective Agreement for Companies in the Bread Flour and Semolina Sector). A new Collective Agreement was signed in June 2020 which will remain in force until the end of 2022

Average figures by gender of worker, compared to the sector benchmark and the average for companies in this sub-sector of the Caja Rural Group are as follows:

	VS. collective agreement base		Of companies in sub-group	
	2021	2020	2021	2020
Men	1.78	1.81	01.04	01.04
Women	1.45	1.38	0.84	0.80
Sub-sector average	1.73	1.73	1.00	1.00
Difference M/W	0.33	0.43	0.19	0.25
ESO o FPI	0	0	2	2
Sin cualificación	0	0	0	0

We repeat that this comparison is based on everyone on the payroll during the year, even if they were only temporary workers, and for the comparative figures we analyse the resulting hourly salary per person.

The following breakdowns are compared to the benchmark salary in the collective agreement for the sector:

	2021			2020		
	Total	Men	Women	Total	Men	Women
Less than 30 years	1.39	1.45	1.30	1.36	1.43	1.24
31 to 40 years	1.54	1.57	1.45	1.56	1.60	1.44
41 to 50 years	1.79	1.84	1.53	1.78	1.86	1.38
51 to 60 years	1.89	1.90	1.62	1.99	02.01	1.61
Over 60	2.13	2.25	1.25	02.09	2.24	1.20
<b>Total</b>	<b>1.71</b>	<b>1.78</b>	<b>1.45</b>	<b>1.73</b>	<b>1.81</b>	<b>1.38</b>

### By category:

	2021			2020		
	Total	Men	Women	Total	Men	Women
General and area management	3.17	3.35	2.26	3.35	3.47	2.42
Engineers and graduates, reporting to a function area manager	1.86	1.95	1.44	1.74	1.86	1.35
Administrative, workshop and shift managers Sales	1.94	1.93	02.04	1.42	1.44	1.28
First-grade managers, administrators and production or quality	1.37	1.37	1.37	1.55	1.57	1.42
Second-grade managers, administrators and production or quality	1.59	1.64	1.34	1.82	1.86	1.29
Administrative assistants, third-grade workers, assistants, labourers.	1.11	1.11	1.11	1.42	1.50	1.25
Trainees and work experience	1.22	0.76	1.26	0.84	0.84	-
<b>Total</b>	<b>1.71</b>	<b>1.78</b>	<b>1.45</b>	<b>1.73</b>	<b>1.81</b>	<b>1.38</b>

### By training:

	2021			2020		
	Total	Men	Women	Total	Men	Women
PhD	More than 2	More than 2	€	More than 2	More than 2	€
Graduate	2.33	2.90	1.61	2.46	2.99	1.60
Higher professional qualification or long working experience	1.86	1.93	1.47	1.81	1.86	1.34
Professional training 2	1.55	1.61	1.29	1.54	1.63	1.21
High school or Professional training 1	1.34	1.36	1.13	1.41	1.44	1.23
No qualifications	1.41	1.43	0.80	1.43	1.43	0.74
<b>Total</b>	<b>1.71</b>	<b>1.78</b>	<b>1.45</b>	<b>1.73</b>	<b>1.81</b>	<b>1.38</b>

The doctor multiplier figure has been removed as there is only on person with this qualification

### By contract type:

	2021			2020		
	Total	Men	Women	Total	Men	Women
Permanent full-time	1.73	1.79	1.46	1.76	1.84	1.39
Permanent part-time or discontinuous	1.46	€	1.38	1.51	€	1.51
Work experience, trainees and apprentices	1.41	1.48	1.37	0.95	1.18	0.68
Temporary contract (replacing those on parental or sick leave, departure or political activity)	1.17	N/I	N/I	1.13	N/I	N/I
Temporary full-time contracts for time-limited work or services	1.18	1.19	01.04	1.16	1.15	1.20
<b>Total</b>	<b>1.71</b>	<b>1.78</b>	<b>1.45</b>	<b>1.73</b>	<b>1.81</b>	<b>1.38</b>

The same was done with the figure for people on temporary contracts, where no information is given for their individual salary



## B) SENIOR CARE GROUP

In this case, we also prepared a comparison with the collective agreement – VII official state collective agreement on personal care of dependent people and development of the promotion of personal autonomy (private residences for the elderly and home care services), working in geriatric care, Group C. Figures refer all those on the payroll in each year, for however short a time.

	VS. collective agreement base		in Care Group companies	
	2021	2020	2021	2020
Men	1.88	1.95	1.26	1.26
Women	1.46	1.50	0.98	0.97
Sub-sector average	1.53	1.54	1.00	1.00
Difference M/W	0.42	0.45	0.28	0.29

### By age:

	2021			2020		
	Total	Men	Women	Total	Men	Women
Less than 30 years	1.44	1.57	1.43	1.56	1.79	1.53
31 to 40 years	1.46	1.54	1.45	1.49	1.53	1.48
41 to 50 years	1.62	2.43	1.54	1.66	2.58	1.57
51 to 60 years	1.39	2.37	1.36	1.44	2.12	1.41
Over 60	1.54	€	1.54	1.55	€	1.55
<b>Total</b>	<b>1.50</b>	<b>1.88</b>	<b>1.46</b>	<b>1.54</b>	<b>1.95</b>	<b>1.50</b>

### By professional category

	2021			2020		
	Total	Men	Women	Total	Men	Women
General and area managers	N/I	N/I	€	3.90	4.30	2.83
Doctors, psychologists	3.31	€	3.31	3.12	2.90	3.13
Nurses, nutritionists and physiotherapists	1.89	1.77	1.90	02.02	2.27	2.00
Nursing and geriatric assistants	2.30	2.58	02.01	1.69	1.91	1.66
Administrators and technical staff in socio-cultural activities	1.33	1.44	1.32	1.35	1.48	1.34
Administrative assistants, cleaners, wardens	1.26	1.55	1.24	1.25	1.29	1.25
<b>Total</b>	<b>1.50</b>	<b>1.88</b>	<b>1.46</b>	<b>1.54</b>	<b>1.95</b>	<b>1.50</b>

Data that could be easily used to identify a specific person have been eliminated

**By qualification**

	2021			2020		
	Total	Men	Women	Total	Men	Women
PhD	€	€	€	2.16	2.16	€
Graduate	2.13	2.74	2.05	2.46	2.99	1.60
Higher professional qualification or long working experience	1.88	1.67	2.23	1.81	1.86	1.34
Professional training 2	2.65	3.12	2.42	1.54	1.63	1.21
High school or Professional training 1	1.34	1.45	1.33	1.41	1.44	1.23
No qualifications	1.23	1.91	1.22	1.43	1.43	0.74
<b>Total</b>	<b>1.50</b>	<b>1.88</b>	<b>1.46</b>	<b>1.73</b>	<b>1.81</b>	<b>1.38</b>

**By contract mode**

	2021			2020		
	Total	Men	Women	Total	Men	Women
Permanent full-time	1.55	2.05	1.50	1.58	7.81	1.54
Permanent part-time or discontinuous	1.41	1.59	1.40	1.54	€	1.54
Work experience, trainees and apprentices	2.75	€	2.75	€	€	€
Temporary contract (replacing those on parental or sick leave, departure or political activity)	1.39	1.57	1.37	1.44	2.05	1.40
Temporary full-time contracts for time-limited work or services	1.26	1.20	1.26	1.40	1.52	1.37
Temporary part-time contracts for time-limited work or services	1.48	1.40	1.49	1.40	1.52	1.37
<b>Total</b>	<b>1.50</b>	<b>1.88</b>	<b>1.46</b>	<b>1.54</b>	<b>1.95</b>	<b>1.50</b>



### C) WINERY SUPPLIES GROUP

Comparisons are with the post of lab assistant in the Collective Agreement for Wood-workers of Navarre. As explained above, the comparison is based on the hourly salary of all workers who appeared on the payroll at any time.

	VS. Collective agreement base		Of companies in sub-group	
	2021	2020	2021	2020
Men	1.76	2.00	1.01	1.02
Women	1.71	1.84	0.98	0.94
Sub-sector average	1.86	1.96	1.00	1.00
Difference M/W	0.05	0.15	0.03	0.08

#### By age:

	2021			2020		
	Total	Men	Women	Total	Men	Women
Less than 30 years	1.55	1.55	1.57	1.57	1.64	1.25
31 to 40 years	1.34	1.21	1.60	1.68	1.37	2.12
41 to 50 years	2.12	2.17	1.92	02.12	2.19	1.84
51 to 60 years	1.70	1.74	1.51	1.94	02.04	1.42
Over 60	1.16	1.16	€	1.93	1.93	€
<b>Total</b>	<b>1.75</b>	<b>1.76</b>	<b>1.71</b>	<b>1.96</b>	<b>2.00</b>	<b>1.84</b>

#### By professional category:

	2021			2020		
	Total	Men	Women	Total	Men	Women
General and area management	4.14	4.22	2.66	4.03	4.03	€
Administrative, workshop and shift managers Sales	1.79	1.66	2.82	2.30	2.18	2.62
First-grade managers, administrators and production or quality	N/I	N/I	€	1.70	1.70	€
Second-grade managers, administrators and production or quality	1.17	1.17	1.15	1.43	1.44	1.22
Administrative assistants, third-grade workers, assistants, labourers.	1.61	1.70	1.54	1.60	1.58	1.63
Trainees and work experience	N/I	N/I	€	N/I	N/I	€
<b>Total</b>	<b>1.75</b>	<b>1.76</b>	<b>1.71</b>	<b>1.96</b>	<b>2.00</b>	<b>1.84</b>

### By qualification:

	2021			2020		
	Total	Men	Women	Total	Men	Women
Graduate	2.34	2.89	02.04	2.68	3.35	2.16
Higher professional qualification or long working experience	1.66	1.70	0.98	2.06	2.07	1.51
Professional training 2	1.74	€	1.74	1.65	1.94	1.59
High school or Professional training 1	1.64	1.66	1.52	1.35	1.37	1.22
<b>Total</b>	<b>1.75</b>	<b>1.76</b>	<b>1.71</b>	<b>1.96</b>	<b>2.00</b>	<b>1.84</b>

### By contract mode:

	2021			2020		
	Total	Men	Women	Total	Men	Women
Permanent full-time	1.82	1.81	1.86	2.02	2.04	1.97
Permanent part-time or discontinuous	1.13	1.14	1.12	1.79	2.15	1.36
Work experience, trainees and apprentices	N/I	N/I	€	N/I	N/I	€
Temporary contract (replacing those on parental or sick leave, departure or political activity)	1.38	1.39	1.37	€	€	€
Temporary full-time contracts for time-limited work or services	1.44	1.44		1.16	01.04	1.43
<b>Total</b>	<b>1.75</b>	<b>1.76</b>	<b>1.71</b>	<b>1.96</b>	<b>2.00</b>	<b>1.84</b>

### D) FINANCIAL SERVICES GROUP

For this group comparisons are with the Group V post (tasks carried out under supervision but under own initiative, with professional knowledge or trial period) under the Collective agreement of office of Navarre.

	Respecto valor base convenio		Entre estas empresas de este subgrupo	
	2021	2020	2021	2020
Men	1.72	1.67	1.37	1.33
Women	1.10	1.11	0.88	0.88
Sub-sector average	1.25	1.25	1.00	1.00
Difference M/W	0.62	0.57	0.49	0.45

### By age:

	2021			2020		
	Total	Men	Women	Total	Men	Women
Less than 30 years	0.82	€	0.82	0.80	0.79	0.80
31 to 40 years	1.16	1.31	1.08	1.18	1.17	1.18
41 to 50 years	1.31	1.59	1.19	1.29	1.53	1.17
51 to 60 years	N/I	N/I	1.23	N/I	N/I	1.17
<b>Total</b>	<b>1.25</b>	<b>1.72</b>	<b>1.10</b>	<b>1.25</b>	<b>1.67</b>	<b>1.11</b>



**By professional category**

	2021			2020		
	Total	Men	Women	Total	Men	Women
General and area management	3.26	3.26	€	3.42	3.42	€
Administrative, workshop and shift managers Sales	1.69	€	1.69	1.48	€	1.48
First-grade managers, administrators and production or quality	1.30	1.36	1.27	1.24	1.28	1.22
Second-grade managers, administrators and production or quality	1.03	1.08	1.02	1.06	1.00	1.07
Administrative assistants, third-grade workers, assistants, labourers.	0.82	€	0.82	1.89	€	1.89
Trainees and work experience	€	€	€	0.66	€	0.66
<b>Total</b>	<b>1.25</b>	<b>1.72</b>	<b>1.10</b>	<b>1.25</b>	<b>1.67</b>	<b>1.11</b>

Some work experience employees in 2020 were kept on after them and now work as administrative assistants.

**By qualification:**

	2021			2020		
	Total	Men	Women	Total	Men	Women
Graduate	1.35	1.72	1.15	1.36	1.67	1.19
Higher professional qualification or long working experience	€	€	€	N/I	€	N/I
Professional training 2	1.02	€	1.02	0.97	€	0.97
High school or Professional training 1	€	€	€	0.99	€	0.99
<b>Total</b>	<b>1.25</b>	<b>1.72</b>	<b>1.10</b>	<b>1.25</b>	<b>1.67</b>	<b>1.11</b>

**By contract mode:**

	2021			2020		
	Total	Men	Women	Total	Men	Women
Permanent full-time	1.36	1.74	1.19	1.38	1.87	1.20
Work experience, trainees and apprentices	0.60	€	0.60	0.66	€	0.66
Temporary full-time contracts for time-limited work or services	0.94	1.07	0.93	1.00	1.04	0.97
Temporary part-time contracts for time-limited work or services	€	€	€	N/I	€	N/I
<b>Total</b>	<b>1.25</b>	<b>1.72</b>	<b>1.10</b>	<b>1.25</b>	<b>1.67</b>	<b>1.11</b>

In all tables "N/I" is used to mean no information, where those concerned would be easily identifiable

## ORGANIZATION OF WORK. HEALTH AND SAFETY

All group companies table working time is in compliance with the working hours laid down by the collective agreement. Shifts have to be worked in some areas to cover (nearly) the whole year.

Health and Safety is relevant to all areas, but the continuation of Covid measures has required different procedures to be put in place in all companies.

Accident statistics are collected in all manufacturing centres, even for accidents that do not require medical attention or time off since improvements can be made if these figures are analysed.

The data on accidents and resulting time off work are presented below.

### A) FLOUR PRODUCING GROUP

Workplace accidents	2021	2020
Accidents without time off work	40	27
Accidents resulting in time off work	36	25
Total accidents	76	52
Accident incidence	63	42
Accident severity	13.60	8.68

Hours off work and absenteeism rate	Hours 2021		Total	Hours 2021		Total
	Men	Women		Men	Women	
Accidents	9,728	0	9,728	5,311	112	5,423
Common illness	37,896	14,892	52,788	17,736	2,788	20,524
Covid (1)	4,560	904	5,464	1,720	88	1,808
Maternity	0	3,384	3,384	0	4,536	4,536
Paternity	4,016	0	4,016	2,672	0	2,672
Childcare	0	0	0	384	0	384
Care of the sick	64	0	64	0	0	0
Other personal motives	384	64	448	278	128	406
Jury service, union work, etc.	216	120	336	368	36	404
<b>Total hours lost</b>	<b>56,864</b>	<b>19,364</b>	<b>76,228</b>	<b>28,469</b>	<b>7,688</b>	<b>36,157</b>
<b>Total working hours</b>	<b>568,958</b>	<b>139,079</b>	<b>708,037</b>	<b>521,250</b>	<b>103,718</b>	<b>624,968</b>
<b>Total hours off work</b>	<b>47,136</b>	<b>19,364</b>	<b>66,500</b>	<b>23,158</b>	<b>7,576</b>	<b>30,734</b>
<b>Absenteeism rate</b>	<b>9.99</b>	<b>13.79</b>	<b>10.74</b>	<b>5.46</b>	<b>7.41</b>	<b>5.79</b>

(1) In cases where Covid has been separately recorded.

Time off includes all hours lost except for those due to accident

**B) SENIOR CARE GROUP**

Workplace accidents	2021	2020
Accidents without time off work	18	15
Accidents resulting in time off work	29	38
Total accidents	47	53
Accident incidence	0.066	0.091
Accident severity	13.19	9.66

Hours off work and absenteeism rate	Hours 2021		Total	Hours 2021		Total
	Men	Women		Men	Women	
Accidents	28	5,944	5,972	0	4,770.00	4,770
Common illness	2,659	32,720	35,379	802.27	35,624.73	36,427
Covid	285	2,465	2,750	776.72	23,425.28	24,202
Maternity	0	7,780	7,780	0	9,807.00	9,807
Paternity	0		0	0	0	0
Childcare	0		0	0	0	0
Care of the sick	0		0	0	0	0
Other personal motives		120	588	708	0	0
Jury service, union work, etc.	0	1,260	1,260	0		
<b>Total hours lost</b>	3,092	50,757	53,849	1,578.99	73,627.01	75,206
<b>Total working hours</b>	43,100	450,580	493,680	45,151.58	448,459.42	493,611
<b>Total hours off work</b>	3,092	48,909	51,881	1,578.99	68,857.01	70,436.00
<b>Absenteeism rate</b>			<b>10.91</b>			<b>15.24</b>

**C) WINERY SUPPLIES GROUP**

Data reported for 2020 and 2021:

Workplace accidents	2021	2020
Accidents without time off work	4	1
Accidents resulting in time off work	9	9
Total accidents	13	10
Accident incidence	0,08	0,13
Accident severity	28,21	9,79

The table below includes a more detailed comparison between 2021 and 2020, although it is important to note that 2020 figures do not include data for the French subsidiary Tonnellerie de L'Adour:

Hours off work and absenteeism rate	Hours 2021		Total	Hours 2021		Total
	Men	Women		Men	Women	
Accidents	3,087.45	7.75	3,095	660	0	660
Common illness	1,301.50	2,140.76	3,442	986	656	1642
Covid	88.00	74.00	162	1201	0	1201
Maternity	.	504.00	504	0	720	720
Paternity	950.50	.	951	528	0	528
Childcare	4.00	4.00	8	0	0	0
Care of the sick	42.25	.	42	76	0	76
Other personal motives	35.75	.	36	3	0	3
Jury service, union work, etc.	.	.	0	0	0	0
Total hours lost				13739	3370	17109
<b>Total working hours</b>	5,509.45	2,730.51	8,240	3454	1376	4830
Total hours off work	88,265.81	21,447.62	109,713	49,980	17,455	67,435
<b>Absenteeism rate</b>	<b>6.24</b>	<b>12.73</b>	<b>7.51</b>	<b>5.58</b>	<b>8.84</b>	<b>6.24</b>

## D) FINANCIAL SERVICES GROUP

Workplace accidents	2021	2020
Accidents without time off work	0	0
Accidents resulting in time off work	1	5
Total accidents	1	5
Accident incidence	0.016	0.091
Accident severity	0	2,00

## 3.2. EMPLOYEE RELATIONS

Each group of companies identified in each sector has its own collective agreement, as follows:

- Flour Group: National collective agreement for the bread flour and semolina sector
- The Senior Care group is subject to the state collective framework agreement for care services for dependent persons
- In the Winery Supplies group, each of the three companies is subject to its own agreement. For INTONA this is the agreement relating to the wood industries, the French equivalent in the

case of Tonnellerie de L'Adour and, for Bouquet Brands, the agreement relating to the Navarre food storage sector.

- The auxiliary financial services group is governed by the regional agreement for branches and offices.

## 3.3. TRAINING

Although in 2020, face-to-face training became extremely difficult and the Group embraced the trend toward online training, which is now the usual format in all Group companies. In the flour-producing companies, training for customers and other stakeholders also restarted. The following tables summarise training delivered during the year

Hours off work and absenteeism rate	Horas 2021			Horas 2021		
	Men	Women	Total	Men	Women	Total
Accidents	0	0	0	37	73	110
Common illness	0	468	468	176	469	644
Covid	0	435	435	113	688	801
Maternity	0	0	0	0	359	359
Paternity	820	0	820	0	0	0
Childcare	0	0	0	0	0	0
Care of the sick	0	0	0	0	0	0
Other personal motives	0	0	0	0	0	0
Jury service, union work, etc.	0	0	0	0	0	0
Total hours lost	0	0	0	0	0	0
<b>Total working hours</b>	820	903	1,723	325	1,588	1,914
Total hours off work	15,630	47,186	62,816	14,116	40,879	54,995
<b>Absenteeism rate</b>	820	903	1,723	288	1,515	1,804
<b>Tasa de absentismo</b>	<b>5.25</b>	<b>1.91</b>	<b>2.74</b>	<b>2.31</b>	<b>3.89</b>	<b>3.48</b>





**Flour producing group****2021**

TRAINING	Hours			No. of attendees		
Courses taken by employees	Men	Women	Total	Men	Women	Total
Administration	87	91	178	3	12	15
Sales	400	46	446	19	13	32
Quality	238	183.5	421.5	10	14	24
R&D	10.5	8	18.5	24	15	39
Management	0	1	1	0	16	16
Production	0	100	100	0	17	17
<b>Total</b>	735.5	429.5	1165	56	87	143
<b>External training costs</b>	<b>15,305</b>					

**2020**

TRAINING	Hours			No. of attendees		
Courses taken by employees	Men	Women	Total	Men	Women	Total
Administration	50.5	34.5	85	7	12	19
Sales	345	42	387	31	3	34
Quality	576.5	92	668.5	78	15	93
R&D	186	44	230	20	8	28
Management	379	144	523	29	4	33
Production	97	57	154	20	5	25
<b>Total</b>	1634	0	1634	185	47	232
<b>External training costs</b>	<b>30,056</b>					

**Senior care group**

In 2021, the following courses were delivered:

TRAINING 2021	Hours		No. of attendees	
Courses taken by employees	Men	Women	Men	Women
Administration	2	-	-	-
Sales	1	-	-	-
Quality	2	-	-	-
Management	1	-	-	-
Face-to-face	54	726	-	-
<b>Total courses</b>	60	726	6	80
<b>Total external training costs</b>	<b>15,109</b>			

In 2020, training was given in all aspects of the pandemic and caring for residents in this environment. However, these costs were not separated out from other essential operating costs of care and we therefore cannot give them separately.

In the previous year:

TRAINING 2019	Hours		No. of attendees	
Courses taken by employees	Men	Women	Men	Women
Administration	12	18	2	3
Sales		6		1
Face-to-face	48	968	7	155
<b>Total external training costs</b>	<b>19398</b>			

### Winery supplies group

In 2021 we recorded the following training courses

TRAINING 2021	Hours		No. of attendees	
Courses taken by employees	Men	Women	Men	Women
Administration		18		4
Sales	51.5	3	7	1
Management	17		3	
<b>Total</b>	68.5	21	10	5
<b>Training costs</b>	<b>6.168</b>			

In 2020, there were no structured training activities

### Auxiliary financial services group to Caja Rural de Navarra

In 2021 and 2020, there were no structured training activities

## 3.4. EQUALITY

Recruitment processes are based on the merits of the candidates, without considering other external factors or gender.

Internal promotion policies are applied, as well as cross-promotion between companies in the same sector.

As from March 2022, all companies with more than fifty employees are required to draft an equalities plan. Not all Caja Rural Group companies had the equalities plan in place at 31 December 2021. Some already have a plan and others will either sign up to Caja Rural de Navarra's equalities plan or draft their own.

## 4. RESPECT FOR HUMAN RIGHTS

Caja Rural de Navarra's corporate securities policies extend to the companies controlled via equity stakes. Human and labour rights are respected not only because this is required by law, but because this is the way we understand our work in Cooperative Credit Institutions.

Respect for a decent wage, adequate working conditions, job security, freedom of association, adequate hours and respect for labour regulations are core to our investee companies and the policy is also extended to include our suppliers.

### 4.1. EXTENSION OF HUMAN RIGHTS POLICIES TO SUPPLIERS AND CUSTOMERS

These values are not only respected within Spain but are also considered in certain transactions with an international scope, even beyond the borders of the EU, such as importing cereals, when we work with other international cooperatives or companies with recognised CSR values.

Procedural checks have not been established for transactions involving clients and suppliers within the European Union.

Outside the EU, where we carry out operations in Africa and Asia, care is taken to get to know our customers' and/or suppliers' key characteristics. For sales, given the small volume of each transaction in these countries (from one to four containers, essentially flour, semolina or oats), it is not possible to establish an exhaustive customer monitoring system and we rely on information obtained directly from the customer, the financial insurer for the deal or the internet. In cereal

purchasing operations, which are high volume, we work exclusively with companies with defined and known ethical values.

There are no reports of human rights violations among the group's suppliers or customers.

## 5. CORRUPTION AND BRIBERY

The Group's values start at the top and are projected down through the company. When selecting key managers their ethical values and management qualities are as important as their technical knowledge and capabilities in the business world.

For Caja Rural, more important than achieving our set targets is the manner in which they are achieved. We strive to do this in a way that creates a motivated, autonomous and capable work team along with optimal conditions for future growth, where behaviour that is unethical or dubious is unacceptable, even though it may not fall within the criminal definition of corruption.

## 6. SOCIAL CONTEXT

### 6.1. THE COMPANY'S COMMITMENTS TO WIDER SOCIETY

We take the view that our commitment to our community should be considered for the Caja Rural Group as a whole and not on a company by company basis. This is why, as explained above, the Group's values are projected into all its companies and employees as well as the Bank's Social Welfare Fund.

Secondly, each company must adapt to its type of business and location. Let's explain that a

little. In certain cases, our investee company is an important part of the industrial development of a region and a major employer in the region, such as Harinera de Tardienta or Harinera del Mar. Sustaining high levels of activity and employment is far more important to its community than the collaboration of NGOs in the local area.

In sections 6.2 and 6.3 we will more precisely define two key aspects of our investee companies, and we wish to emphasise the following key aspects in our commitment to wider society:

#### **a) Management of our activities**

- products and services produced must meet the customer's needs and be of the highest quality.
- R&D makes the business sustainable and adapts our products and services to changing needs.
- Productive investments tied to quality

#### **b) The team**

- Training
- Shift planning and work-life balance
- Internal promotion
- Ownership interest in the organization and procedures through lean manufacturing and associated programmes
- Rigorous recruitment policy based on the merits of each candidate

#### **c) Wider society**

- Involvement in specific charitable initiatives or those with a high local social impact

- Solera Asistencial is involved in numerous activities focused on improving the health of the elderly, whether residents or not, and inclusion in their families

### **6.2 IMPACT ON THE LOCAL ECONOMY**

Detailed information on the impact of our subsidiaries' business activities on the local and regional economy is not available.

### **6.3 FOOD SAFETY**

In recent years, the Caja Rural de Navarra Group's food companies have focused on achieving excellence in food safety, both in investments and procedures.

In addition to obtaining the appropriate approvals from certification bodies (OCA) and industrial customers, we are aware that our product is a food or a food ingredient, and that if we do not take extreme care of this aspect, efficiency and productivity are meaningless.

All plants have IFS certification.

Our Group is an active member of the Spanish Flour and Semolina Manufacturers' Association (AFHSE), one of its areas of focus is food hygiene, generally in collaboration with the Ministry.

Our factories carry out periodic training workshops with craft bakers, mainly to improve their product range and competitiveness in the face of big industry. The best methods for product preparation and care are also defined at these workshops.

The main incidents relating to quality or safety each month are reviewed by the Management Committees and at regular meetings with Caja

Rural de Navarra executives. The implementation of "lean manufacturing" methodologies and the involvement of personnel in them has been an important way to improve this aspect. Incidents are grouped by type and their severity is assessed, so that measuring these variables can feed into future improvements. Similarly, non-conformities in raw materials are also analysed.

For each incident, a responsible party is identified along with an alert date and a resolution date, as well as, if applicable, a conclusion from the customer regarding the event and its resolution. We must be grateful for the demands of certain industrial customers as they push us to improve sustainably and maintain our commitment to food safety.

Harinera de Tardienta and Harinas Selectas were both granted the RSA "Social Responsibility of Aragon" award in 2020, which continues to apply.

### **6.4 SENIOR CARE**

Service quality metrics have been defined for Solera Asistencial's residential Days and home care services to determine compliance with our objectives and the level of satisfaction of residents and families.

#### **These metrics cover a number of aspects:**

- Global satisfaction survey
- Response time in resolving complaints
- Aspects related to cleaning, laundry, food, diets, time taken to formalise an admission, etc.
- Health care, medication Administration, punctuality of treatments, etc.

- Entertainment activities
- Physiotherapy and cognitive stimulation activities.
- Staff training, absenteeism.
- Metrics related to facility maintenance.

Goals are set for these indicators each year and performance is reviewed monthly and annually.

A quality model is in the course of preparation, based on the UNE 158101 standard (covering services for the promotion of personal autonomy) and ISO 9001, tailored to its needs and services. The system is being incorporated at all levels of the organization, particularly into the Care model and the Social Work Department.

### 6.5. COVID-19

Most employees in Caja Rural de Navarra Group subsidiaries work in the food and care sectors and are therefore considered essential workers.

As last year, we must extend our deepest thanks to all our staff for their hard work. They maintained safety procedures at every level of the organizations and everyone remained committed to their work, despite the ongoing effects of the pandemic.

They again sustained excellent levels of professionalism and dedication and we want to focus particularly on those working in the care sector due to its nature.

Employees continued to work to a human scale, taking on responsibility to customers and colleagues.

### 6.6 TAX INFORMATION

The Group complies with its local, regional and state tax obligations. 2020 and 2019 figures for all the subsidiaries are the following:



	2021			2020		
	ES	FR	Total	ES	FR	Total
Accrued company income tax	1,307,558.10	0.00	1,307,558.10	421,012.77	0.00	421,012.77
Economic activities tax	314,683.74	5,034.00	319,717.74	301,379.47	9,949.00	311,328.47
Property tax	165,707.35	9,592.00	175,299.35	125,603.54	9,254.00	134,857.54
VAT (Reclaimed.due=VAT paid)	-235,948.18	0.00	-235,948.18	565,053.72	0.00	565,053.72
Other taxes and levies (except waste)	243,680.73	9,721.45	253,402.18	199,423.82	12,592.14	212,015.96



2020 figures show some discrepancies from those published last year where information has been updated (data for 2020 received in 2021 and some reclassifications).

The figures for Value Added Tax are negative because flour production pays a reduced rate of 4% (both cereals and flour) which its consumption of inputs, investment and outsourced services are taxed at the standard rate. Also, some activities are for export.

Subsidies: investee companies request, when appropriate, subsidies for investment or operations. Any amounts approved are linked to the restriction that the Group remains a large company. There are no data on subsidies received in 2021 and 2020.

The subsidiaries located in the Common Tax Territory are consolidated into a single tax group for the purposes of Company Income Tax.



# 12 Annex III

AENOR






## VERIFICACIÓN DE LA MEMORIA DE SOSTENIBILIDAD

VMS-2022/0012

AENOR ha verificado que el Informe de Sostenibilidad de la organización

### CAJA RURAL DE NAVARRA, S. COOP. DE CREDITO

Título del Informe: MEMORIA DE RESPONSABILIDAD SOCIAL CORPORATIVA DE  
CAJA RURAL DE NAVARRA Y ESTADO DE INFORMACIÓN NO  
FINANCIERA DEL GRUPO CAJA RURAL DE NAVARRA  
CONSOLIDADO

Periodo objeto del informe: 2021

es conforme con los estándares GRI en su opción **Exhaustiva**

Fecha de emisión: 2022-05-12



**AENOR INTERNACIONAL S.A.U.**  
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Rafael GARCÍA MEIRO  
Director General



La organización para la que se emite este certificado ha encargado a AENOR llevar a cabo una verificación bajo un nivel de aseguramiento limitado del Informe de Sostenibilidad realizado de conformidad con los Sustainability Reporting Standards (GRI Standards) en la opción declarada en este certificado.

Como resultado de la verificación efectuada AENOR emite el presente certificado favorable al no contener ninguna salvedad de carácter material el Informe de Sostenibilidad verificado, el cual forma parte de este certificado. El certificado únicamente es válido para el propósito encargado y refleja sólo la situación en el momento en que se emite.

El objetivo de la verificación es facilitar a las partes interesadas un juicio profesional e independiente acerca de la información y datos contenidos en el Informe de Sostenibilidad de la organización, elaborado de conformidad con los estándares GRI.

**Responsabilidad de la organización.** La organización tuvo la voluntad de reportar su desempeño en materia de responsabilidad social, de conformidad con los estándares GRI. La elaboración y aprobación del Informe de Sostenibilidad así como el contenido del mismo, es responsabilidad de la organización. Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el Informe de Sostenibilidad esté libre de incorrección material, debida a fraude o error, así como los sistemas de gestión de los que se obtiene la información necesaria para la preparación del mismo. La organización, ha informado a AENOR que no se han producido, desde la fecha de cierre del ejercicio reportado en el informe de sostenibilidad hasta la fecha de la verificación, ningún acontecimiento que pudiera suponer la necesidad de realizar correcciones al informe.

**Programa de verificación conforme a ISO/IEC 17029:2019.** AENOR, ha realizado la presente verificación como prestador independiente de servicios de verificación. La verificación se ha desarrollado bajo los principios de "enfoque basado en evidencias, presentación justa, imparcialidad, competencia técnica, confidencialidad, y responsabilidad" exigidos en la norma internacional ISO/IEC 17029:2019 "Evaluación de la conformidad – Principios generales y requisitos para los organismos de validación y verificación".

Adicionalmente, los criterios e información que se han tenido en cuenta como referencia para realizar el Programa de verificación han sido los criterios establecidos por la iniciativa mundial de presentación de informes de sostenibilidad en los estándares GRI.

AENOR se exime expresamente de cualquier responsabilidad por decisiones, de inversión o de otro tipo, basadas en el presente certificado.

Durante el proceso de verificación realizado, bajo un nivel de aseguramiento limitado, AENOR realizó entrevistas con el personal encargado de recopilar y preparar el Informe de Sostenibilidad y revisó evidencias relativas a:

- Actividades, productos y servicios prestados por la organización.
- Consistencia y trazabilidad de la información aportada, incluyendo el proceso seguido de recopilación de la misma, muestreando información sobre la reportada.
- Cumplimentación y contenido del Informe de Sostenibilidad con el fin de asegurar la integridad, exactitud y veracidad en su contenido referido al periodo objeto del informe.

Las conclusiones por tanto se fundamentan en los resultados de ese proceso de carácter muestral, y no eximen a la Organización de su responsabilidad sobre el cumplimiento de la legislación que le sea de aplicación.

El personal involucrado en el proceso de verificación, la revisión de conclusiones y la decisión en la emisión del presente certificado, dispone de los conocimientos, habilidades, experiencia, formación, infraestructuras de apoyo y la capacidad necesarios para llevar a cabo eficazmente dichas actividades.

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID  
Página 1 de 1



## Declaración de Verificación de Información No Financiera

declaración de Verificación de AENOR para

**CAJA RURAL DE NAVARRA, S. COOP. DE CREDITO**

relativa al estado consolidado de información no financiera **MEMORIA DE RESPONSABILIDAD  
SOCIAL CORPORATIVA DE CAJA RURAL DE NAVARRA Y ESTADO DE INFORMACIÓN NO  
FINANCIERA DEL GRUPO CAJA RURAL DE NAVARRA CONSOLIDADO 2021**

conforme a la ley 11/2018

correspondiente al ejercicio anual finalizado el 31 de diciembre 2021

En Madrid a 12 de mayo de 2022



Rafael García Meiro  
Consejero Delegado/CEO



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CAJA RURAL DE NAVARRA, S. COOP. DE CREDITO (en adelante la organización) con domicilio social en: PL DE LOS FUEROS, 1. 31002 - PAMPLONA (NAVARRA) y en su nombre, FÉLIX SOLA ARRESE en cargo de SECRETARIO GENERAL DE CAJA RURAL DE NAVARRA, ha encargado a AENOR llevar a cabo una verificación bajo un nivel de aseguramiento limitado de su Estado de Información No Financiera (en adelante EINF) conforme a la Ley 11/2018 por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad (en adelante, la Ley 11/2018).

Como resultado de la verificación efectuada AENOR emite la presente Declaración, de la cual forma parte el EINF verificado. La Declaración únicamente es válida para el propósito encargado y refleja sólo la situación en el momento en que se emite.

El objetivo de la verificación es facilitar a las partes interesadas un juicio profesional e independiente acerca de la información y datos contenidos en el EINF de la organización, elaborado de conformidad con la Ley 11/2018.

**Responsabilidad de la organización.** La organización tuvo la responsabilidad de reportar su estado de información no financiera conforme a la Ley 11/2018. La formulación y aprobación del EINF así como el contenido del mismo, es responsabilidad de su Órgano de Administración. Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error, así como los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF. La organización de acuerdo al compromiso formalmente adquirido, ha informado a AENOR que no se han producido, desde la fecha de cierre del ejercicio reportado en el informe no financiero hasta la fecha de la verificación, ningún acontecimiento que pudiera suponer la necesidad de realizar correcciones al informe.

**Programa de verificación conforme a ISO/IEC 17029:2019.** AENOR, de conformidad a la citada Ley, ha realizado la presente verificación como prestador independiente de servicios de verificación. La verificación se ha desarrollado bajo los principios de justa, imparcialidad, competencia técnica, confidencialidad, y responsabilidad\* exigidos en la norma internacional ISO/IEC 17029:2019 "Evaluación de la conformidad Principios generales y requisitos para los organismos de validación y verificación".

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Igualmente, en el Programa de verificación, AENOR ha considerado los requisitos internacionales de acreditación, verificación o certificación correspondientes a las materias de información contempladas en la Ley:

- Reglamento Europeo EMAS (Verificación Medioambiental)
- SA 8000 (principios y derechos laborales internacionales conformes a la ILO (Organización Internacional del Trabajo), La Declaración Universal de los Derechos Humanos y la Convención sobre los Derechos del Niño, SAAS Procedure 200)
- Sistema de Gestión Medioambiental (ISO 14001).
- Sistema de Gestión de Responsabilidad Social, esquemas IQNet SR 10 y SAB000.
- Sistema de Gestión de la Calidad (ISO 9001).
- Sistema de Gestión de la Energía (ISO 50001).
- Sistema de Gestión de Seguridad y Salud en el Trabajo (ISO 45001).

Adicionalmente, los criterios e información que se han tenido en cuenta como referencia para realizar el Programa de verificación han sido:

- 1) La ley 11/2018 de 28 de diciembre, por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad.
- 2) La Directiva 2014/95/UE del Parlamento Europeo y del Consejo de 22 de octubre de 2014 por la que se modifica la Directiva 2013/34/UE en lo que respecta a la divulgación de información no financiera e información sobre diversidad por parte de determinadas grandes empresas y determinados grupos.
- 3) La Comunicación de la Comisión Europea 2017/C 215/01, Directrices sobre la presentación de informes no financieros (metodología para la presentación de información no financiera).
- 4) La norma internacional ISO/IEC 17029:2019 Evaluación de la conformidad Principios generales y requisitos para los organismos de validación y verificación.
- 5) Los criterios establecidos por la iniciativa mundial de presentación de informes de sostenibilidad en los estándares GRI cuando la organización haya optado por este marco internacional reconocido para la divulgación de la información relacionada con su desempeño en materia de responsabilidad social corporativa.

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AENOR se exime expresamente de cualquier responsabilidad por decisiones, de inversión o de otro tipo, basadas en la presente Declaración.

Durante el proceso de verificación realizado, bajo un nivel de aseguramiento limitado, AENOR realizó entrevistas con el personal encargado de recopilar y preparar el EINF y revisó evidencias relativas a:

- Actividades, productos y servicios prestados por la organización.
- Consistencia y trazabilidad de la información aportada, incluyendo el proceso seguido de recopilación de la misma, muestreando información sobre la reportada.
- Cumplimentación y contenido del estado de información no financiero con el fin de asegurar la integridad, exactitud y veracidad en su contenido.
- Carta de manifestaciones del Órgano de Administración.

Las conclusiones por tanto se fundamentan en los resultados de ese proceso de carácter muestral, y no eximen a la Organización de su responsabilidad sobre el cumplimiento de la legislación que le sea de aplicación.

Entre las evidencias revisadas se encuentra la información relativa a la Taxonomía de actividades ambientalmente sostenibles elaborada según establece el Reglamento UE 2020/852 del Parlamento Europeo y del Consejo de 18 de junio, relativo al establecimiento de un marco para facilitar las inversiones sostenibles en cuanto a la obligación de divulgar información sobre la manera y la medida en que las actividades de la empresa obligada se asocian a actividades económicas que se consideren medioambientalmente sostenibles según los principios y objetivos ambientales establecidos en dicho Reglamento. Respondiendo a este nuevo requerimiento, los administradores de la organización han incorporado al Informe de Información No Financiera la información que, en su opinión, mejor permite dar cumplimiento a esta nueva obligación, y que se recogen en el apartado 3.7 del Estado de Información No Financiera adjunto.

El personal involucrado en el proceso de verificación, la revisión de conclusiones y la decisión en la emisión de la presente Declaración, dispone de los conocimientos, habilidades, experiencia, formación, infraestructuras de apoyo y la capacidad necesarios para llevar a cabo eficazmente dichas actividades.

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## CONCLUSIÓN

Basado en lo anterior, en nuestra opinión, no hay evidencia que haga suponer que el estado de información no financiera incluida en la MEMORIA DE RESPONSABILIDAD SOCIAL CORPORATIVA DE CAJA RURAL DE NAVARRA Y ESTADO DE INFORMACIÓN NO FINANCIERA DEL GRUPO CAJA RURAL DE NAVARRA CONSOLIDADO 2021 y para la información del periodo objeto del informe, ejercicio anual finalizado el 31 de diciembre de 2021, no proporcione información fiel del desempeño de CAJA RURAL DE NAVARRA, S. COOP. DE CREDITO y sociedades referenciadas en el estado de información no financiera consolidado, en materia de responsabilidad social en lo relativo al contenido requerido por la Ley 11/2018 respecto a cuestiones ambientales, sociales y relativas al personal, incluida la gestión de la igualdad, la no discriminación y la accesibilidad universal, los derechos humanos, lucha contra la corrupción y el soborno y la diversidad.

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