Caja Rural de Navarra SCC 12.9 Low Risk

Regional Banks | Spain |

	Negl	Low	Med	High	Severe	
	0-10	10-20	20-30	30-40	40+	

Rating Overview

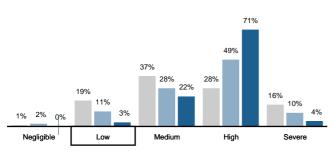
The company is at low risk of experiencing material financial impacts from ESG factors, due to its low exposure and strong management of material ESG issues. The company is not publicly held, which reduces its corporate governance risk compared to its peers. However, the company has a moderate level of controversies.

Momentum Score: -3.4

Stable III

The company's risk score has decreased in the past year, but its risk category has remained stable.

ESG Risk Rating Distribution



Relative Performance

	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	379 out of 12804	4th
Banks (Industry Group)	32 out of 975	4th
Regional Banks (Subindustry)	2 out of 405	1st

Attribution Analysis

Top Material Issues Corporate Governance **Product Governance** Data Privacy and Security Human Capital ESG Integration - Financials **Business Ethics**

ESG Risk Rating Score Negl High Severe 3.2 2.9

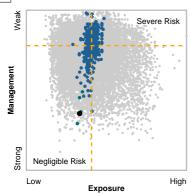
Severe Risk Negligible Risk High Exposure

Circle size = Contribution to ESG Risk Rating



= Significant event

Risk Analysis



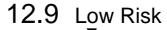
- Global Universe
- Regional Banks (Subindustry)
- Caja Rural de Navarra SCC
- Peers
- + SubIndustryAvg.

ESG Risk Rating	Exposure	Management
10.4 Low	31.8 Low	70.8 Strong
12.9 Low	33.3 Low	64.5 Strong
13.5 Low	34.0 Low	63.4 Strong
16.0 Low	33.2 Low	54.6 Strong
18.2 Low	35.0 Medium	51.0 Strong
	10.4 Low 12.9 Low 13.5 Low 16.0 Low	12.9 Low 33.3 Low 13.5 Low 34.0 Low 16.0 Low 33.2 Low

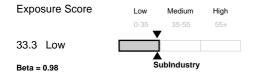


Caja Rural de Navarra SCC

Regional Banks | Spain |



	Negl	Low	Med	High	Severe
	0-10	10-20	20-30	30-40	40+



Attribution Details

Retail clients play an important role in Caja Rural de Navarra's business and growth strategy. Thus, the quality of the company's financial products and the way they are marketed represents an area of exposure. False marketing or predatory lending may lead to fines or reputational damage, while inability to provide tailored services to corporate clients could result in loss of market share. In addition, Caja Rural de Navarra's strategy includes a focus on digital transformation. Failure to protect customer sensitive data could trigger breaches, data loss, investigations, expensive fines, as well as loss of client trust. Moreover, the company is exposed to a variety of business ethics risks including bribery and corruption, money laundering and conflicts of interest. Infractions could lead to investigations and potential fines.

Management Score Weak Strong Average 64.5 Strong

Caja Rural de Navarra's overall ESG-related disclosure follows best practice. The company's ESG-related issues are overseen by the board, suggesting that these are integrated in core business strategy. However, since 2015, Caja Rural de Navarra has been implicated in incidents related to poor disclosure and abusive loan clauses in mortgage contracts. In 2017, the company reached an agreement with affected customers, but a 2020 decision by the European Court of Justice opened the possibility of new claims against the bank. In November 2020, the Spanish Supreme Court ruled in the company's favour in one case involving such a claim, but other cases remain open.

100.0%

12.9

Low

The company's overall management of material ESG issues is strong.

The company's overall exposure is low and is similar to subindustry average. Data Privacy and Security, Business Ethics and Product Governance are notable material ESG issues.

Attribut	ion Details ————								
		Contribution to							
		ESG Risk	Subindustry	Company	Manageable	Management	Management	ESG Risk	Risk
Issue I	Name	Rating	Exposure	Exposure	Risk Factor	Score	Weight	Rating	Category
Corpo	rate Governance	14.4%	5.0	5.0	100%	63.0	15.8 %	1.9	
A Produ	ct Governance	24.8%	8.0	8.0	100%	60.0	25.4 %	3.2	
Data F	Privacy and Security	22.3%	6.0	6.0	80%	65.0	15.2 %	2.9	
Huma	n Capital	16.7%	5.0	5.0	95%	60.0	15.1 %	2.1	
ESG I	ntegration -Financials	12.0%	5.0	4.3	100%	63.5	13.5 %	1.6	
Busine	ess Ethics	9.8%	5.0	5.0	95%	78.8	15.1 %	1.3	

34.0

33.3

94.9 %

100.0%

=Significant event

Overall



Severe

Caja Rural de Navarra SCC

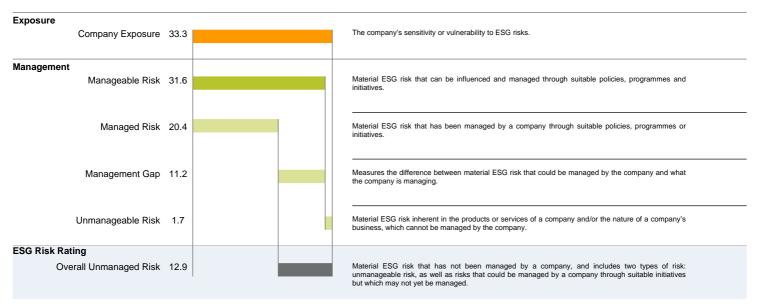
12.9 Low Risk

Regional Banks | Spain |





Risk Details





Momentum Details

ESG Risk Rating Momentum Score: -3.4

Stable III

The company's risk score has decreased in the past year, but its risk category has remained stable.



Exposure Momentum Score: 0.0

Stable III

The company's exposure score has not changed significantly in the past year, and its exposure category has remained stable.



Management Momentum Score: +10.8

Stable III

The company's management score has increased significantly in the past year, but its management category has remained stable.







Corporate Governance

Contribution 14.4 %

Corporate Governance represents foundational structures for the management of ESG risks.

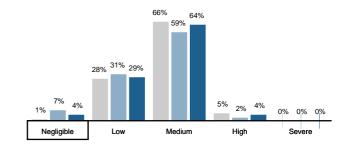
Rating Overview

1.9 Negligible



In consideration of its medium exposure and strong management, we view the company to have negligible unmanaged risk attributable to its corporate governance.

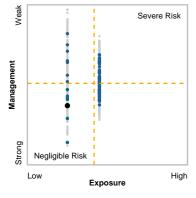
ESG Risk Rating Distribution



Relative Performance

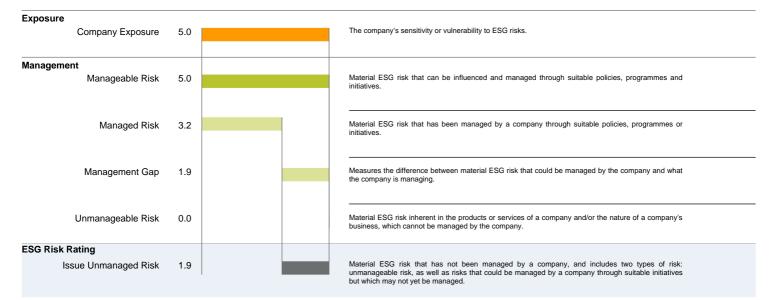
	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	45 out of 4358	2nd
Banks (Industry Group)	23 out of 355	7th
Regional Banks (Subindustry)	3 out of 83	3rd

Risk Analysis



- Global Universe
- Regional Banks (Subindustry)
- Caja Rural de Navarra SCC
- Peers
- + SubIndustryAvg.

Peers (Market cap \$0 - 0bn)	ESG Risk Rating	Exposure	Management
1. De Volksbank NV	0.7 Negligible	5.0 Medium	86.0 Strong
2. OP Financial Group	1.5 Negligible	5.0 Medium	71.0 Strong
3. Caja Rural de Navarra SCC	1.9 Negligible	5.0 Medium	63.0 Strong
4. Landsbankinn hf	2.1 Low	5.0 Medium	59.0 Strong
5. Fédération des caisses Desjardins du Québec	2.4 Low	5.0 Medium	53.0 Strong







Corporate Governance

Corporate Governance represents foundational structures for the management of ESG risks.

Contribution 14.4 %



Risk Analysis



The company is not publicly traded, which positions stakeholder governance as the company's main governance area of focus. It may face decreased scrutiny of some governance practices compared to publicly traded companies. This translates into medium exposure to baseline Corporate Governance risk.

Overall, we rate the company's corporate governance management as strong.



Corporate Governance Pillars

Totals		100.0%	63.0
Stakeholder Governance	63.0	100.0%	63.0
Pillar	Score	Weight	Weighted Score
Gorporato Goromanos i maro			



Product Governance focuses on how companies manage responsibilities to their clients. Emphasis is put on quality management systems, marketing practices, fair billing and post-sales responsibility.

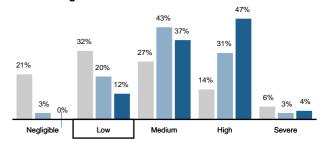
Rating Overview

3.2 Low Risk



Considering its high exposure and above average management of Product Governance, we view the company to be at low risk for the issue.

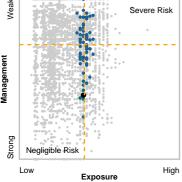
ESG Risk Rating Distribution



Relative Performance	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	1414 out of 3388	42nd
Banks (Industry Group)	41 out of 327	13th
Regional Banks (Subindustry)	4 out of 83	5th



Risk Analysis



- Exposul
- Global UniverseRegional Banks (Subindustry)
- Caja Rural de Navarra SCC
- Peers
- + SubIndustryAvg.





Risk Details

Exposure		
Company Exposure 8.0		The company's sensitivity or vulnerability to ESG risks.
Management		
Manageable Risk	8.0	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
		initiatios.
Managed Risk	4.8	Material ESG risk that has been managed by a company through suitable policies, programmes or
Manageu Risk	4.0	initiatives.
Management Gap	3.2	Measures the difference between material ESG risk that could be managed by the company and what
		the company is managing.
Unmanageable Risk	0.0	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating		
Issue Unmanaged Risk	3.2	Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives
		but which may not yet be managed.





Product Governance

Contribution 24.8 %

Product Governance focuses on how companies manage responsibilities to their clients. Emphasis is put on quality management systems, marketing practices, fair billing and post-sales responsibility.



Exposure Overview

Exposure Low Medium High 0-4 4-8 8+ 8.0 High SubIndustry

Caja Rural de Navarra focuses on banking services, loans and investment products for individuals, with 31,800 new customers in 2019. Practices such as predatory or discriminatory lending, or a lack of transparency in fees and interest rates could lead to complaints and potentially to lawsuits, regulatory scrutiny, client loss and reputational damage.

Exposure Analysis

Subindustry Issue Exposure	8.0
Issue Beta	1.00
Company Issue Exposure	8.0

Beta Indicators	Beta Signal		
Access to Basic Services	0.00		
Marketing Practices	0.00		
Quality and Safety	0.03		
Operating Performance	0.00		
Solvency - Banking	0.00		
Asset Performance - Banking	0.00		
Financial Flexibility - Banking	0.00		
Headquarters Location	-0.02		
Sales Location	0.00		
Qualitative Overlay	0.00		
Subindustry Correction Factor	0.00		
Exceptional Event Adjustment	0.00		
Total Beta Signal	0.00		
Baseline	1.00		
Issue Beta	1.00		



Management Overview

Mana	gement Score	Strong	Average	Weak	
		100-50	50-25	25-0	
60.0	Strong	_			

Caja Rural de Navarra commits to offering customers only products or services that are appropriate to their needs. It also has a Customer Service department tasked with handling customer claims and complaints. Moreover, Caja Rural de Navarra discloses that it has obtained ISO 27001 certification covering all relevant operations. However, since 2015, Caja Rural de Navarra has been implicated in incidents related to poor disclosure and abusive loan clauses in mortgage contracts. In 2017, the company reached agreements with affected customers, but in July 2020, the European Court of Justice ruled that these could be unfair and illegal if clients were forced to waive legal actions, which could lead to new claims against Caja Rural de Navarra. In November 2020, the Spanish Supreme Court ruled in the company's favour in one case involving such a claim.

The company has above average preparedness measures to address Product Governance issues and has been implicated in major controversies related to the issue. In our view, the company's management of the issue is above average.

Management Indicators	Weight Weighted Score
Cybersecurity Programme	100
Cybersecurity i rogramme	15.0% 15.0
Responsible Marketing Policy	75
Responsible Marketing Policy	26.3% 19.7
Responsible Product Offering	75
Responsible Product Offering	33.8% 25.3
A Quality and Safety	Category 3
Quality and Salety	25.0% 0.0
Access to Basic Services	Category 0
Access to Basic Services	0.0% 0.0
A Marketing Practices	Category 0
Marketing Practices	0.0% 0.0
Weighted Sum	60.0





Data Privacy and Security

Contribution 22.3 %

Data Privacy and Security focuses on data governance practices, including how companies collect, use, manage and protect data.

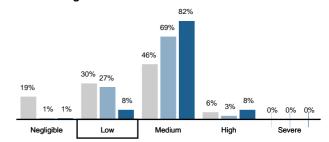
Rating Overview

2.9 Low Risk



Considering its medium exposure and above average management of Data Privacy and Security, we view the company to be at low risk for the issue.

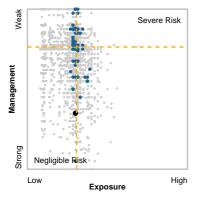
ESG Risk Rating Distribution



Relative Performance	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	508 out of 1783	29th
Banks (Industry Group)	26 out of 327	9th
Regional Banks (Subindustry)	2 out of 83	2nd



Risk Analysis

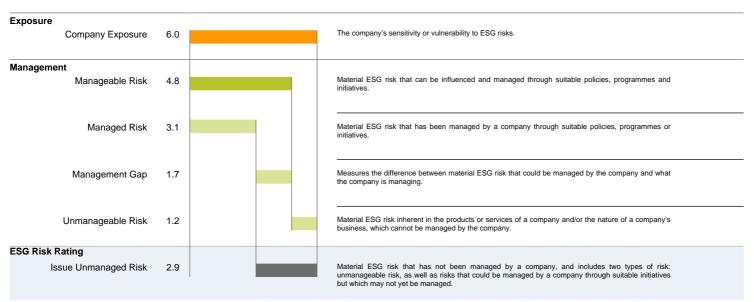


- Global Universe
- Regional Banks (Subindustry)
- Caja Rural de Navarra SCC
- Peers
- + SubIndustryAvg.





Risk Details







Data Privacy and Security

Contribution 22.3 %

Data Privacy and Security focuses on data governance practices, including how companies collect, use, manage and protect data.



Exposure Overview

Ехр	osure	Low	Medium	High
		0-4	4-8 V	8+
6.0	Medium		SubInd	ustry

Alongside services offered through its branch network and customer service centre, Caja Rural de Navarra provides financial services through digital channels (telephone banking, e-banking). As such, the company gathers and processes large amounts of sensitive personal and confidential data. Hacks could lead to loss of customer sensitive information, operational disruptions, lawsuits, fines and reputational damage.

Exposure Analysis

Subindustry Issue Exposure	6.0
Issue Beta	1.00
Company Issue Exposure	6.0

Beta Indicators	Beta Signal
Data Privacy and Security	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Headquarters Location	-0.02
Sales Location	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	1.00
Issue Beta	1.00



Management Overview

Mana	gement Score				
Management Score		Strong	Average	Weak	
		100-50	50-25	25-0	
65.0	Strong				

Through its Data Protection Policy, the company discloses a commitment to processing personal data based on individuals' consent and to implement data security safeguards in accordance to the Bank's Security Policy and to the ISO 27001 Information Security Standard, to which the company is certified as compliant. In addition, Caja Rural de Navarra provides training and awareness to personnel who processes personal data and discloses a clear mechanism for raising concerns regarding data privacy issues. Furthermore, in line with best practice, the company performs regular data privacy risks assessments on technologies and practices that affect user data. Moreover, data subjects can exercise their rights with respect to data privacy in several ways, for example by contacting the company or by accessing the website. In our view, the company's management of the issue is above average.

Management Indicators	Raw Score Weight Weighted Score
Cybersecurity Programme	100 40.0% 40.0
Data Privacy & Security Policy	50 10.0% 5.0
Data Privacy Programme	50 40.0% 20.0
Data Request Management	0 10.0% 0.0
♠ Data Privacy and Security	Category 0 0.0% 0.0
Weighted Sum	65.0

_ = Event indicator





Human Capital focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.

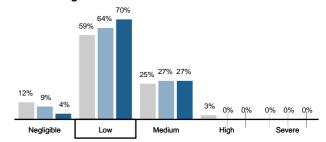
Rating Overview

2.2 Low Risk



Considering its medium exposure and above average management of Human Capital, we view the company to be at low risk for the issue.

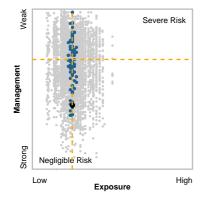
ESG Risk Rating Distribution



Relative Performance	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	629 out of 4133	16th
Banks (Industry Group)	42 out of 354	12th
Regional Banks (Subindustry)	6 out of 83	7th



Risk Analysis

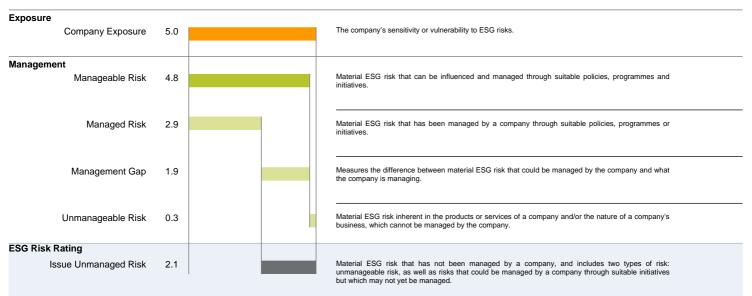


Peers (Market cap \$0.0 - 0.0) ESG Risk Rating Exposure Management 1. De Volksbank NV 1.8 Negligible 4.8 Medium 66.4 Strong 2. Landsbankinn hf 2.1 Low 5.0 Medium 61.4 Strong 3. Caja Rural de Navarra SCC 2.1 Low 5.0 Medium 60.0 Strong 4. OP Financial Group 271 ow 5.0 Medium 47.9 Average 5.0 Medium 33.5 Average 5. Fédération des caisses Desjardins du Québec 3.4 Low

- Global Universe
- Regional Banks (Subindustry)
- Caja Rural de Navarra SCC
- Peers
- + SubIndustryAvg.



Risk Details







Human Capital focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.



Exposure Overview



A bank's success depends on recruiting and retaining a workforce that supports strategic growth, drives innovation, supports a complex array of products and fosters consumer loyalty. Banks that are unable to effectively manage their employees may face obstacles, such as understaffing, skill deficits, high training costs, compliance failures and operational inefficiencies. There is evidence that banks are increasingly facing difficulty in retaining and attracting top talent. For example, junior banking salaries have increased by as much as 20% at some firms in an attempt to compete with private equity firms, technology companies and start-ups. Additionally, banks face pressure from shifting attitudes regarding the need to increase levels of diversity to better reflect the general population. Improving diversity and limiting discrimination may contribute to increase employee satisfaction and reduced turnover, and may be viewed positively by customers and business partners alike. Regulatory scrutiny on these issues is expected to increase and may put pressure on all financial services companies, increasing the risk of litigation and regulatory penalties. For example, the US and the UK have gender pay parity disclosure requirements that should come into force in 2017 and 2018, respectively, while other countries already require that companies hire a certain percentage of people with disabilities. Overall, past reliance on salary as an incentive is gradually decreasing and being replaced with more nuanced expectations that banks will invest in their employees, provide more work-life balance, offer clear channels for employees to make complaints, advance employees' careers and provide clear feedback on employee performance. Considering that personnel costs can represent as much as half of all costs, a bank's ability to effectively manage its employees is a key determinant of its long-term success. The company's exposure to Human Capital issues is medium and similar to subindustry average.

Beta Indicators	Beta Signal
Labour Relations	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	1.00
Issue Beta	1.00

Exposure Analysis

Subindustry Issue Exposure	5.0
Issue Beta	1.00
Company Issue Exposure	5.0



Management Overview

Management Score		Strong	Average	Weak
		100-50	50-25	25-0
60.0	Strong	V		

In our view, the company's management of the issue is above average.

Management Indicators	Weight Weighted Score	
Collective Bargaining Agreements	100	
Concoure Bargaring Agreements	5.0% 5.0	
Employee Training	100	
Employee Halling	5.0% 5.0	
Employee Turnover Rate	100	
Employee rumover Kate	5.0% 5.0	
Freedom of Association Policy	75	
Freedom of Association Folicy	5.0% 3.8	
Human Capital Development	75	
Turnari Capitai Developinent	27.5% 20.6	
Discrimination Policy	50	
Discrimination Policy	15.0% 7.5	
Gender Pay Disclosure	50	
Gender Fay Disclosure	5.0% 2.5	
Gender Pay Equality Programme	50	
Gender Fay Equality Frogramme	10.0% 5.0	
Divorcity Programmos	25	
Diversity Programmes	22.5% 5.6	
↑ Labour Relations	Category 0	
Laboui Relations	0.0% 0.0	
Weighted Sum	60.0	

_ = Event indicator



Raw Score



ESG Integration - Financials includes all ESG integration activities by financial institutions that are either driven by financial downside risk considerations or by business opportunities.

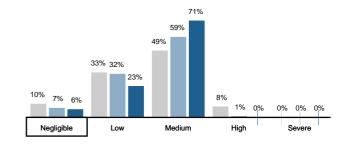
Rating Overview

1.6 Negligible



Considering its medium exposure and above average management of ESG Integration -Financials, we view the company to be at negligible risk for the issue.

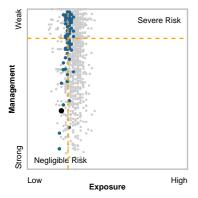
ESG Risk Rating Distribution



Relative Performance	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	61 out of 1066	7th
Banks (Industry Group)	15 out of 354	5th
Regional Banks (Subindustry)	4 out of 82	5th



Risk Analysis

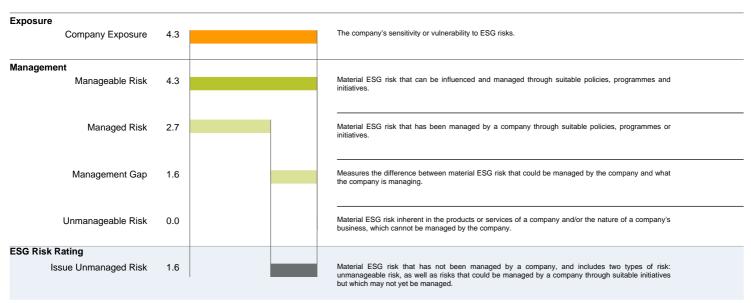


- Global Universe
- Regional Banks (Subindustry)
- Caja Rural de Navarra SCC
- Peers
- + SubIndustryAvg.





Risk Details





Beta Signal



ESG Integration - Financials

Contribution 12.0 %

ESG Integration - Financials includes all ESG integration activities by financial institutions that are either driven by financial downside risk considerations or by business opportunities.

Beta Indicators



Exposure Overview



ESG Integration -Financials involves the integration of environmental, social and governance (ESG) criteria and metrics into financial lending and investment decision-making. With their comprehensive product offering, regional banks face a multifaceted array of risks and opportunities related to ESG integration, with each bank facing a different level of exposure depending on its product mix and geographical footprint. In their lending operations, regional banks are subject to criticism and may encounter risks by lending to controversial industries and projects, such as coal mines, hydroelectric dams, controversial weapons manufacturers and palm oil producers. The asset management businesses at regional banks face similar considerations as lending divisions; investment decisions can lead to reputational damage and losses on investments. Although asset managers are often highly diversified, they are exposed to shifts in markets that arise due to ESG issues. Companies employing successful risk management strategies that include ESG considerations may experience a long-term competitive advantage compared to their peers. Regional banks may also be able to capture new business opportunities in the area of responsible finance. For example, some banks have developed new products that cater to sustainability-minded investors and consumers, such as green bonds that invest in renewable energy and energy efficiency projects. Likewise, new lending products catering to businesses and retail customers can establish banks in growth markets that may be particularly important in the event of regulatory and market shifts. Banks that integrate ESG considerations may also reduce criticism from NGOs, the public, and clients. Although most companies may have some level of responsible finance activity, many approach it as a niche area rather than a core part of their business. However, shifting public expectations toward greater corporate accountability suggest that responsible finance will increasingly be an important area of differ

Environmental Impact of Products	0.00
Social Impact of Products	0.00
Carbon Impact of Products	0.00
Society - Human Rights	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Headquarters Location	-0.02
Sales Location	0.00
Responsible Asset Portfolio	-0.15
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	-0.15
Baseline	1.00
Issue Beta	0.85

Exposure Analysis

Subindustry Issue Exposure	5.0
Issue Beta	0.85
Company Issue Exposure	4.3



Management Overview

 Management Score
 Strong
 Average
 Weak

 100-50
 50-25
 25-0

 €
 100-50
 100-50
 100-50

 63.5
 Strong
 Strong
 100-50
 100-50

In our view, the company's management of the issue is above average.

Management Indicators	Weight Weighted Score
Financial Inclusion	100
	7.5% 7.5
Responsible Asset Management	100 17.5% 17.5
Responsible Investment Policy	100 10.0% 10.0
Corporate Finance - ESG Integration	75 15.0% 11.2
Responsible Investment Programme	50 15.0% 7.5
Sustainable Financial Initiatives	50 7.5% 3.8
Credit & Loan Standards	40 15.0% 6.0
Equator Principles Signatory	0 7.5% 0.0
PRI Signatory	0 2.5% 0.0
UNEPFI Signatory	0 2.5% 0.0
Carbon Impact of Products	Category 0 0.0% 0.0
⚠ Environmental Impact of Products	Category 0 0.0% 0.0
▲ Social Impact of Products	Category 0 0.0% 0.0



Raw Score



ESG Integration - Financials includes all ESG integration activities by financial institutions that are either driven by financial downside risk considerations or by business opportunities.

Management Indicators	Raw Score Weight Weighted Score
▲ Society - Human Rights	Category 0 0.0% 0.0
Weighted Sum	63.5







Business Ethics

Contribution 9.8 %

Business Ethics focuses on the management of ethical considerations applicable to most or all sectors, such as taxation and accounting, anticompetitive practices and intellectual property issues.

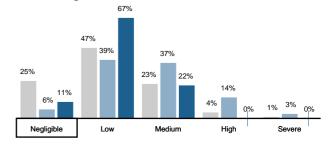
Rating Overview

.3 Negligible



Considering its medium exposure and above average management of Business Ethics, we view the company to be at negligible risk for the issue.

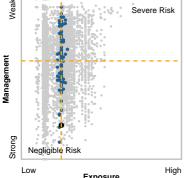
ESG Risk Rating Distribution



Relative Performance	Rank (1 st = lowest risk)	Percentile (1 st = lowest risk)
Global Universe	323 out of 3978	9th
Banks (Industry Group)	8 out of 355	3rd
Regional Banks (Subindustry)	3 out of 83	3rd



Risk Analysis

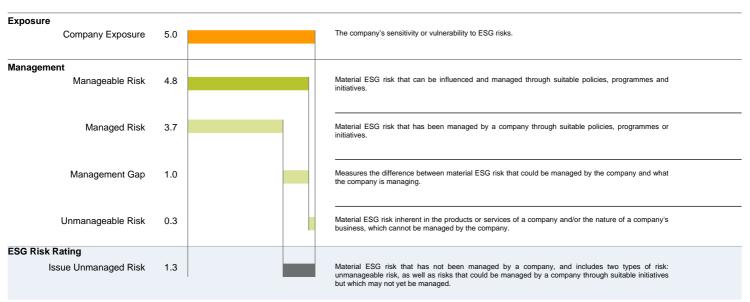


- Exposure
- Global Universe Regional Banks (Subindustry)
- Caja Rural de Navarra SCC Peers
- + SubIndustryAvg.

Peers (Market cap \$0.0 - 0.0)	ESG Risk Rating	Exposure	Management
1. De Volksbank NV	1.1 Negligible	4.8 Medium	80.0 Strong
2. Caja Rural de Navarra SCC	1.3 Negligible	5.0 Medium	78.8 Strong
3. Landsbankinn hf	1.3 Negligible	5.0 Medium	78.1 Strong
4. OP Financial Group	2.0 Negligible	5.0 Medium	63.8 Strong
5. Fédération des caisses Desjardins du Québec	2.7 Low	5.0 Medium	48.1 Average



Risk Details







Business Ethics

Contribution 9.8 %



Exposure Overview

Business Ethics focuses on the management of ethical considerations applicable to most or all sectors, such as taxation and accounting, anticompetitive practices and intellectual property issues.



Due to its diversified offering and large client base, Caja Rural de Navarra faces the challenge of monitoring and enforcing business ethics policies and programmes across multiple business lines. The company is thus exposed to a host of ethical issues such as conflicts of interest, money laundering or the offering of bribes to secure business opportunities. As regulatory scrutiny in the banking sector is high, failure to ensure full compliance could trigger expensive fines and reputational damage for the company.

Exposure Analysis

Subindustry Issue Exposure	5.0
Issue Beta	1.00
Company Issue Exposure	5.0

Beta Indicators	Beta Signal
Accounting and Taxation	0.00
Anti-Competitive Practices	0.00
Bribery and Corruption	0.00
Business Ethics	0.00
Lobbying and Public Policy	0.00
Sanctions	0.00
Operating Performance	0.00
Solvency - Banking	0.00
Asset Performance - Banking	0.00
Financial Flexibility - Banking	0.00
Qualitative Overlay	0.00
Subindustry Correction Factor	0.00
Exceptional Event Adjustment	0.00
Total Beta Signal	0.00
Baseline	1.00
Issue Beta	1.00



Management Overview

Mana	gement Score	Strong	Average	Weak
		100-50	50-25	25-0
78.8	Strong	<u> </u>		

Caja Rural de Navarra's initiatives to ensure ethical compliance across its operations include a commitment to eliminating bribery and conflicts of interest, written protocols to support ethical decision-making, as well as taking disciplinary action in case of non-compliance with the Code of Conduct. Moreover, the company has in place a whistleblowing system available to employees, suppliers and customers, which allows for anonymous reporting. In addition, Caja Rural de Navarra has established board and managerial oversight of bribery and corruption issues and it conducts regular bribery and corruption risk assessments. In line with best practice, the company provides regular training on bribery and corruption and requires employees to sign-off on its policy

on these issues annually.

In our view, the company's management of the issue is above average.

	Management Indicators	Raw Score Weight Weighted Score
	Bribery & Corruption Policy	100 10.0% 10.0
	Bribery & Corruption Programmes	100 15.0% 15.0
	Compliance Programme	100 15.0% 15.0
	Lobbying and Political Expenses	100 5.0% 5.0
	Money Laundering Policy	100 10.0% 10.0
	Political Involvement Policy	75 5.0% 3.8
	Business Ethics Programme	50 22.5% 11.3
	Whistleblower Programmes	50 17.5% 8.7
1	Accounting and Taxation	Category 0 0.0% 0.0
1	Anti-Competitive Practices	Category 0 0.0% 0.0
0	Bribery and Corruption	Category 0 0.0% 0.0
1	Business Ethics	Category 0 0.0% 0.0
0	Lobbying and Public Policy	Category 0 0.0% 0.0
1	Sanctions	Category 0 0.0% 0.0
	Weighted Sum	78.8

_ = Event indicator

Daw Score



Management Details -



Corporate Governance

Stakeholder Governance

63 Leader

Raw Score

In reviewing the company's practices regarding ESG stakeholder governance, points of attention for Caja Rural de Navarra SCC are: ESG Governance, Bribery & Corruption Policy and Tax Disclosure.

• ESG Governance: A board member or a board committee is responsible for

- overseeing ESG issues

 Bribery & Corruption Policy: The company has a very strong policy

 Tax Disclosure: Tax transparency is strong

indicators	Score
ESG Governance	100
ESG Reporting Standards	100
Verification of ESG Reporting	100
Global Compact Signatory	0
ESG Performance Targets	25
Political Involvement Policy	75
Lobbying and Political Expenses	100
Bribery & Corruption Policy	100
Environmental Policy	25
Whistleblower Programmes	50
Tax Disclosure	100
Discrimination Policy	50
Scope of Social Supplier Standards	25
GHG Reduction Programme	50
Green Procurement Policy	60





Exposure Details



Product Governance

EA.E.1 - Access to Basic Services	EA.E.24 - Marketing Practices 0.00 Beta Signal	
0.00 Beta Signal		
The company is not involved in any controversies of this type.	The company is not involved in any controversies of this type.	
EA.E.28 - Quality and Safety	EA.F.1 - Operating Performance	
0.03 Beta Signal	0.00 Beta Signal	
The company is involved in significant-level controversies of this type, signaling higher exposure to this issue.	The company's net income margin is unknown.	
EA.F.5 - Solvency - Banking	EA.F.6 - Asset Performance - Banking	
0.00	0.00	
The company's Tier 1 capital ratio is unknown.	Beta Signal The company's non-performing asset ratio is unknown.	
EA.F.7 - Financial Flexibility - Banking	EA.G.1 - Headquarters Location	
0.00 Beta Signal	- 0.02 Beta Signal	
The company's loan-to-deposit ratio is unknown.	The location of the company's headquarters indicates slightly lower exposure to this issue.	
	Spain: Slightly lower exposure Source: Sustainalytics Country Risk Rating, May 2019.	





Exposure Details

EA.G.3 - Sales Location	EA.S.1 - Qualitative Overlay
0.00	0.00
Beta Signal	Beta Signal
The location of the company's sales is unknown.	The analyst did not apply a qualitative overlay.
EA.S.2 - Subindustry Correction Factor	EA.S.3 - Exceptional Event Adjustment
•	
0.00	0.00





Management Details -

S.3.1.1 - Responsible Marketing Policy

75	26.25%	19.7
Raw Score	Weight	Weighted Score
The company has policy statement		

Sources

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019

The company provided feedback on 25 November 2020 (analyst comments)

S.3.1.3.3 - Cybersecurity Programme

100	15.00%	15.0
Raw Score	Weight	Weighted Score
The company has a very strong programme		

Criteria

*	Regular external security audits or vulnerability assessments of the
	company's systems, products and practices affecting user data

- Regular internal security audits or vulnerability assessments or penetration testing of the company's systems, products and practices affecting user data
- Operational measures to monitor and respond to data breaches and cyberattacks
- Regular employee training on cybersecurity issues
- Governance structures in place for cybersecurity management
- Management system certified to ISO 27001 standards

Sources

The company provided feedback on 25 November 2020 (analyst comments)

G.1.3.8 - Responsible Product Offering

75	33.75%	25.3
Raw Score	Weight	Weighted Score
The company has a strong programme		

Crite	ria
F	Provision to share risk information
	Continuous monitoring of social impact and risks of current products and/or services
✓ F	Policy commitment on responsible products and services
✓ 1	Managerial responsibility for responsible product offering
✓ (Objectives to improve customer satisfaction
-	Mechanisms to receive and investigate complaints and implement corrective action
✓ F	Reporting on product and/or service quality
	mpact and risk assessment incorporated into product development
✓ F	Regular training on responsible product offering and marketing

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)

Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019

The company provided feedback on 25 November 2020 (analyst comments)





Management Details -

Quality and Safety Events



Category 3 Event - Significant



Outlook - Positive

Summary

Our outlook on this event is positive. Sustainalytics anticipate a change of the rating in the next 12months, based on the following reasons:

Spanish courts must decide on a case by case basis whether mortgage floor clauses are null and void.

Media outlets reported that claims on contracts with the mortgage floor clauses have created congestion of the Spanish court system. The consumer association, ASUFIN, indicates that some courts have a period of resolution of up to 28 months.

Sustainalytics will consider a downgrade of the rating or outlook if cases over amened agreements are affected by new decisions of the ECJ, or if CRN is involved in additional incidents of significant scale.

Sustainalytics will consider an upgrade of the rating or outlook if CRN is not involved incidents related to mortgage floor clauses or in other significant new incidents for an extended period of time.

Assessment

In 2013, the Spanish Supreme Court (SSC) declared that all mortgage floor clauses that did not meet the required transparency standards would become void. As a result, a Madrid court ordered CRN and other 39 banks to reimburse related excess payments done by borrowers since 2013, in in April 2016. The court stated that lack of transparency on mortgage floor clauses prevented borrowers from the benefits of the benchmark rate drops. The European Court of Justice (ECJ) also ruled in favour of mortgage floor clauses borrowers in 2016. As a result, CRN increased its 2016 provisions by EUR 11mn and reached an agreement with affected clients, that included the elimination of such clauses in mortgage contracts. However, an ECJ's decision from July 2020 ruled that amended agreements could be unfair and illegal if clients were forced to waive legal actions following the agreement. According to the company's feedback, CRN has appealed all the related cases ruled against the company to the SSC. One of these cases was ruled in favour of CRN in November 2020. The SSC found that the amended agreement on the floor clauses was valid, as it met the necessary transparency and legality standards. Separately, in March 2019, clauses in CRN's checking account contracts were found abusive and voided by a Tolosa's court.

Sustainalytics rates this controversy as Category 3 due to the significant reputational and legal risk for CRN, considering its involvement in poor disclosure and abusive loan clauses in mortgage contracts. Despite CRN's 2017 agreements, CRN is still exposed to legal risk. Some cases have been ruled in favour of borrowers. For instance, in October 2019, a Navarra court ruled in favour of a claim, on behalf of 31 mortgage borrowers affected by CRN's floor clause. The court indicated that CRN employees did not properly inform customers about the mortgage floor clauses. The ECJ's 2020 decision increases the probability of new claims against the banks, even if a form of amended agreement has been reached with the borrower. According to ECJ's ruling, the clauses contained in amended agreements could be abusive if they were not transparent to the customers. The 2020 SSC's ruling in favour of CRN decreases somewhat the legal risk. However, CRN remains significantly exposed as not all cases against it have been resolved. Media sources reported consumer's disapproval with the SSC's decision and claimed misinterpretation of the ECJ's guidelines. Therefore, there is uncertainty about implications of customers' disapproval in future case decisions. According to CRN's feedback SSC's ruling relates to the agreement document itself, which is the same as the rest of cases brought by CRN to the SSC. CRN also indicated that the appeal requires lower courts to follow SSC rationale

Incident History



Locations: Spain, Navarre, Spain, Gipuzkoa, Spain, Madrid, Spain

Tags: Product Quality and Safety, Services Quality and Safety

Spanish Supreme Court finds lawsuit waiver agreements valid Company feedback - 11 November 2020

Update: Navarra court finds company must refund borrower over unfair floor lurisconsum - 17 October 2020

Update: Navarra Court orders company to refund client over floor clauses Diario de Navarra - 06 August 2020

Update: Company reaches agreements with seven clients over floor clauses ATD Abogados - 11 May 2020

Update: Navarra court orders company to refund 31 clients over floor clause Navarra.com - 13 October 2019

Update: European Commission report finds mortgage agreements as abusive Diario de Navarra - 25 February 2019

Update: Navarra Provincial Court finds mortgage agreement null and void Navarra.com - 23 January 2019

Update: Banks only provided 40.75% of total compensation for floor clauses diario16 - 01 November 2018

Update: Agreement with clients to eliminate floor clauses from contracts intereconomia - 09 November 2017





Management Details -

Spanish Supreme Court finds lawsuit waiver agreements valid

Company feedback - 11 November 2020

Update: EU Court orders Spanish lenders to make full repayments for floor

swissinfo - 21 December 2016

Update: ECJ advisor opinion on Spanish bank mortgage reimbursement

Bloomberg - 13 July 2016

Update: Spanish court ruled that banks should reimburse clients for floor

The Guardian - 08 April 2016

Update: EU Commission urges Spanish banks to reimburse clients for floor

Reuters - 26 October 2015

Update: Spanish consumer group files lawsuit claiming abusive floor clauses

Bloomberg - 22 April 2015

Spanish court orders payment over improperly charged commissions

autonomosyemprendedor.es - 12 June 2019

Spanish court finds contract clauses abusive

nuevecuatrouno.com - 04 March 2019

Madrid court orders payment in relation to equity swap contract

Europa Press - 05 July 2018





Exposure Details



Data Privacy and Security

EA.F.1 - Operating Performance	
0.00	
Beta Signal	
The company's net income margin is unknown.	
EA.F.6 - Asset Performance - Banking	
0.00	
Beta Signal	
The company's non-performing asset ratio is unknown.	
EA.G.1 - Headquarters Location	
- 0.02	
Beta Signal	
The location of the company's headquarters indicates slightly lower exposure to this issue.	
Spain: Slightly lower exposure Source: Sustainalytics Country Risk Rating, May 2019.	
EA.S.1 - Qualitative Overlay	
0.00	
Beta Signal	
The analyst did not apply a qualitative overlay.	









Management Details

S.3.1.3 - Data Privacy & Security Policy

50	10.00%	5.0
Raw Score	Weight	Weighted Score
The company has an adequate policy		

Criteria

- Commitment to notify data subjects in a timely manner in case of policy changes or data breach
- Commitment to obtain user data through lawful and transparent means, with explicit consent of the data subject where required
- Commitment to collect and process user data that is limited to the stated purpose
- Commitment to require third parties with whom the data is shared to comply with the company's policy
- Clear terms involving the collection, use, sharing and retention of user data including data transferred to third parties
- The company has a formal policy but it applies to less than 50% of the operations
- Commitment to implement leading data protection standards
 - There is a statement addressing the issue but it does not qualify as a policy as per Sustainalytics guidelines

Sources

Λ

Caja Rural de Navarra SCC Data Protection Policy, released May 2018

The company provided feedback on 25 November 2020 (analyst comments)

S.3.1.3.1 - Data Privacy Programme

50	40.00%	20.0
Raw Score	Weight	Weighted Score
The company has an adequate programme		

Criteria

- Regular privacy risk assessments or audits on the company's technologies and practices affecting user data
- Governance structures in place for privacy management
- Clear and accessible mechanisms for data subjects to raise concerns about data privacy
- Data subjects can access their accounts to erase, rectify, complete or amend personal information
- Regular employee training on data privacy management

Sources

Caja Rural de Navarra SCC Data Protection Policy, released May 2018

The company provided feedback on 25 November 2020 (analyst comments)

S.3.1.3.2 - Data Request Management

10 000/

U	10.00%	0.0
Raw Score	Weight	Weighted Score
Based on availal	ole information, the com	pany does not have a programme
Criteria		
Remedy for vict data sharing pra		ations as a result of the company's
Managerial resp	onsibility for governmen	t data requests oversight
Disclosure of pr government dat		responding to law enforcement or
Notification of d	ata subjects in case of d	ata sharing under legal requirements
Incident investig	ation and corrective act	on
Policy commitm	ent to respect human rig	hts in data management
Regular human	rights risk assessments	linked to data privacy
Regular reportir	g on compliance with ar	ov government data requests

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S.3.1.3.3 - Cybersecurity Programme

100	40.00%	40.0	
Raw Score	Weight	Weighted Score	
The company has a very strong programme			

Criteria

- Regular external security audits or vulnerability assessments of the company's systems, products and practices affecting user data
- Regular internal security audits or vulnerability assessments or penetration testing of the company's systems, products and practices affecting user data
- Operational measures to monitor and respond to data breaches and cyberattacks
- Regular employee training on cybersecurity issues
- Governance structures in place for cybersecurity management
- Management system certified to ISO 27001 standards

Sources

The company provided feedback on 25 November 2020 (analyst comments)





Exposure Details



Human Capital

EA.E.22 - Labour Relations	EA.F.1 - Operating Performance 0.00	
0.00		
Beta Signal	Beta Signal	
The company is not involved in any controversies of this type.	The company's net income margin is unknown.	
EA.F.5 - Solvency - Banking	EA.F.6 - Asset Performance - Banking	
0.00	0.00	
Beta Signal	Beta Signal	
The company's Tier 1 capital ratio is unknown.	The company's non-performing asset ratio is unknown.	
EA.F.7 - Financial Flexibility - Banking	EA.S.1 - Qualitative Overlay	
0.00	0.00	
Beta Signal	Beta Signal	
The company's loan-to-deposit ratio is unknown.	The analyst did not apply a qualitative overlay.	
EA.S.2 - Subindustry Correction Factor	EA.S.3 - Exceptional Event Adjustment	
0.00	0.00	
Beta Signal	Beta Signal	





Management Details _____

75	5.00%	3.8	50	15.00%	7.5
Raw Score	Weight	Weighted Score	Raw Score	Weight	Weighted Score
The comp	pany has an adequate poli	cy on freedom of association		The company has an a	dequate policy
Sources			Criteria		
The company provided feedback on 25 November 2020 (analyst comments)		\subseteq	the ILO conventions		
					npany is committed to eliminate
				to ensure equal opportunity	/
			Sources	000	-l 04 O-t-h 0040
			Caja Rurai de Nava	arra SCC provided feedba	ck on 21 October 2019.
8.1.3 - Diversi	ity Programmes		S.1.3.1 - Gend	ler Pay Equality Pro	ogramme
25	22.50%	5.6	50	10.00%	5.0
Raw Score	Weight	Weighted Score	Raw Score	Weight	Weighted Score
The company has a weak programme			The company has an ade	quate programme	
Criteria			Criteria		
	itoring or audits			to gender pay equality	
Targeted recruitment		Quantitative targets and deadlines			
Employee affinity groups, diversity councils, or networking groups			lose the gender pay gap		
Mentorship programmes		=	d measurement		
Managerial or board level responsibility for diversity initiatives		Global gender	r pay gap audit or compens	sation review	
Training and g	guidance regarding diversi	ty	Sources		
Initiatives sup	porting a diverse workforce	e	The company prov	rided feedback on 25 Nove	mber 2020 (analyst comments)
Diversity initia	tives that go beyond legal	compliance			, ,
Sources					
Caja Rural de Nava FY2019)	arra SCC CSR Report and	Non-Financial Statements 2019			
S.1.3.2 - Gend	ler Pay Disclosure		S.1.4 - Collect	tive Bargaining Agr	eements
50	5.00%	2.5	100	5.00%	5.0
Raw Score	Weight	Weighted Score	Raw Score	Weight	Weighted Score
	The company has adec	quate disclosure	75% or more of the	he company's employees a agreemer	are covered by collective bargai
Criteria			Sources		
	the company's global med			arra SCC CSR Report and	Non-Financial Statements 201
 Disclosure of ratio of basic salary and remuneration of women to men for specific employment categories (level or function) 		(FY2019)			
	the company's alshal a	n (average) raw gender pay gap			





Management Details

S.1.5 - Employee Turnover Rate

100	5.00%	5.0	
Raw Score	Weight	Weighted Score	
The company's employee turnover rate is low			

Sources

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)

Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019

S.1.5.2 - Human Capital Development

75	27.50%	20.6	
Raw Score	Weight	Weighted Score	
The company has a strong programme			

Criteria

Initiatives for talen	nt recruitment
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Reporting on human capital development metrics

Initiatives for talent development

Regular formal performance reviews for all permanent employees aligned with career development

Initiatives for talent retention

Reporting on human capital risk assessment

Formal mechanisms to promote an open feedback culture

Quantitative targets related to human capital development

Sources

Caja Rural de Navarra SCC Annual Report 2019 (FY2019)

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)

The company provided feedback on 25 November 2020 (analyst comments)

S.1.6.1 - Employee Training

100 Raw Score	5.00% Weight	5.0 Weighted Score	
Employees receive 15 or more days of training annually			
Sources			

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)





Exposure Details



ESG Integration - Financials

EA.E.17 - Environmental Impact of Products	EA.E.32 - Social Impact of Products	
0.00	0.00	
Beta Signal	Beta Signal	
The company is not involved in any controversies of this type.	The company is not involved in any controversies of this type.	
EA.E.46 - Carbon Impact of Products	EA.E.48 - Society - Human Rights	
0.00	0.00	
Beta Signal	Beta Signal	
The company is not involved in any controversies of this type.	The company is not involved in any controversies of this type.	
EA.F.1 - Operating Performance	EA.F.5 - Solvency - Banking	
0.00	0.00	
Seta Signal	Beta Signal	
The company's net income margin is unknown.	The company's Tier 1 capital ratio is unknown.	
EA.F.6 - Asset Performance - Banking	EA.F.7 - Financial Flexibility - Banking	
0.00	0.00	
Seta Signal	Beta Signal	
The company's non-performing asset ratio is unknown.	The company's loan-to-deposit ratio is unknown.	
EA.G.1 - Headquarters Location	EA.G.3 - Sales Location	
0.02	0.00	
Beta Signal	Beta Signal	
The location of the company's headquarters indicates slightly lower exposure to	The location of the company's sales is unknown.	



Spain: Slightly lower exposure Source: Sustainalytics Country Risk Rating, May 2019.



Exposure Details

EA.S.1 - Qualitative Overlay
0.00 Beta Signal
The analyst did not apply a qualitative overlay.
EA.S.3 - Exceptional Event Adjustment
0.00 Beta Signal





Management Details

E.3.1.10 - Credit & Loan Standards

40	15.00%	6.0	
Raw Score	Weight	Weighted Score	
The company has general standards applicable for all (high risk) industries			

Sources

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)

E.3.1.11 - Responsible Asset Management

100	17.50%	17.5	
Raw Score	Weight	Weighted Score	
More than 50% of assets under management can be categorized as "responsible investment"			

Sources

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)

Caja Rural de Navarra SCC Sustainability Bond Framework, released March 2020 Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019

E.3.1.15 - Sustainable Financial Initiatives

50	7.50%	3.8	
Raw Score	Weight	Weighted Score	
The company has an adequate programme			

Sources

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)

S.4.2.3 - Financial Inclusion

100 Raw Score	7.50% Weight	7.5 Weighted Score	
	The company has a sti		

Sources

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)

G.1.3.1 - PRI Signatory

0	2.50%	0.0
Raw Score	Weight	Weighted Score

The company is not a signatory to the UN Principles for Responsible Investment

Sources

UN Principles for Responsible Investment, www.unpri.org; accessed 29 October 2020 $\,$

G.1.3.2 - Responsible Investment Policy

100	10.00%	10.0
Raw Score	Weight	Weighted Score
	The company has a	strong policy

Criteria

	Commitment to engage with companies on ESG issues
\checkmark	Commitment to exclusion based on the companies' activities
\checkmark	Commitment to integrate ESG factors or select best-in-class companies
	according to ESG factors

Sources

Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019





Management Details —

G.1.3.3 - UNEPFI Signatory			G.1.3.5 - Equator Principles Signatory		
0 Raw Score	2.50% Weight	0.0 Weighted Score	0 Raw Score	7.50% Weight	0.0 Weighted Score
The com	npany is not a signatory to t	he UNEP Finance Initiative	The co	ompany is not a signatory t	to the Equator Principles
Sources UNEP FI, www.unepfi.org; accessed 29 October 2020			Sources Equator Principles, www.equator-principles.com; accessed 29 October 2020		
G.1.3.6 - Resր	ponsible Investment	Programme	G.1.3.7 - Corp	orate Finance - ESC	3 Integration
50 Raw Score	15.00% Weight	7.5 Weighted Score	75 Raw Score	15.00% Weight	11.2 Weighted Score
	The company has an ade	quate programme		The company has a stro	ong programme
Investment example of the control of	trategies	investment states into	Client engager Enhanced due Training of rela Reporting of hi Environmental Regular interna Managerial res Monitoring of e Sources Caja Rural de Nava	environmental and social ri	high-risk industries G risk identification ge of total portfolio nt and categorization programme
Sources Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019) Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019		Caja Rural de Nava		npact 2019 nd Framework, released March 2 a De Crédito provided feedback	



The company provided feedback on 25 November 2020 (analyst comments)



Exposure Details



Business Ethics

EA.E.2 - Accounting and Taxation	EA.E.4 - Anti-Competitive Practices
0.00 Beta Signal	0.00 Beta Signal
The company is not involved in any controversies of this type.	The company is not involved in any controversies of this type.
EA.E.6 - Bribery and Corruption	EA.E.7 - Business Ethics
0.00 Beta Signal	0.00 Beta Signal
The company is not involved in any controversies of this type.	The company is not involved in any controversies of this type.
EA.E.23 - Lobbying and Public Policy	EA.E.30 - Sanctions
0.00 Beta Signal	0.00 Beta Signal
The company is not involved in any controversies of this type.	The company is not involved in any controversies of this type.
EA.F.1 - Operating Performance	EA.F.5 - Solvency - Banking
0.00 Beta Signal	0.00 Beta Signal
The company's net income margin is unknown.	The company's Tier 1 capital ratio is unknown.
EA.F.6 - Asset Performance - Banking	EA.F.7 - Financial Flexibility - Banking
0.00 Beta Signal	0.00 Beta Signal
The company's non-performing asset ratio is unknown.	The company's loan-to-deposit ratio is unknown.





Exposure Details

EA.S.1 - Qualitative Overlay	EA.S.2 - Subindustry Correction Factor
0.00 Beta Signal	0.00 Beta Signal
The analyst did not apply a qualitative overlay.	
EA.S.3 - Exceptional Event Adjustment	
0.00 Beta Signal	





Management Details

G.1.1 - Bribery & Corruption Policy

100	10.00%	10.0
Raw Score	Weight	Weighted Score
	The company has a ve	ry strong policy

Criteria

- There is no evidence of a formal policy but the company has a general statement addressing the issue
- Definition of conflicts of interest and commitment to minimize these
- Guidelines of what is considered acceptable behaviour
- Definition of bribery or corruption
- Prohibition of bribery
- Definition and prohibition of facilitation payments \checkmark

Caja Rural de Navarra SCC provided feedback on 21 October 2019.

Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019

Caja Rural Ethic Code and Profesional Guidelines

On Thursday, November 12, 2020, Sustainalytics sent Caja Rural de Navarra SCC the Sustainalytics ESG Feedback Report

On Tuesday, September 10, 2019, Sustainalytics sent Caja Rural de Navarra, Sociedad Cooperativa de Crédito the Sustainalytics ESG Feedback Report

The company provided feedback on 25 November 2020 (analyst comments)

The company provided feedback on 4 May 2017

The updated ESG Report was sent by email to the Information Center on 19 July 2018

8.7

G.1.1.1 - Bribery & Corruption Programmes

100	15.00%	15.0
Raw Score	Weight	Weighted Score
The c	company has a ver	y strong programme

Criteria

- Managerial responsibility for bribery and corruption
- Regular training on bribery and corruption
- Internal monitoring system to detect corruption
- Annual signoff of the policy on bribery and corruption by employees
- Regular bribery and corruption risk assessments
- Operating guidelines addressing record keeping, approval procedures and appropriate behaviour
- Mechanisms for employees to consult on ethical issues

Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019

G.1.2 - Whistleblower Programmes

17.50%

00	17.0070	0.1
Raw Score	Weight	Weighted Score
	The company has an adec	quate programme
Criteria		
Possibility for	anonymous reporting and	reports are treated confidentially
An independe	nt, reporting hotline availab	ble 24/7
Available to su	uppliers, customers and oth	ner third parties
Proactively co	mmunicated to employees	
Available in lo	cal languages	
Non-retaliation	n policy	
Structures in p	place to process whistleblo	wer reports
Disclosure on measures take	'	eived, the types of misconduct and

Sources

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Caja Rural de Navarra SCC Annual Report 2019 (FY2019)

Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019

The company provided feedback on 25 November 2020 (analyst comments)

G.1.2.1 - Business Ethics Programme

50	22.50%	11.3
Raw Score	Weight	Weighted Score
The company has an adequate programme		

Criteria
Board responsibility for business ethics issues
Operating guidelines
Incident investigation and corrective actions
Managerial responsibility for business ethics
Commitment to address major business ethics risks
Measures to deter non-compliance and reduce exposure to unethical opportunities
Ethical risk assessments
Annual training of employees on the Code of Conduct
Courses

Sources

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019

Caja Rural de Navarra SCC provided feedback on 21 October 2019.

The company provided feedback on 25 November 2020 (analyst comments)





Management Details -

G.1.4.1 - Money Laundering Policy

100	10.00%	10.0	
Raw Score	Weight	Weighted Score	
The company has a strong policy on money laundering			

Sources

Caja Rural de Navarra SCC provided feedback on 21 October 2019.

G.1.4.2 - Compliance Programme

100	15.00%	15.0	
Raw Score	Weight	Weighted Score	
The company has a very strong programme			

Criteria

\checkmark	rraining on avoiding	tax evasion facilitation

- Reporting of irregularities
- Training on international sanctions compliance
- Operating guidelines for reporting suspicious transactions
- Monitoring existing business relationships
- ✓ Training for employees on anti-money laundering and terrorist financing
- Incident investigation and corrective actions
- Customer due diligence related to illegal activities before starting a relationship
- Managerial responsibility for compliance
- Enhanced customer due diligence for clients operating in high risk countries

Sources

Caja Rural De Navarra, Sociedad Cooperativa De Crédito provided feedback on 7 October 2019

G.3.1 - Political Involvement Policy

75 Raw Score	5.00% Weight	3.8 Weighted Score	
The company has an adequate policy			
Criteria			
Prohibits political involvement of any kind on the company's behalf			
Partially prohibits political involvement			

	Prohibits political involvement of any kind on the company's behalf
\checkmark	Partially prohibits political involvement
	Approved by senior management
	Commits the company to disclose political donations and/or lobbyin expenditures

Sources

Caja Rural de Navarra SCC CSR Report and Non-Financial Statements 2019 (FY2019)

Caja Rural de Navarra SCC provided feedback on 21 October 2019.

G.3.2 - Lobbying and Political Expenses

100	5.00%	5.0	
Raw Score	Weight	Weighted Score	
Based on available evidence, the company does not make political contributions and is not involved in lobbying activities			



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GLOSSARY OF TERMS

Beta (Beta, β)

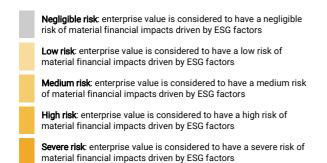
A factor that assesses the degree to which a company's exposure deviates from its **subindustry**'s exposure on a **material ESG issue**. It is used to derive a company-specific issue exposure score for a material ESG issue. It ranges from 0 to 10, with 0 indicating no exposure, 1 indicating the subindustry average, and 10 indicating exposure that is ten times the subindustry average.

Corporate Governance Pillar

A pillar provides a signal about a company's management of a specific Corporate Governance issue.

ESG Risk Category

Companies' ESG Risk Rating scores are assigned to five ESG risk categories in the ESG Risk Rating:



Note that because ESG risks materialize at an unknown time in the future and depend on a variety of unpredictable conditions, no predictions on financial or share price impacts, or on the time horizon of such impacts, are intended or implied by these risk categories.

ESG Risk Rating Score (Unmanaged Risk Score)

The company's final score in the ESG Risk Rating; it applies the concept of risk decomposition to derive the level of unmanaged risk for a company.

Event Category

Sustainalytics categorizes events that have resulted in negative ESG impacts into five event categories: Category 1 (low impact); Category 2 (moderate impact); Category 3 (significant impact); Category 4 (high impact); and Category 5 (severe impact).

Event Indicator

An indicator that provides a signal about a potential failure of management through involvement in controversies.

Excess Exposure

The difference between the company's exposure and its subindustry exposure.

Exposure

A company or **subindustry's** sensitivity or vulnerability to ESG risks.

Idiosyncratic Issue

An issue that was not deemed material at the **subindustry** level during the **consultation process** but becomes a **material ESG issue** for a company based on the occurrence of a Category 4 or 5 event.

Manageable Risk

Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.

Managed Risk

Material ESG Risk that has been managed by a company through suitable policies, programmes and initiatives.

Management

A company's handling of ESG risks.

Management Gap

Refers to the difference between what a company has managed and what a company could possibly manage. It indicates how far the company's performance is from best practice.

Management Indicator

An indicator that provides a signal about a company's management of an ESG issue through policies, programmes or quantitative performance.

Material ESG Issue

A core building block of the **ESG Risk Rating**. An ESG issue is considered to be material within the rating if it is likely to have a significant effect on the enterprise value of a typical company within a given **subindustry**.

Subindustry

Subindustries are defined as part of Sustainalytics' own classification system.

Unmanageable Risk

Material ESG Risk inherent from the intrinsic nature of the products or services of a company and/or the nature of a company's business, which cannot be managed by the company if the company continues to offer the same type of products or services and remains in the same line of business.

Unmanaged Risk

Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives, but which may not yet be managed (management gap).



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