

CSR REPORT AND NON-FINANCIAL STATEMENTS 2020

CORPORATE SOCIAL RESPONSIBILITY REPORT OF CAJA RURAL DE NAVARRA
AND CONSOLIDATED NON-FINANCIAL STATEMENTS OF THE CAJA RURAL DE
NAVARRA GROUP 2020

External verification date 23 april 2021 · www.cajaruraldenavarra.com



In this **Corporate Social Responsibility Report Caja Rural de Navarra** has comprehensively applied GRI Standards which have been verified by Aenor as external assurer.

Annex II contains the 2020 Non-Financial Statements in accordance with Act 11/2018 of 28 December.

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It is hard to summarise a year as complex and unexpected as 2020. A year that will be mainly remembered for the Covid-19 pandemic, a health crisis unprecedented in our recent history. It threw down new social challenges, including constraints on travel and business, and led to the worldwide social and economic consequences we now face.

Over these tough months, we lived times of weakness, loneliness and sadness. But we should not forget the many small spontaneous actions and inspiring contributions made by a host of professionals and strangers, which helped mitigate the consequences of the "state of alarm", breathing the spirit of hope back into our communities.

In such grave circumstances, we were called on to give of our best from day one. Banking was deemed an essential service and we kept our entire branch network open to serve the public, despite the health challenges, ensuring local communities could continue to function. For this reason, 2020 will also be remembered as a year of commitment. Commitment to our customers and employees, to our local districts, villages, towns and cities, and to wider society by putting in place a wide range of measures. A hard year, but a year that we can look back on with some satisfaction thanks to the effort and commitment shown by the whole organization.

But life goes on and we cannot stand still. We need to react and look forward, change and lay foundations that secure our future and that of new generations. We need to look beyond governments and public policy. Companies, social partners and

the general public, we must all act with the greatest responsibility and minimise uncertainty. This is why, at Caja Rural de Navarra, we continue to create spaces that command the confidence of our customers and enhance the safety and stability of our community, once again showing the commitment and attachment to the region that is the hallmark of our cooperative banking model.

Our efforts should focus on supporting families, the self-employed, companies and institutions, helping them recover and consolidate their lives, while we target social and economic recovery. This will unquestionably be the greatest contribution we can make in current complex and uncertain times.

Also, in Caja Rural de Navarra we will be working hard to align our actions with the priorities set by the EU, to try and promote a carbon-neutral and green Europe, a Europe adapted to the digital era and an economy that works for people. This is best guarantee that we can work together to build a future that is more prosperous, more sustainable and helps us achieve the regional and social cohesion we need.

The economic crisis unleashed by the pandemic demands new answers. It also makes us very aware of the consequences of our actions. Now more than ever, we need to push forward a more responsible and inclusive economic model, one that channels investment into industries and activities that can deliver a more sustainable future. We are confronting a host of global challenges, including technological-digital transition, energy-climate transition and the social and healthcare transition.

It is obvious that this new world will demand innovation on our part. To do this, we will need to rely on talent. We are lucky enough to have the best educated generation in our history and so we are sure that, between us, we will be able to achieve our mission and make our contribution to the progress of society.

IGNACIO TERÉS LOS ARCOS

President



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

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2.1 ABOUT THE REPORT

This is the fourth Corporate Social Responsibility Report, based on data at 31 December 2020 and compiled in accordance with GRI standards with a closely drawn focus on the most significant disclosures and the same scope as the first and second reports.

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 Communication 2017/C 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 2020, 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

Request for information:

Information that is not included in this report can be found at www.cajaruraldenavarra.com, or requested by applying to the contact addresses below:

E-mail:

The Customer Service section of the website:

cajaruraldenavarra.com/atencion-cliente

Email: 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 Statement for the Caja Rural de Navarra Consolidated Group, with external assurance by Aenor. Aenor has also assured the 2020 report and non-financial statements for Caja Rural de Navarra.

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.



Dialogue with stakeholders has been an essential tool to determine what should be included in the report



Retail customers



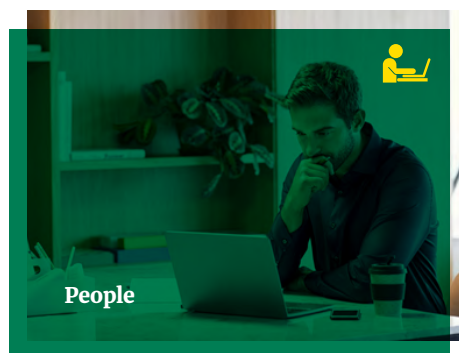
Private banking customers



Corporate customers



Institutional customers



People



Suppliers

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.

| STAKEHOLDERS | COMMUNICATION CHANNELS |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CUSTOMERS | <p>Customer services - Social networks</p> <p>Quality reviews – <i>Te escuchamos</i></p> <p>Customer satisfaction assessment</p> <p>Suggestion box</p> <p>cajaruraldenavarra.com website</p> <p>General commercial relationships</p> <p>Materiality Survey for this report</p> <p>Personal materiality interviews for this report</p> <p>Materiality Focus Group with corporate customers for this report</p> |
| EMPLOYEES | <p>Caja Rural de Navarra intranet</p> <p>Internal website: ideas and experiences</p> <p>Comité de Empresa (works council)</p> <p>Internal Communication Group</p> <p>Materiality Focus Group for this report</p> <p>Materiality survey of Caja Rural de Navarra employees for this report</p> |
| SUPPLIERS | <p>Commercial and contractual relationships</p> <p>Quality surveys</p> <p>Materiality survey of Caja Rural de Navarra's main suppliers for this report</p> |





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), Caja Rural de Navarra drew up a materiality review for the 2018 CSR report, at Bank scope (Caja Rural de Navarra).

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, which was carried out between December 2017 and March 2018 and updated in March 2019. The next consultation will be carried out in 2021.

| EXTERNAL VIEW | CONSULTANCY METHODS | SAMPLE/RESPONSES |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------|
| Retail customers | Online questionnaire | 2.633 |
| Private banking customers | Focus group with managers Face-to-face interviews with customers Written questionnaire | 24 |
| Corporate customers | Focus group with managers Focus Group with customers Face-to-face interviews with customers Written questionnaire | 33 |
| Institutional customers | Online questionnaire | 27 |
| Employees | Focus Group with the Internal Communications Committee 2018 Questionnaire 2019 Questionnaire | 20 468 |
| Suppliers | 2018 Questionnaire 2019 Questionnaire | 2 6 |
| INTERNAL VIEW | CONSULTANCY METHODS | RESPONSES |
| Management Committee | Online questionnaire | 31 |

After analysing the consultations with stakeholders, the areas of information considered to be a priority by each stakeholder group and on which Caja Rural de Navarra should therefore report were found to be:



RETAIL CUSTOMERS

- Caja Rural de Navarra's CSR policy and social engagement
- Information about the Commercial Model: transparency, marketing channels, ethical behaviour, etc.
- Corporate information: strategy, corporate structure and organization, etc.



INSTITUTIONAL CUSTOMERS

- Caja Rural de Navarra's CSR policy and social engagement.
- Corporate information: strategy, corporate structure and organization, etc.
- Information about the Commercial Model: transparency, marketing channels, ethical behaviour, etc.



PRIVATE BANKING CUSTOMERS

- Information about the Commercial Model: transparency, marketing channels, ethical behaviour, etc.
- Corporate information: strategy, corporate structure and organization, etc.
- Caja Rural de Navarra's CSR policy and social engagement.



PEOPLE

- Financial strength of the Bank and global risk management.
- Caja Rural de Navarra's CSR policy and social engagement.
- Marketing transparency.
- Quality of service and customer satisfaction.
- Work-life balance.



CORPORATE CLIENTS

- Information about the Commercial Model: transparency, marketing channels, ethical behaviour, etc.
- Corporate information: strategy, corporate structure and organization, etc.
- Caja Rural de Navarra's CSR policy and social engagement.



SUPPLIERS

- Strategy of the organization.
- Corporate structure and organization.
- Quality of service and customer satisfaction.



Caja Rural de Navarra's process for defining materiality includes internal and external factors to identify the material scopes.

To this end, once stakeholders' priorities have been identified, the vision and strategy of Caja Rural de Navarra will be included through consultation with members of the Management Committee and product managers.

STAKEHOLDER PRIORITIES **EXTERNAL VISION**

| ASPECTS | |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HIGH | <ul style="list-style-type: none"> Quality of service and customer satisfaction Caja Rural de Navarra's CSR policy and social engagement Marketing transparency Financial strength of the Bank and global risk management Strategy of the organization Corporate culture Commercial model Handling of suggestions, claims and complaints Corporate structure and organization Marketing channels |
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| MEDIUM | <ul style="list-style-type: none"> Personal development Work-life balance Equality and diversity Education and environmental awareness Code of conduct |
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| | |
| | |
| LOW | <ul style="list-style-type: none"> Reduction of consumables Payment systems Contracting criteria |
| | |
| | |
| | |

STAKEHOLDER PRIORITIES **INTERNAL VISION**

| ASPECTS | |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HIGH | <ul style="list-style-type: none"> Financial strength of the Bank and global risk management Strategy of the organization Caja Rural de Navarra's CSR policy and social engagement Marketing transparency |
| | |
| | |
| | |
| | |
| MEDIUM | <ul style="list-style-type: none"> Quality of service and customer satisfaction Corporate culture Corporate structure and organization Code of conduct |
| | |
| | |
| | |
| | |
| LOW | <ul style="list-style-type: none"> Marketing channels Commercial model Personal development Equality and diversity Work-life balance Handling of suggestions, claims and complaints Contracting criteria Payment systems Reduction of consumables Education and environmental awareness |
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STAKEHOLDER PRIORITIES **GLOBAL VISION**

| ASPECTS | |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HIGH | <ul style="list-style-type: none"> Financial strength of the Bank and global risk management Caja Rural de Navarra's CSR policy and social engagement Strategy of the organization Marketing transparency Quality of service and customer satisfaction Corporate culture |
| | |
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| MEDIUM | <ul style="list-style-type: none"> Corporate structure and organization Commercial model Marketing channels Handling of suggestions, claims and complaints Code of conduct Personal development |
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| LOW | <ul style="list-style-type: none"> Equality and diversity Work-life balance Education and environmental awareness Reduction of consumables Payment systems Contracting criteria |
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● **ECONOMIC** ● **SOCIAL** ● **ENVIRONMENTAL**

IMPORTANCE OF ISSUES ASSESSED TO THE BANK AND ITS STAKEHOLDERS



Caja Rural de Navarra's materiality analysis identified the following issues for inclusion in the **CSR Report**:

ECONOMIC

Financial strength of the Bank and global risk management.
Strategy of the organization.
Marketing transparency.
Quality of service and customer satisfaction.



SOCIAL

Caja Rural de Navarra's CSR policy and social engagement.
Corporate culture.

Employee issues were not identified as material. Nevertheless, this report sets out the organization's measures in this field and its management focus.

ENVIRONMENTAL

No environmental issues were identified as material. Unsurprising, given the nature of Caja Rural de Navarra's activity.

Nevertheless, this report sets out the organization's measures in the environmental field as testimony to the company's commitment to the environment.



The materiality analysis also yielded interesting information on our stakeholders which will feed into the design of our **Corporate Social Responsibility Plan** during the next few years.

The **materiality analysis** carried out between December 2017 and March 2018 was updated in 2019 to incorporate enhanced consultation with employee and supplier stakeholders. The issues considered material did not change as a result.

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:

1. 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.

2. 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.

3. SOCIETY

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.

4. 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).

5. 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.



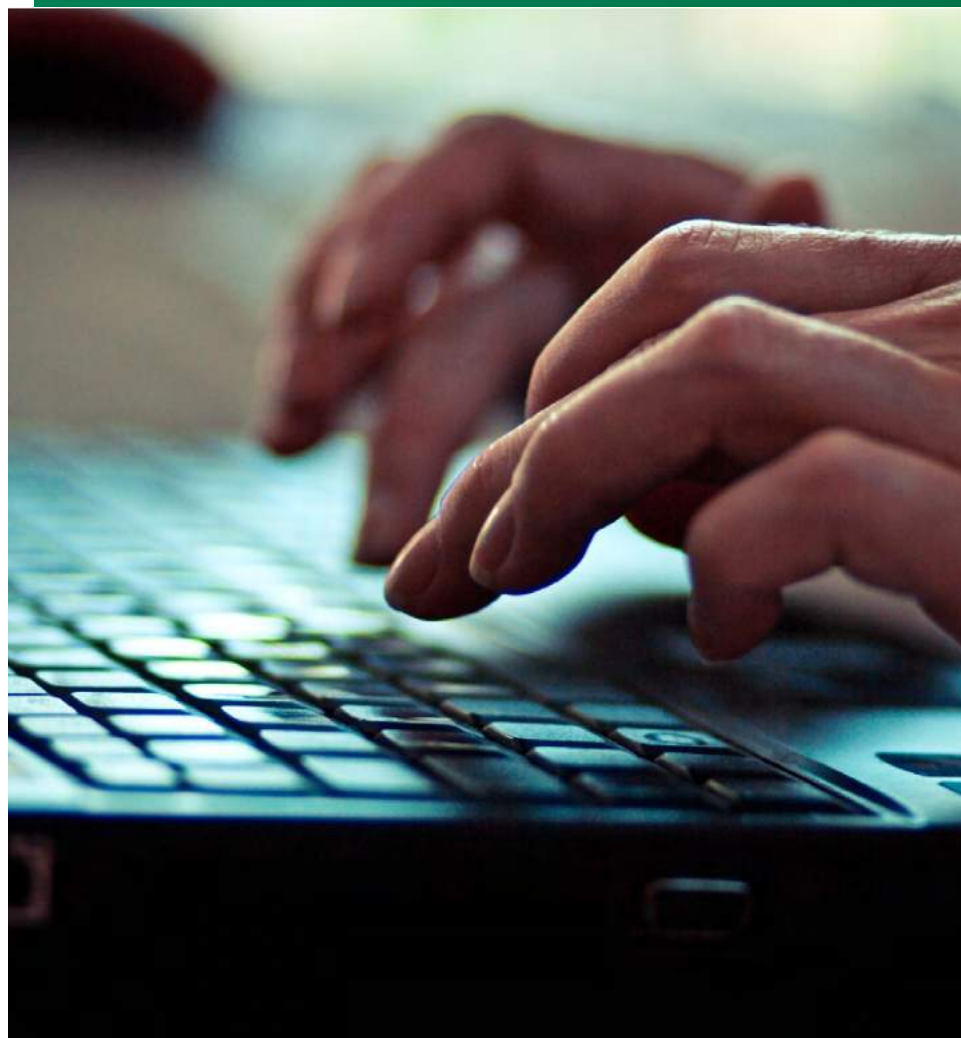
2.5 STRATEGY

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 strategic plan. In 2019, the 2016-2019 Plan was successfully completed. 2020 was the first year of a new 3-year Strategic Plan, running from 2020-2022 and supported by annual action 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.

To achieve this, it is essential 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. 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



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).

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.

2.6 CAJA RURAL DE NAVARRA STRATEGIC PLAN

Strategic planning has long been one of the Bank's key management tools, with a series of plans over several years. The four-year plan drawn up in 2015 was completed in 2019. We can firmly declare the plan successfully achieved its objectives.

In the objectives set for the first year of the new 2020-2022 Plan, we can state that in general expectations were met, with a few areas where efforts fell short, as follows:

LOANS AND ADVANCES

Performed in line with the plan. Total lending grew by 7.97%, a shortfall of just EUR 7 million a year. In provinces outside Navarre, lending grew by nearly 12%, beating its 10% target.

LIABILITIES

Liabilities hugely outperformed their budgeted target in the Strategic Plan. The Plan expected branches to be holding EUR 9,314 million of funds from customers at end-2020. The actual figure was EUR 10,037 million (growth of 15.40%) beating the full-period growth target of 7% annually. Half the outperformance came from outside Navarre, with growth in the Basque country and La Rioja stronger than in the Navarre branches.

NEW CUSTOMERS

This item was affected by the pandemic, and we failed to meet the target of 36,750 new customers. We effectively hit the target for legal entities, with 3,847 new firms signing up compared to 3,850 budgeted,

but on individuals we only achieved 80% of the target: 25,690 recruited compared to a target of 32,900. In both metrics, around 55% of new customers came through branches in the Basque country and La Rioja.

NON-PERFORMING LOANS:

Despite the pandemic, budgeted NPLs were close to the actual outturn. This picture is expected to worsen in 2021 and 2022. We ended 2020 with an NPL balance of EUR 189 million, compared to the budget target of EUR 169 million.

PROFIT

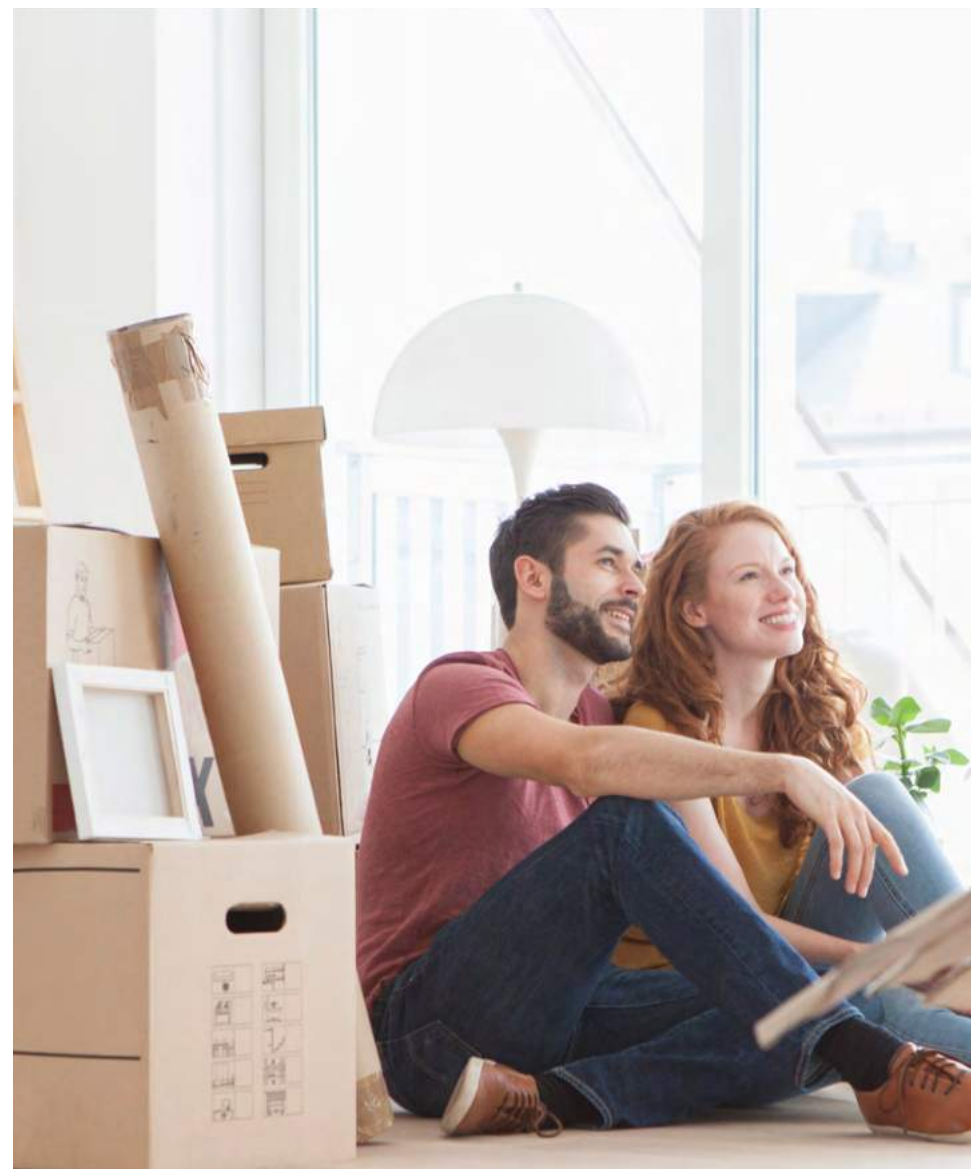
Net income in 2020 was EUR 81,392 thousand, closely in line with the annual target.

SOLVENCY

The definitive solvency ratio - measured as the fully loaded Common Equity Tier 1 (CET1) ratio, the highest-quality capital - at 31 December 2020 was 18.28%. The end-Plan objective was 17.66%. The phase-in CET1 ratio at the same date was 18.28%. The difference between the two ratios is that during the transitional phase extraordinary provisions taken for Covid can be counted as capital.

The Bank still enjoys a very robust level of solvency. All capital is of the highest quality. No other instruments are counted toward capital.

Overall, we can report that we hit most of the economic targets set in the Plan, improved market share and expanded our network in the Álava market (1 new branch).



03

ABOUT US: STRUCTURE OF THE BANK

3.1 ABOUT US

3.2 PROFILE OF THE ORGANIZATION

3.3 GOVERNING BODIES

3.4 CORPORATE CULTURE

3.5 EQUITY INVESTMENTS

3.6 KEY FIGURES



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 176,042 members (at 31 December 2020) 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.

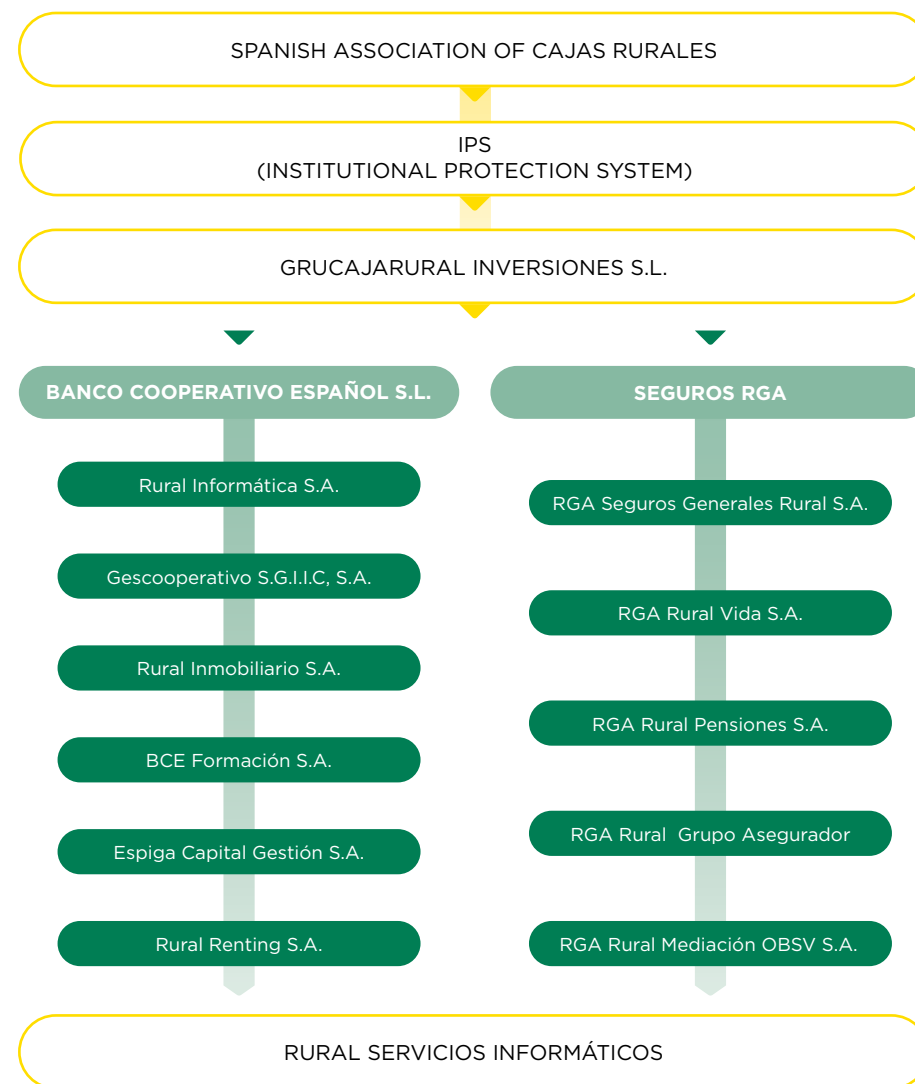
It retains its local focus and, following the tradition of the European cooperative model, its financial activities serve all retail banking segments (retail, corporate, the self-employed, institutions, etc.) through a

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 2020. 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 20.76% stake. The Holding Company's name is "Grucajrural 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 Grucajarural 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 shareholders 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 13 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.

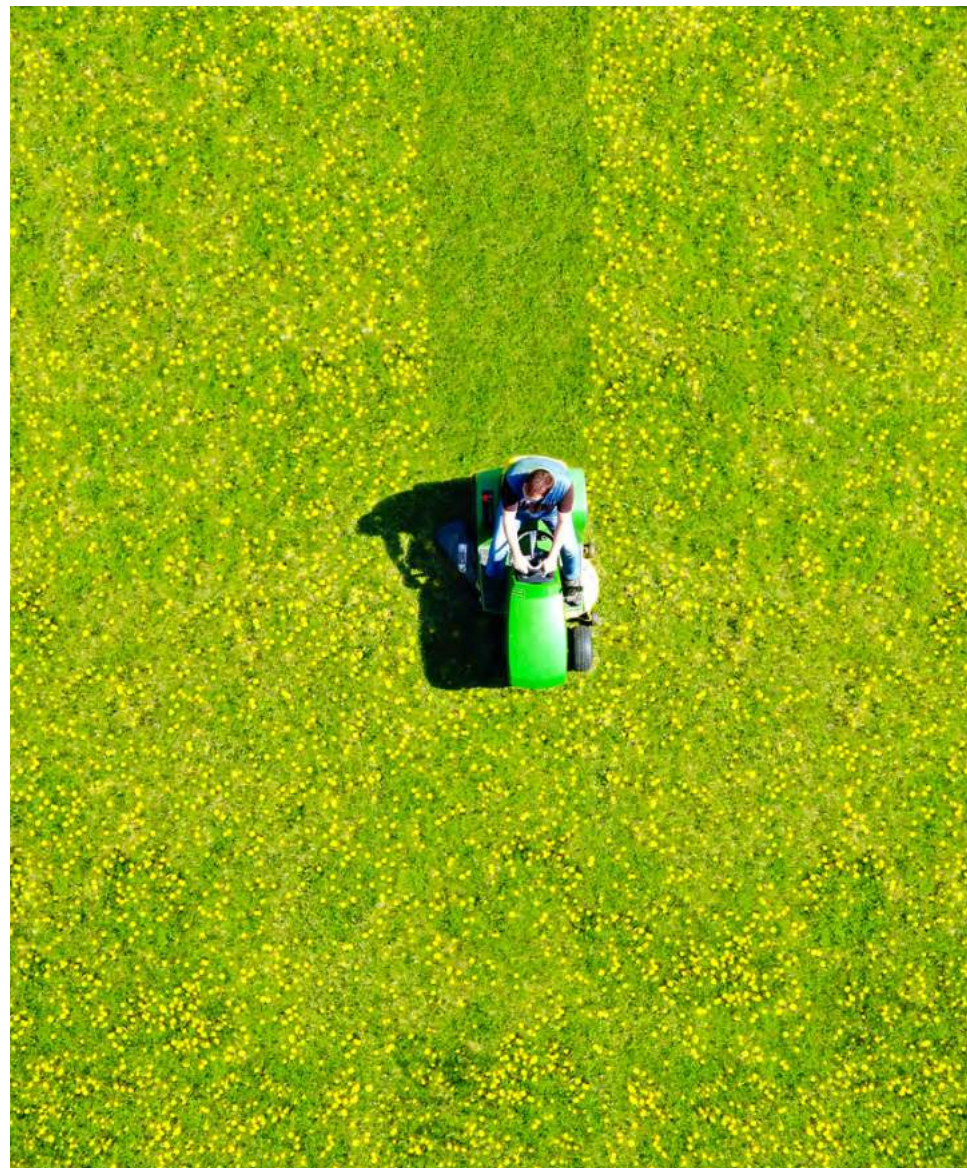
Caja Rural de Navarra has no presence on any of these companies' governing bodies as they are operating companies of the bank itself.

Links:

> www.bancocooperativo.es

> www.gescooperativo.es

> 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.

Caja Rural de Navarra is represented on the Boards of Directors of **RGA SEGUROS GENERALES RURAL, SA** and **RGA RURAL VIDA, SA**. The board of directors has 12 members mostly drawn from Caja Rural Group companies.

> www.seguosrga.es

4. RURAL SERVICIOS INFORMÁTICOS (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 19.05% 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.

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 19.04% stake in the company. Links:

> www.ruralserviciosinformaticos.com

> www.nessagbs.com

> 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 15-strong Governing Board, which Caja Rural de Navarra currently sits on and vice-chairs.

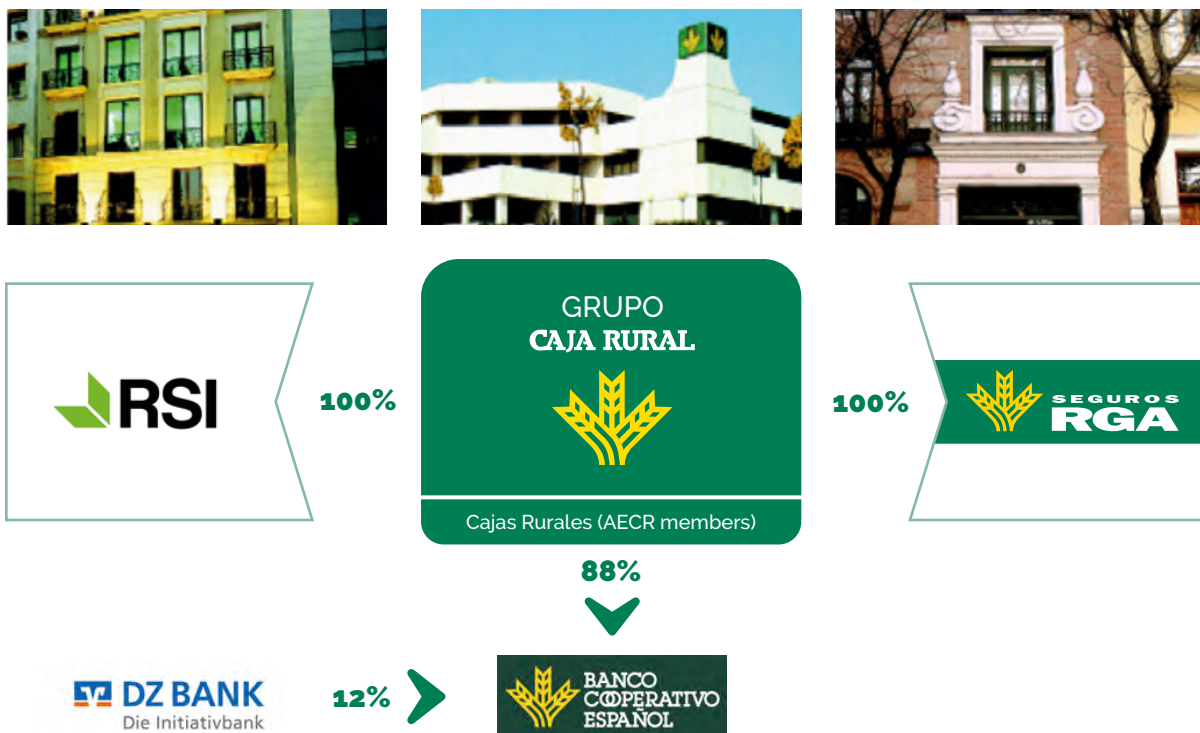
UNACC has an international presence through the EACB (European Association of Cooperative Banks) an umbrella organization for Europe's cooperative credit institutions, which, with a market share of 20%, play an important role in the continent's economic and financial system. The association represents the interests of its 27 members, with their 3,100 affiliated cooperative banks and 80.5 million members, in European institutions.

Enlaces de interés:

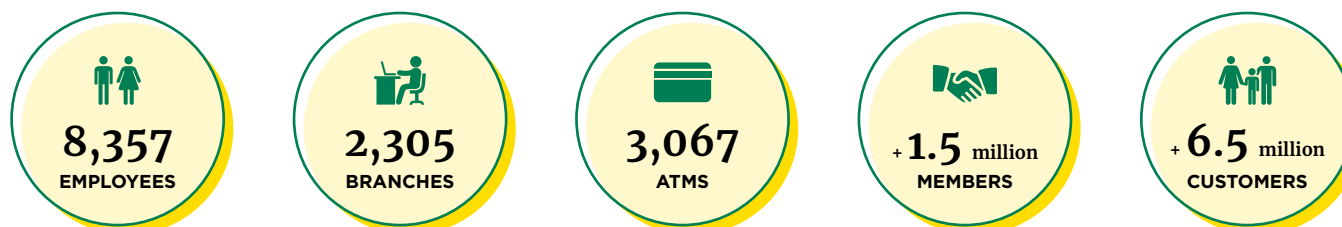
> www.unacc.com

> www.eacb.coop

COMPOSITION OF CAJA RURAL GROUP



CAJA RURAL GROUP - KEY FIGURES:



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, Guipúzcoa, Álava and Vizcaya.



3.3 GOVERNING BODIES

EBA guidelines on internal governance [EBA/GL/2017/11] charge Caja Rural's Governing Board to set up and oversee an appropriate and effective internal control and governance framework which defines an organizational structure which, among other points, governs the internal functions of risk management, compliance and audit, ensuring they have the independence, authority, range and resources to properly fulfil their duties.

In line with the Company's permanent commitment to best corporate governance practice, the Governing Board of Caja Rural de Navarra, approved a System for Internal Governance for Caja Rural de Navarra (the "System"). Its implementation

and development will be 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



GOVERNING BODIES AND INTERNAL MANAGEMENT AND CONTROL STRUCTURE

MEMBERS

Caja Rural de Navarra is a cooperative bank with 176,042 members at 31 December 2020, contributing EUR 169.8 million to the Bank's share capital. The number of members rose by 6,535 since the previous year and the contribution to capital rose by EUR 2,133 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

The Board is made up of a minimum of 5 and a maximum of 15 members: Chairman, Vice-Chairman and 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.

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>



Photography contest image
from Caja Rural de Navarra
Author: Kike Balenzategui Arbizu

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, 9 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: www.cajaruraldenavarra.com/es/gobierno-corporativo-politica-remuneraciones



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 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 will be 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.

AREAS/INTERNAL DEPARTMENTS: OPERATIONAL 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.

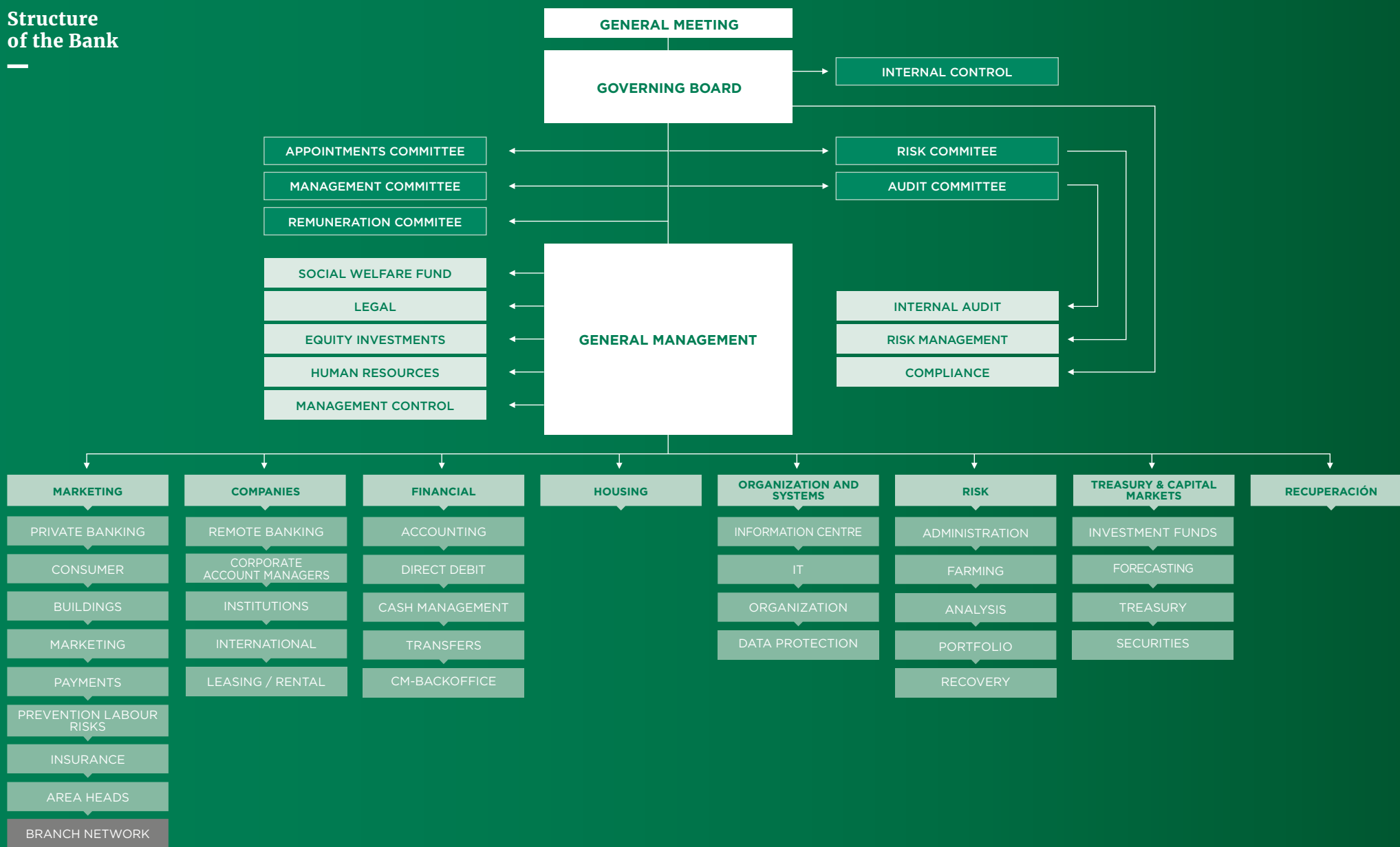
Under the supervision of the Managing Director, the Bank is structured into a number of Internal Areas/Departments which play a significant role in segmenting

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 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.

Structure of the Bank



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.

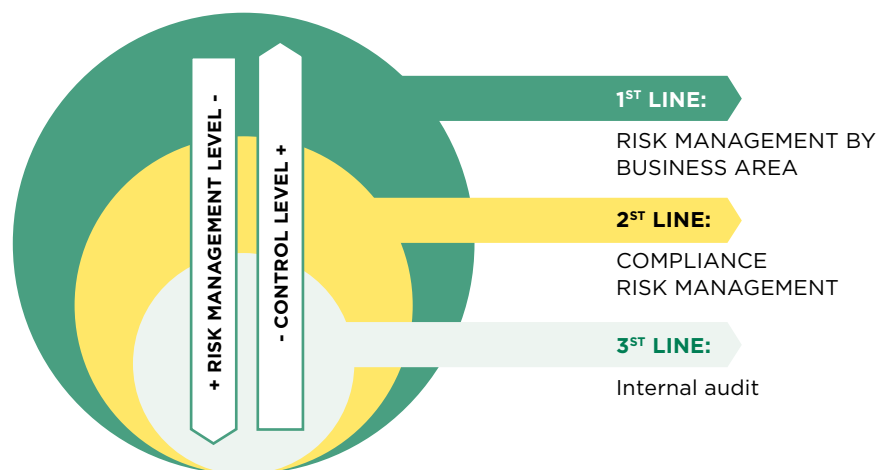
The role of the [Compliance Function](#) is to advise and report to the Board on how the Bank is managing and mitigating the

risks of legal or regulatory sanctions and of financial, material or reputational loss due to deficiencies in the standards being applied.

2. THREE LINES OF DEFENSE

Caja Rural de Navarra's internal control model has a three-line defence system, structured around the activities and processes that give rise to the risks and so determine who is responsible for them.





1ST LINE OF DEFENSE

The first line of defence lies with the business units. They are responsible for control within their field of activity and for implementing the measures decided by higher management.

2ST LINE OF DEFENSE

The second line is the control units, particularly the compliance and risk management units. They oversee control of all units throughout the group that affect their area of responsibility, define mitigation and improvement measures where necessary and make sure these are properly implemented.

3ST LINE OF DEFENSE

The third line is the Internal Audit unit, which conducts independent reviews, verifying the compliance and effectiveness of corporate policies and providing independent information on the control model. Internal Audit's principle functions include:

- ▶ Assessing the effectiveness and efficiency of the Internal Control Systems, overseeing compliance with applicable law and internal policies and regulations.
- ▶ Issuing recommendations to resolve weaknesses identified in the review processes and following these up.

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.

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.

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.

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

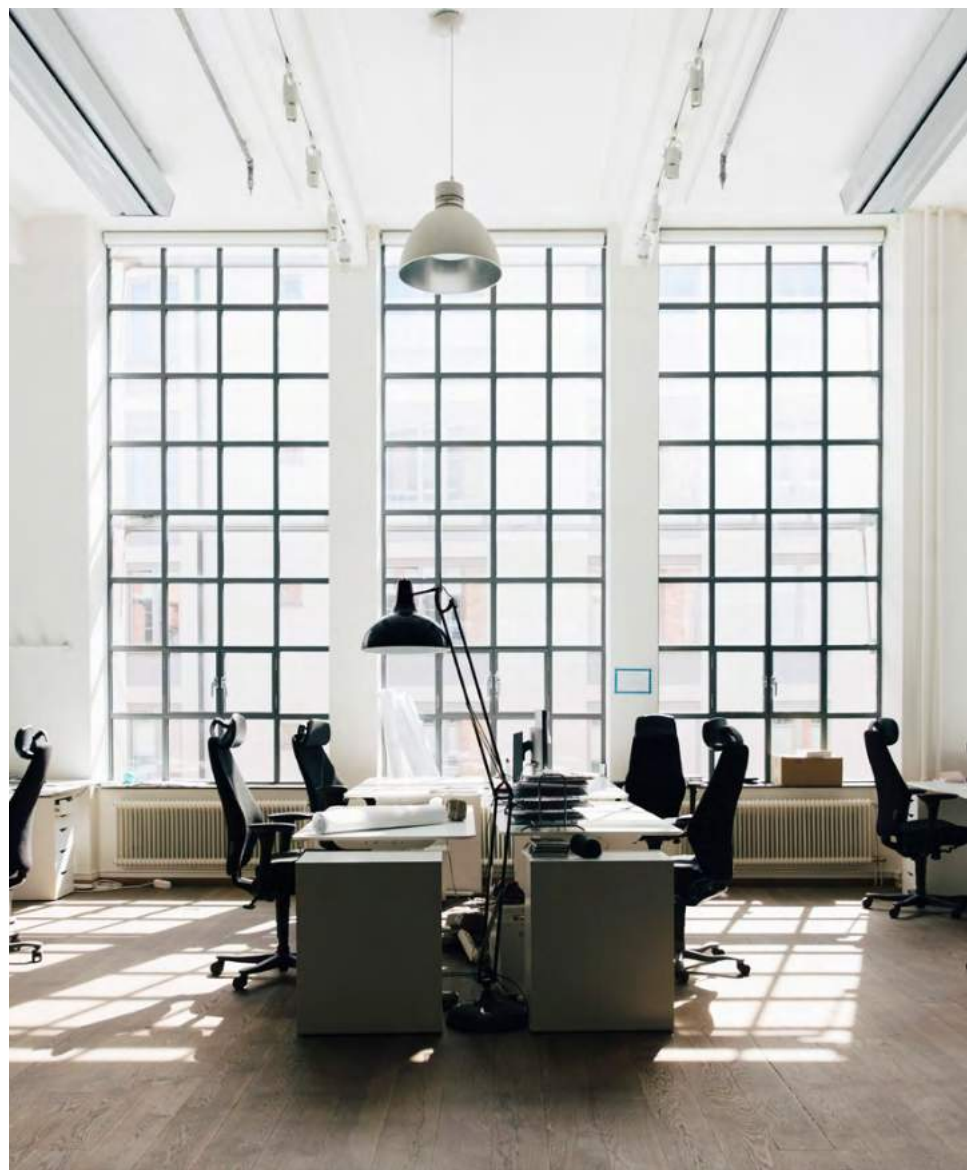
1. RULES OF CONDUCT

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 drawn up a 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-politica-remuneraciones

- 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.



Mission

To generate sustainable confidence among customers, involving them through our team, to contribute to the economic and social development of our community.



Vision

Caja Rural de Navarra's vision is to be one of the leading groups in Spain, with an international presence, while maintaining the Caja Rural style (human qualities, personal treatment, professionalism and modernity), and to be a benchmark for our community.



Corporate values

Our aim is to support the personal development of the people we work with on our corporate project, as well as that of our customers and the communities where we operate.

The values of Caja Rural de Navarra form the basis for progress and achievement and are spread through its wide network of branches, which is complemented by advanced virtual access systems. This makes possible a close and trusting relationship with all customers and a teamwork approach that brings everyone together and considers the needs of its surrounding community in the pursuit of progress.



Action principles

Everyone at Caja Rural de Navarra draws inspiration from the action principles below:

Commitment: we inspire people to be part of our project.

Professionalism/responsibility: we seek to make things better every day to achieve our objectives.

Localism: we care for and strengthen relationships based on trust and commitment.

3.5 EQUITY INVESTMENTS

1. 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.

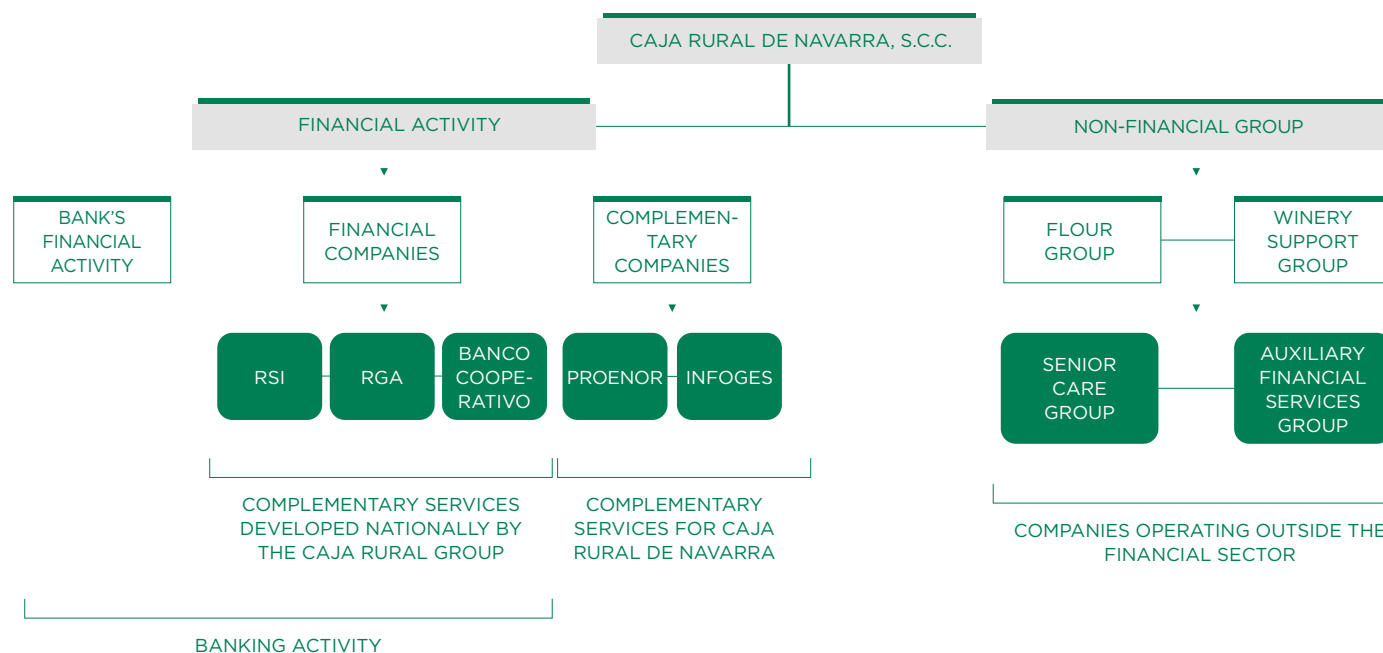
One of Caja Rural de Navarra's defining features is the rooting of its financial activities in its regional environment, with its proximity to cooperative members and customers as the nucleus of its operations.

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 of supporting a newly emerging area.

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 often 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.

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

| GROUP COMPANY | ID | SECTOR OF ACTIVITY | % INVESTMENT | CRN DIRECT HOLDING |
|----------------------------------------------------|---------------|---------------------------|--------------|--------------------|
| Harivasa 2000 S.A | A31013402 | Flour | 100% | YES |
| Transnoian S.A. | A31870058 | Flour | 100% | NO |
| Cerelia I+D S.L | B71312888 | Flour | 100% | NO |
| Cerelia S.L | B31949217 | Flour | 100% | NO |
| Harinera de Tardienta S.A | A22001499 | Flour | 100% | YES |
| Harinas Selectas S.A | A50107143 | Flour | 100% | YES |
| Comercial Don Obrador, S.A. | B79410742 | Flour | 100% | NO |
| Le Moulin de Navarre | FR25813803103 | Flour | 100% | NO |
| Harántico, S.L. | B36562593 | Flour | 100% | YES |
| Reyes Hermanos S.L | B36000818 | Flour | 100% | NO |
| Harinera del Mar S.L | B97832232 | Flour | 100% | YES |
| Haribéricas SXXI S.L | B64939341 | Flour | 100% | YES |
| Harivenasa S.L | B71075774 | Flour | 100% | YES |
| HRVS Eood** | BG203420883 | Flour | 100% | NO |
| Industria Tonelera de Navarra S.L | B31688336 | Winery supplies | 100% | YES |
| Tonnellerie de L'Adour S.A.S | FR96425029972 | Winery supplies | 100% | YES |
| Oroz Fils STE Exploitation ETS Oroz | FR94379700966 | Winery supplies | 100% | NO |
| Tonnellerie de L'Adour USA Inc | C3886342 | Winery supplies | 100% | NO |
| Bouquet Brands S.A | A31884000 | Winery supplies | 100% | YES |
| Bahia de Cádiz S.L | B84996743 | Winery supplies | 100% | NO |
| Solera Asistencial S.L | B71150866 | Senior care | 100% | YES |
| Solera Navarra S.L | B71186654 | Senior care | 100% | NO |
| Tarre Monreal S.L | B31872872 | Senior care | 100% | NO |
| SERESGERNA S.A | A31697808 | Senior care | 100% | NO |
| Preventia Sport S.L | B71008783 | Services to CRN customers | 100% | YES |
| Promoción Estable del Norte S.A | A31663651 | Services to CRN customers | 100% | YES |
| Informes y Gestiones Generales, S.A. | A31437635 | Services to CRN customers | 100% | YES |
| Informes Técnicos y Valoraciones Generales, S.L. | B31917305 | Services to CRN customers | 100% | NO |
| Administración De Fincas Informes Y Gestiones S.L. | B71054944 | Services to CRN customers | 100% | NO |
| Cerelia Agro, S.L. | B44539682 | Flour | 100% | NO |
| Explotación Agrícola Las Limas | J71085179 | Flour | 100% | YES |



Caja Rural de Navarra holds a **business portfolio**, both in financial companies and other activities. Here are the names and the percentage of its participation:

| GROUP COMPANY | ID | SECTOR OF ACTIVITY | % INVESTMENT | CRN DIRECT HOLDING |
|-----------------------------------------------|-----------|--------------------------------------------------|--------------|--------------------|
| Bodegas Príncipe de Viana, S.L. | B31130438 | Bodeguero | 50% | YES |
| Rioja Vega, S.A. | A31002918 | Bodeguero | 50% | Direct e indirect |
| Iparlat, S.A. | A31003031 | Lácteo | 23.60% | YES |
| OmegaGeo, S.L. | B31832314 | Servicios de geotecnia e ingeniería | 50% | YES |
| Igeo 2 S.L. | B31854292 | Servicios de geotecnia e ingeniería | 50% | NO |
| Laboratorios Entecsa, S.A. | A31536113 | Servicios de geotecnia e ingeniería | 50% | NO |
| Entecsa Bilbao, S.L. | B95200549 | Servicios de geotecnia e ingeniería | 42.50% | NO |
| Bosqalia, S.L. | B31813249 | Cultivo y explotación madera | 48.60% | YES |
| Errotabidea, S.L. | B31899271 | Inmobiliaria | 46.01% | YES |
| Servicios empresariaes Agroindustriales, S.A. | A31139884 | Servicios de asesoría fiscal, laboral y contable | 33.33% | YES |
| Rural de Energías Aragonesas, S.A. | A99225195 | Energía | 25% | YES |
| Compañía Eólica de Tierras Altas, S.A. | A42145912 | Energía | 25% | YES |
| Rural de Energía de Tierras Altas, S.A. | A42221382 | Energía | 50% | YES |
| Renovables de la Ribera, S.L. | B71032791 | Energía | 50% | YES |
| NION GESTIÓN DE ACTIVOS INMOBILIARIOS, S.L. | B31893506 | Inmobiliaria | 46% | NO |
| INMOBILIARIA OSANE, S.L. | B71079743 | Inmobiliaria | 46% | NO |
| Entecsa Rioja, S.L. | B26327791 | Servicios de geotecnia e ingeniería | 20% | NO |
| Entecsa Valencia, S.L. | B97150932 | Servicios de geotecnia e ingeniería | 20% | NO |
| Acoustic Analysys, S.A. | A31667728 | Servicios de geotecnia e ingeniería | 13% | NO |

Annex II contains details of the Non-Financial Statements for 2020, covering the Group scope, 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:

- 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



3.6 KEY FIGURES

CAJA RURAL DE NAVARRA KEY FIGURES

| (In thousands of euros) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|-----------|------------|------------|------------|------------|------------|
| TURNOVER | | | | | | |
| Total assets | 9,728,120 | 10,952,597 | 11,557,130 | 12,038,254 | 12,945,945 | 15,632,289 |
| Shareholders' equity | 866,295 | 934,022 | 1,018,716 | 1,092,019 | 1,176,846 | 1,261,282 |
| Customer deposits | 6,493,935 | 7,080,743 | 7,533,517 | 8,020,973 | 8,741,063 | 10,211,373 |
| Loans and advances to customers | 6,351,615 | 6,832,108 | 7,315,406 | 7,781,407 | 8,127,188 | 9,266,436 |
| SERVICES | | | | | | |
| Branches | 246 | 249 | 250 | 252 | 253 | 254 |
| ATMs | 291 | 299 | 302 | 312 | 316 | 322 |
| PEOPLE | | | | | | |
| Number of employees | 918 | 933 | 959 | 965 | 963 | 948 |
| PROFIT | | | | | | |
| Net interest income | 148,514 | 147,278 | 142,907 | 138,135 | 145,467 | 148,976 |
| Gross income | 208,396 | 210,704 | 217,372 | 206,911 | 222,115 | 214,270 |
| Administrative expenses | 81,783 | 83,299 | 86,322 | 88,971 | 87,389 | 89,447 |
| Income from operating activities | 75,159 | 79,125 | 90,557 | N/A (1) | N/A (1) | N/A (1) |
| Profit before tax | 62,274 | 66,460 | 86,792 | 91,250 | 85,153 | 81,392 |

| (In thousands of euros) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------------------------------------------------|---------|---------|---------|---------|---------|---------|
| DISTRIBUTION OF WEALTH GENERATED | | | | | | |
| 1, Directly generated economic value | 228,182 | 230,218 | 278,345 | 229,554 | 247,063 | 241,767 |
| Gross income (excluding other operating expenses) | 225,598 | 227,811 | 274,425 | 223,058 | 242,969 | 239,368 |
| Proceeds of sales, property and equipment and foreclosed assets | 2,584 | 2,407 | 3,920 | 6,496 | 4,094 | 2,399 |
| 2, Distributed economic value | 108,795 | 108,672 | 143,820 | 118,496 | 119,081 | 126,991 |
| Payments to suppliers (operating expenses) | 45,258 | 44,369 | 83,248 | 43,525 | 47,409 | 52,288 |
| - Other general administrative expenses | 34,717 | 34,418 | 35,620 | 37,340 | 35,831 | 36,047 |
| - Other operating expenses | 10,541 | 9,951 | 47,628 | 6,184 | 11,578 | 16,241 |
| Personnel expenses | 47,065 | 48,881 | 50,702 | 51,631 | 51,558 | 53,400 |
| Income tax | 7,485 | 6,212 | -1,518 | 11,793 | 9,163 | 10,768 |
| Interest on investment capital | 2,327 | 2,055 | 1,963 | 1,585 | 1,676 | 1,678 |
| Investment/Donations to the community | 6,661 | 7,156 | 9,425 | 9,963 | 9,275 | 8,857 |
| - Education and Development Fund (EDF) | 6,661 | 7,156 | 9,425 | 9,963 | 9,275 | 8,857 |
| 3, Retained economic value (1-2) | 119,386 | 121,546 | 134,525 | 111,058 | 127,981 | 114,777 |

(1) This item was dropped from the income statement 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 (Institutional information)

CAJA RURAL DE NAVARRA CONSOLIDATED GROUP – KEY FIGURES

| (In thousands of euros) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|-----------|------------|------------|------------|------------|------------|
| TURNOVER | | | | | | |
| Total assets | 9,860,147 | 11,085,569 | 11,726,238 | 12,202,865 | 13,133,114 | 15,849,799 |
| Shareholders' equity | 885,803 | 956,620 | 1,049,187 | 1,122,515 | 1,223,266 | 1,313,888 |
| Customer deposits | 6,480,414 | 7,054,214 | 7,524,305 | 8,011,914 | 8,729,469 | 10,198,137 |
| Loans and advances to customers | 6,370,613 | 6,849,057 | 7,334,762 | 7,789,185 | 8,176,553 | 9,313,939 |
| PROFIT | | | | | | |
| Net interest income | 146,150 | 145,437 | 140,947 | 135,957 | 143,634 | 147,007 |
| Gross income | 259,652 | 266,741 | 278,719 | 276,758 | 293,966 | 288,760 |
| Administrative expenses | 126,796 | 132,190 | 141,274 | 150,334 | 151,605 | 152,364 |
| Income from operating activities | 75,820 | 79,788 | 89,304 | N/A (1) | N/A (1) | N/A (1) |
| Profit before tax | 66,091 | 69,512 | 92,418 | 93,502 | 98,449 | 86,935 |

(1) This item was dropped from the income statement published in 2018.

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

| (In thousands of euros) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------------------------------------------------|---------|---------|---------|---------|---------|---------|
| DISTRIBUTION OF WEALTH GENERATED | | | | | | |
| 1, Directly generated economic value | 479,552 | 480,944 | 557,151 | 534,622 | 556,801 | 560,597 |
| Gross income (excluding other operating expenses) | 476,968 | 478,537 | 553,231 | 528,126 | 552,707 | 558,197 |
| Proceeds of sales, property and equipment and foreclosed assets | 2,584 | 2,407 | 3,920 | 6,496 | 4,094 | 2,399 |
| 2, Distributed economic value | 354,532 | 352,778 | 416,781 | 415,866 | 422,594 | 435,666 |
| Payments to suppliers (operating expenses) | 273,450 | 268,659 | 334,442 | 316,211 | 324,151 | 333,759 |
| - Other general administrative expenses | 62,795 | 64,019 | 69,355 | 74,806 | 74,685 | 73,179 |
| - Other operating expenses | 210,655 | 204,640 | 265,087 | 241,405 | 249,466 | 260,580 |
| Personnel expenses | 64,001 | 68,171 | 71,919 | 75,528 | 76,920 | 79,185 |
| Income tax | 8,093 | 6,737 | -968 | 12,579 | 10,571 | 12,187 |
| Interest on investment capital | 2,327 | 2,055 | 1,963 | 1,585 | 1,676 | 1,678 |
| Investment/Donations to the community | 6,661 | 7,156 | 9,425 | 9,963 | 9,275 | 8,857 |
| - Education and Development Fund (EDF) | 6,661 | 7,156 | 9,425 | 9,963 | 9,275 | 8,857 |
| 3, Retained economic value (1-2) | 125,020 | 128,166 | 140,370 | 118,756 | 134,207 | 124,930 |
| Public Subsidies received | 526 | 648 | 920 | 1,068 | 1,067 | 161 |

04

CUSTOMERS

4.1 CUSTOMERS

4.2 PROFILE AND DISTRIBUTION OF CUSTOMERS

4.3 DIALOGUE WITH CUSTOMERS

4.4 CUSTOMER RELATION CHANNELS

4.5 PRODUCTS AND SERVICES



**CAJA RURAL
DE NAVARRA**



4.1 CUSTOMERS

The focus of the Bank's corporate activity is the customer in general and, particularly the member in their dual role as both owner and customer. For this reason, one of the Bank's core principles that has always run through its business is customer focus.

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, 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 2020**:

A. IMPROVED CHANNELS OF COMMUNICATION

One of Caja Rural de Navarra's priorities is to continuously improve our communication channels. It therefore gives crucial importance to investment in technology that makes it easier for customers (who so wish) to conduct any transaction through digital channels.

We will be focusing on the following points this year:

- **Continuous improvements to Ruralvía, the digital banking service and its mobile app**, which means customers can deal with the Bank with ever greater flexibility, using more and better functionalities, with safer security standards and enjoying a satisfactory user experience. Improvements in the last year included:

- "Maia", the virtual assistant chatbot for the Ruralvía app, which can resolve most of our customers' common issues.
- "Mis Finanzas", a Ruralvía tool which allows individuals and corporate customers to keep track of all their everyday finances. "Mis Finanzas" can categorize spending and income, project forecasts, generate cash-flows, etc.
- Integration of Bizum into our Ruralvía mobile app.
- Access to the insurance price calculator from Ruralvía's website and app.
- **Digital tools that help users with their everyday life**, such as;
- The online "become a customer" process, an easy, agile and simple way for users to sign up as a Caja Rural customers in just

- five minutes via the website or app.
- A search engine that let's companies and the self-employed search online for support and subsidies.
- Online card and PoS terminal recommendation engine, available on our public website: cajaruraldenavarra.com.
- Personal loan simulator, also available on our public website: cajaruraldenavarra.com.
- Home insurance price calculator on the public website: cajaruraldenavarra.com

- We offer our customers all the **new payment systems** that have come out recently: Bizum, Pay Gold, e-commerce and all its possibilities etc. and, thanks to our agreements with Apple, Google, Samsung and Ruralvía Pay, our customers can make payments with their mobile.
- Security-wise, the Bank decided to develop a communication line on **cybersecurity** to raise awareness among our customers and give them the knowledge to minimise the risk of fraud.
- In 2021, we will be doing further work to **improve these tools**, the main projects in progress being:
 - **"The wall": A new private communication channel within Ruralvía** so that customers can contact their customer manager/contact branch.
 - As required by PSD2 we have **the specific authorization to provide services as payment initiators (PISP) or aggregators (AISP)** which we will be rolling out in 2021.



B. DIGITAL TRANSFORMATION

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

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

C. 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 2020, Caja Rural de Navarra launched 136 new publicity items, of which 122 were approved by Autocontrol. The rest had been through the Bank's internal regulation process.

D. IMAGE

In 2020, Caja Rural de Navarra worked to define its communication strategy and aims. It produced a new Corporate Identity Handbook tuned to the corporate values that make the Bank stand out in the market. The strategy is backed by a visual system that harmonizes all communication codes, modernizing them and tailoring them to the current branding system, foregrounding the values that set the Bank apart from other institutions.

E. MARKETING

To improve transparency and clarity in the way the branch network markets products and services, customer communications available in-branch were updated every three months in 2020.

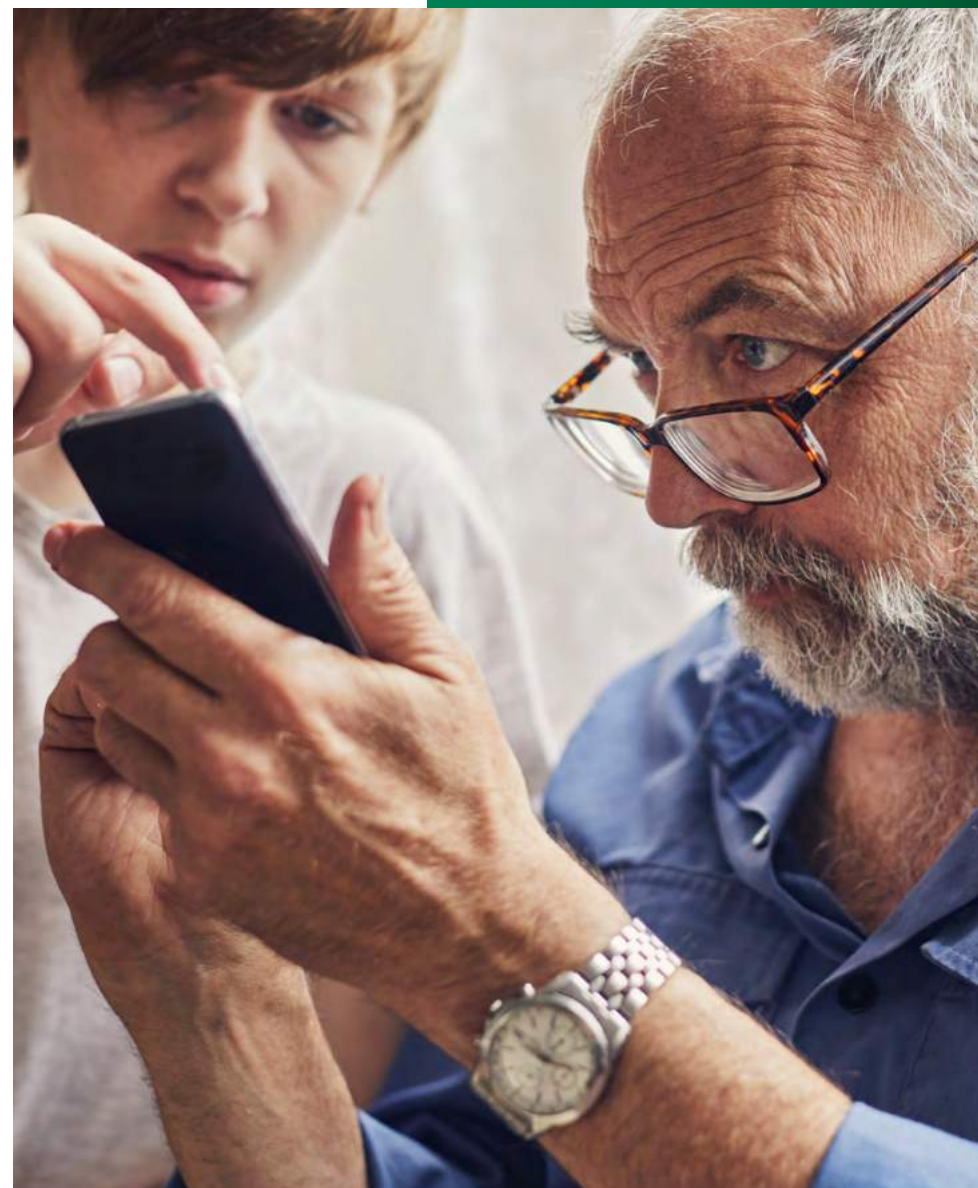
F. PRODUCT COMMITTEE

The Product Committee continued its work in 2020. It was set up in 2016 to bring all the products and services offered by the Bank under a validation process.

A number of issues were addressed in 2020, including some from the continuous improvement programme such as:

- Definition and drafting of the "Product Brochures" document, which specifies the scope and content of the brochures produced by the Bank:
 - Product Committee brochures
 - Internal brochure (sales support)
 - External brochure (for customer)
- Definition and approval of the "Internal Procedure" for the Bank's "Products and Services Governance".

The Bank also continued to tailor the documents highlighted and designed by BCE's Compliance Department to the Bank's needs and to update and approve standard documents such as the "Banking Product and Services Marketing Policy" or the Product Committee's own handbook.



The Product Committee met quarterly in line with its original schedule, except for the meeting planned for the first quarter, which was suspended due to the pandemic. There were also 25 sessions of the Permanent Committee to approve one-off measures that were subsequently ratified in a full Product Committee meeting. Overall, 87 product brochures and 6 other documents were approved and/or revised.

G. EQUALITY 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 comply 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 so that they incorporate quality variables.

- **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 points tested, each of which is given a weighting in the overall score are: physical aspects of the branch, speed, treatment, explanation of products, sales approach.

Due to the pandemic no mystery shopping was carried out during the first quarters of

the year. We resumed the method in the fourth quarter, looking at mortgages. The results were as follows:

| Caja Rural de Navarra | 2018 | 2019 | 2020 |
|-------------------------|-------|-------|-------|
| | 68.45 | 66.25 | 72.84 |
| Sales approach | 43.70 | 47.93 | 62.93 |
| Physical aspects | 92.16 | 96.91 | 98.46 |
| Explanation of products | 41.30 | 51.90 | 57.80 |
| Speed | 80.67 | 95.97 | 94.63 |
| Treatment | 84.44 | 95.14 | 95.43 |

Satisfaction/Recommendation questionnaire: the points tested and their weighting in the overall score are: emotional value = 20% service + 20% explanations + 20% documentation + 40% NPS recommendation.

Results 2020 and 2019:

| Point | Average score | |
|-------------------------|---------------|--------------|
| | Dec-19 | Dec-20 |
| Treatment received | 9.1 | 9.2 |
| Explanation of products | 8.9 | 9.1 |
| Documentation provided | 8.8 | 8.9 |
| NPS recommendation | 61% | 66% |
| Emotional value | 77.9% | 80.7% |

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.

H. 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 that meet the necessary requirements.

Caja Rural de Navarra signed up to the Royal Decree in March 2012 and has conducted 51 transactions since, all with people's usual residence posted as guarantee, for a total of EUR 5,478,401.10. In 2020, 8 mortgages on homes with usual residence guarantees were restructured for a total of EUR 786,565.80.

I. INVESTMENT FUND MARKETING SERVICES

In 2020, the Bank continued to improve service quality for our customers in the three types of investment service involved in selling funds. We are looking to continually improve all the actions that comprise an extra or better service for Caja Rural de Navarra customers.

The three services through which Bank customers can contract for investment funds are:

- "Non-independent Advisory service" This offers customer 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 client and offering our customers a way to judge the suitability of the investment



funds they have with us and decide whether they suit their investor profile, based on our continuous commitment to recommend the best product for them.

Also, in October 2020, we began offering our “Non-independent Advisory service” for the investment funds of international third-party managers. This advice* is available to private banking customers and, as with Gescooperativo’s funds advice*, we undertake to recommend to our customers only those investment funds that match their investor profile, following a suitability test. Also, once a year, these customers are offered a proposal to reassign their assets.

- “Discretionary Portfolio Management service” Customers delegate management of their financial assets to the Caja Rural de Navarra, following an assessment of their investment profile by the Bank’s professionals. They subsequently remain in permanent contact with the Bank so they can monitor their investments and make any changes to the instructions and limits set in the portfolio management contract.

- “Marketing or RTO service” Caja Rural de Navarra offers its customers a wide range of Investment Funds, including different options from prominent and respected third-party investment managers unrelated to Caja Rural de Navarra, which allow customers to invest in different markets through a diverse set of investment vehicles managed by international leaders in the sector. 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.

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

Transparency and Investor Protection.

In 2020, the Bank continued to progress its actions to improve transparency and investor protection. All the abovementioned investment services increased the amount of pre-contractual, contractual and post-contractual information provided to customers.

We believe that in the areas of improved service quality, transparency and investor protection during fund marketing, Caja Rural de Navarra achieves a high level of compliance with regulations in force matching that of the most compliant institutions the sector.

Improvements to the consultation and contracting of investment funds via digital channels..

Work on these improvements was already ongoing in previous years, but the arrival of Covid-19 accelerated the process. The result was a string of major improvements in this area, making it easier for our customers to contract and monitor investment products every day, with no need to visit a branch.

J. SOCIALLY RESPONSIBLE INVESTMENT

2020 marked some major milestones in Socially Responsible Investment (SRI). A number of different laws on Sustainable Finance are now in force or in the pipeline and will come into force over the next two years. Caja Rural de Navarra has analysed these new regulations and begun taking steps to correctly implement them in 2021 and 2022.



Meanwhile, for several years the Bank has been integrating a Socially Responsible Investment policy to its range of investment products and services. As a result:

- All but two Pension Plans on offer are managed according to SRI criteria.
- The Discretionary portfolio management service also offers customers a portfolio managed on SRI principles.
- Caja Rural de Navarra continued to offer this year, as part of its Investment Fund range, two funds run according to SRI

criteria: Rural Sostenible Conservador and Rural Sostenible Decidido. In the fourth quarter we added two new SRI funds: Rural Sostenible Moderado and Rural Rendimiento Sostenible. Rural Sostenible Moderado, besides following SRI criteria, is a solidarity fund – 2% of fees go to official non-profit organizations recognized by National and/or Autonomous Region authorities as having the following purposes: promotion of actions to combat poverty, integration of people at risk of social exclusion, improvement of the quality of life, environmental protection, cooperative care or other projects deemed to be of social benefit.

These four funds currently comprise Caja Rural de Navarra's sustainable fund range. We note that the range has made gains in both profits and assets under management. Indeed, at end-2020, the range held 15% of all assets under management by the Bank's investment funds.

Finally, Caja Rural de Navarra, in cooperation with Gescooperativo, decided to launch, during the first half of 2021, a new sustainable investment fund for customers with a higher-risk investment profile, which will complement the current sustainable fund range. This will also be a solidarity

fund. The Bank also continues to work to ensure that in the nearest possible future, a high percentage of the funds it sells promote and/or are managed according to socially responsible investment criteria.



4.2 PROFILE AND DISTRIBUTION OF CUSTOMERS

At 31 December 2020, Caja Rural de Navarra had a total of 609,948 customers. Of these 53,252 (8.73%) were classed as "Companies, institutions" and 556,696 (91.27%) were "Individuals".

The table below shows the breakdown by customer type:

| SEGMENT | Customers |
|---------------------------------------------|-----------|
| Individuals | 556,696 |
| Legal entities | 53,252 |
| COMPANIES | 42,583 |
| INSTITUTIONS | 10,390 |
| OTHER | 279 |
| TOTAL (individuals + legal entities) | 609,948 |

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 | 47.26% | 60.67% | 54.00% |
| Basque Country | 41.79% | 29.97% | 36.56% |
| La Rioja | 10.73% | 9.31% | 9.43% |
| Madrid | 0.22% | 0.05% | 0.01% |
| TOTAL | 100% | 100% | 100% |



4.3 DIALOGUE WITH CUSTOMERS

LISTENING AND PARTICIPATING IN SOCIAL NETWORKS

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

-  cajaruraldenavarra.com/atencion-cliente
-  blog.cajaruraldenavarra.com
-  Facebook Caja Rural de Navarra
-  Facebook Joven IN - CNR
-  Twitter Caja Rural de Navarra
-  Instagram Caja Rural de Navarra
-  Instagram Joven IN - CNR
-  youtube.com/CajaRuralNavarra
-  LinkedIn Caja Rural de Navarra

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 website.

In 2020, this Service received 2,059 complaints or claims. These were resolved as shown in the table below, which includes a comparison with the previous year.

RESOLUTION OF COMPLAINTS AND CLAIMS

| Form of resolution | 2020 | 2019 |
|--------------------------|-------------|-------------|
| Not accepted | 987 | 496 |
| Dismissed | 495 | 355 |
| Upheld in full | 378 | 318 |
| Upheld in part | 199 | 86 |
| Claims dealt with | 2059 | 1255 |

In contrast to 2019, claims and complaints rose during the year, mainly in December when there was a rush of complaints about "administration costs for mortgages" clauses. This was reflected in the total data as, although the percentages were unchanged, 395 more claims were received on this issue.

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 2020, no critical complaint or claim was identified as having to be reported up to the Board.

Every four months, there is a meeting of the Quality Committee, which is the forum used to review how complaints and claims were dealt with, identify possible risks, decide on criteria to apply and make appropriate recommendations. The Committee is attended by people from a range of departments.

We analyse a number of specific issues below:

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

The Customer Services Department received 34 claims for fraudulent use of payment media, 24 relating to credit or debit cards and 10 to fraudulent transfers via the digital banking service. 23 of these were ultimately resolved in the customers' favour. Two were not accepted as they failed to provide documentation supporting the substance of the claims and the lawyers could not provide evidence of their power of attorney. 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 2020, Caja Rural de Navarra was the subject of no complaints to the Bank of Spain 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 a suggestion regarding the information provided on credit card payments.

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

3. Publicity for products and services

No complaints were received in this section in 2020.

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

4. Breach of data protection rules

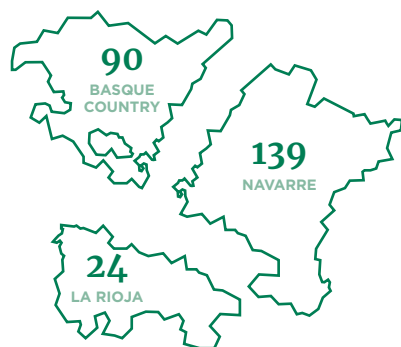
In 2020, the Bank dealt with 1,179 requests to delete personal data for marketing use. We received one complaint, which was not passed up to the Spanish Data Protection Agency (AEPD).

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

4.4 CUSTOMER RELATION CHANNELS

1. BRANCH NETWORK

The branch is the usual place for conducting relationships with the customer. Caja Rural de Navarra had 254 branches to serve its business at the end of 2020, distributed among the Autonomous Regions as follows (aside from the one in Madrid):



One new branch began serving customers of Caja Rural de Navarra during the year, in Álava province.

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. Its 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: 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 2020, we carried out such work on 2 branches.

2. PAYMENT MEDIA (CARDS, POS TERMINALS AND ATMS)

At the end of the year, the Bank had 321 ATMs, of which 299 were in branches and 22 elsewhere. It also had 23,269 PoS terminals in 20,802 stores and other businesses.

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 issued its first 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, telephone (telebanking), 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:



RÚVIA PAY

Provides mobile payment and free transfers of small sums via 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

2020 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 Report¹.

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 ESG rating awarded to Caja Rural de Navarra by Second-Party Opinion provider Sustainalytics in 2020 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 Framework² in its loan book which aims to develop financing lines that have a greater social and environmental impact on the regions where it 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 2020, in fact,

Caja Rural de Navarra SCC

Regional Banks Spain



ESG Risk Rating

12.9

-3.4

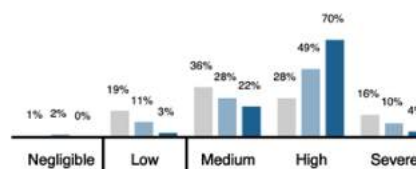
Low Risk

Updated Jan 8, 2021

Momentum



ESG Risk Rating Distribution



ESG Risk Rating Ranking

| UNIVERSE | RANK (1 st = lowest risk) | PERCENTILE (1 st = lowest risk) |
|-----------------|-----------------------------------------|-----------------------------------------------|
| Global Universe | 415/13513 | 4th |
| Banks | 36/1025 | 4th |
| INDUSTRY GROUP | | |
| Regional Banks | 2/419 | 1st |
| SUBINDUSTRY | | |

Caja Rural de Navarra revised the framework to incorporate the latest developments in sustainability, including bringing it into line with the most recent version of the EU's taxonomy of sustainable activities³ and with the United Nations Sustainable Development Goals (SDGs)⁴.

¹ <https://www.cajaruraldenavarra.com/es/informacion-inversores>

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

³ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

⁴ <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:

- Sustainable mortgage-backed covered bond: EUR500m 7yr Nov-16

<https://hypo.org/ecbc/press-release/covered-bond-label-enhances-transparency-sustainable-finance-caja-rural-de-navarra-receives-110th-label/>

- Sustainable senior bond:

EUR100m 5yr Jun-17

<https://sustainabonds.com/crn-reinforces-sustainable-shift-gets-label-senior-debut/>

- Sustainable mortgage covered bond:

EUR500m 7yr May-18

<https://sustainabonds.com/spain-positives-lift-enhanced-crn-sustainable-cedulas-to-heights/>

- 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).

The successive versions of the sustainability framework over the years have been overseen by consultancy Sustainalytics⁵ whose “Second-Party Opinion” report⁶ 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. This report is certified by a third party (in this case, certification consultancy Aenor⁷).

Sustainalytics has ratified that the Bank’s framework is aligned with the principles and objectives mentioned above, including the “Green Bond Principles”⁸ and “Social Bond Principles”⁹ 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)¹⁰ 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.



⁵ <https://www.sustainalytics.com/>

⁶ <https://www.cajaruraldenavarra.com/sites/default/files/2020-04/202003-SPO-Sustainalytics-Caja-Rural-Navarra.pdf>

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

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

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

¹⁰ <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 re-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



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 Label¹¹ 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 kitemark.



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





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-EEMI¹²: “Energy Efficient Mortgage Action Plan-Energy Efficient Mortgage Initiative”



ENERGY EFFICIENT MORTGAGE LABEL¹³



EEFIG¹⁴: “the European Commission Energy Efficiency Financial Institutions Group”

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

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

¹⁴ [https://ec.europa.eu/eefig/index_en#:~:text=The%20Energy%20Efficiency%20Financial%20Institutions%20Group%20\(EEFIG\)%20was%20established%20in,private%20finance%20to%20energy%20efficiency](https://ec.europa.eu/eefig/index_en#:~:text=The%20Energy%20Efficiency%20Financial%20Institutions%20Group%20(EEFIG)%20was%20established%20in,private%20finance%20to%20energy%20efficiency)

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

| 2020 | 2019 | 2018 | 2017 |
|---------------|---------------|---------------|---------------|
| 4,159,965,114 | 3,144,616,830 | 3,148,273,075 | 3,054,456,503 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|--------|--------|--------|--------|
| 52,064 | 43,608 | 44,121 | 39,356 |

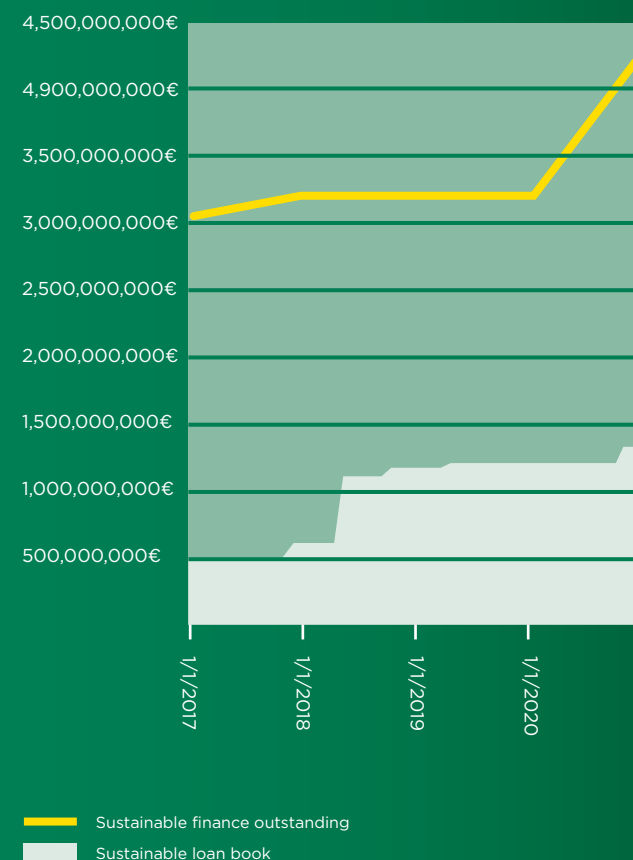
ASSIGNMENT OF CAJA RURAL DE NAVARRA'S SUSTAINABLE ASSETS AND LIABILITIES*

At 31 December 2020 the sustainable portfolio totalled EUR 4,100 million assigned as follows:

| SUSTAINABLE INVESTMENT | ASSETS | LIABILITIES | SUSTAINABLE FINANCE |
|------------------------------------|----------------------|----------------------|-----------------------------------------------|
| Sustainable farming | 108,416,712 | 500,000,000 | Mortgage covered bond CRUNAV 0.625 01/12/23 |
| Renewable energy | 30,455,873 | 100,000,000 | Senior bond CRUNAV Float 21/06/22 |
| Energy efficiency | 593,398,157 | 600,000,000 | Mortgage covered bond CRUNAV 0.875 08/05/2025 |
| Sustainable forestry | 1,274,623 | 40,000,000 | EIB loan to SMEs (2018) |
| Waste management | 21,627,406 | 10,000,000 | EIB climate change loan to SMEs (2018) |
| Social housing | 595,814,908 | 40,000,000 | EIB loan to SMEs (2019) |
| Social inclusion | 56,650,785 | - | - |
| Education | 26,747,946 | - | - |
| Economic inclusion | 2,725,578,705 | 2,869,965,114 | Unassigned sustainable portfolio |
| TOTAL SUSTAINABLE PORTFOLIO | 4,159,965,114 | 4,159,965,114 | MAXIMUM POTENTIAL SUSTAINABLE FINANCE |

* Figures are for sustainable lending made by Caja Rural de Navarra and outstanding at 31 December 2020.

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 36% since 2017, benefiting 52,064 people and companies in 2020.

The sustainable loans portfolio grew sharply in 2020, 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.

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.



2020 | 26,747,946 €

2019 | 24,028,003 €

2018 | -

2017 | -

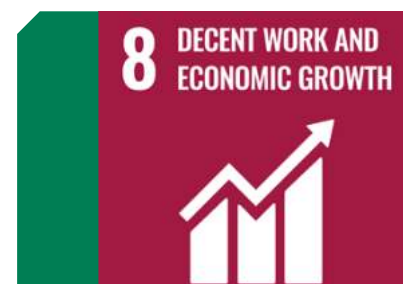


2020 | 623,854,030 €

2019 | 504,305,151 €

2018 | 482,853,903 €

2017 | 281,168,595 €



2020 | 2,725,578,704 €

2019 | 1,777,932,762 €

2018 | -

2017 | -



2020 | 56,650,785 €

2019 | 50,888,474 €

2018 | -

2017 | -





2020 | 595,814,908 €

2019 | 628,560,131 €

2018 | 2,533,004,109 €

2017 | 2,685,353,502 €



2020 | 130,044,118 €

2019 | 157,603,620 €

2018 | 132,415,063 €

2017 | 87,934,406 €

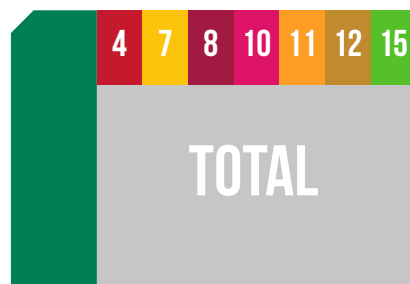


2020 | 1,274,624 €

2019 | 1,298,688 €

2018 | -

2017 | -



2020 | 4,159,965,114 €

2019 | 3,144,616,831 €

2018 | 3,148,273,076 €

2017 | 3,054,456,504 €



BREAKDOWN OF SUSTAINABILITY LINES¹⁵

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



12.2

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

1.1. SUSTAINABLE FARMING

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 2020 the current sustainable farming line totals EUR 108.4 million, spread across 1,653 loans to 1,265 borrowers.

Sustainable farming loans:

| LOANS OUTSTANDING (MILLIONS OF EUROS) | | | | |
|---------------------------------------|-------|-------|------|--|
| 2020 | 2019 | 2018 | 2017 | |
| 108.4 | 134.7 | 103.3 | 69.9 | |
| NUMBER OF LOANS | | | | |
| 2020 | 2019 | 2018 | 2017 | |
| 1,653 | 1,688 | 1,220 | 808 | |
| NUMBER OF BORROWERS | | | | |
| 2020 | 2019 | 2018 | 2017 | |
| 1,265 | 1,284 | 963 | 671 | |

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 went to young farmers under 40. Another 26.74% 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 this, 17.82% of loans from the sustainable farming line have European ecological certification for organic production.



¹⁵ 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.



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 | 30.8% |
| Improved agricultural transportation (energy efficiency) | 13.6% |
| Irrigation and improved watering systems (energy efficiency and reduction of CO ₂ emissions) | 6.4% |
| Construction and upgrade of buildings and greenhouses | 15.8% |
| Financial support for adverse weather conditions | 2.1% |
| Investments under European rural development plans | 3.0% |
| New farmer start-ups | 11.0% |
| Other | 17.4% |



ékolo
productos ecológicos



CASE STUDY

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

[> Ekolo](#) 

[> Video caso práctico Ekolo](#) 

7 AFFORDABLE AND CLEAN ENERGY



7.2

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

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. Based on an analysis of information collected, we calculate that the total sustainable energy credit line amounted to EUR 30.4 million at 31 December 2020, spread across 68 loan transactions to 49 borrowers.

Renewable energy key figures: *(to the right of this text)*

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 24.9 million

Number of loans: 43

- **Builders of renewable energy plants.**

Loans outstanding: EUR 5.5 million

Número de préstamos: 25



LOANS OUTSTANDING (MILLIONS OF EUROS)

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 30.4 | 40.5 | 39.7 | 29.4 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 68 | 87 | 80 | 71 |


NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 49 | 53 | 57 | 52 |



CASE STUDY

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

[> Grupo Enhol](#) 

**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 2020 the current loan book for these purposes totalled EUR 593.4 million, spread across 4,575 loans to 3,892 borrowers.

Energy efficiency key figures: [\(to the right of this text\)](#)

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

- **Fleet renewal:** less polluting vehicles, emission reductions.
Loans outstanding: EUR 33.2 million
Number of loans: 905
- **Modernization of industrial facilities to reduce their environmental footprint, improving insulation and reducing CO₂ emissions).**
Loans outstanding: EUR 64.9 million
Number of loans: 81

**LOANS OUTSTANDING (MILLIONS OF EUROS)**

| 2020 | 2019 | 2018 | 2017 |
|-------|-------|------|-------|
| 593.4 | 463.7 | 443 | 251.6 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|-------|-------|-------|-------|
| 4,575 | 3,968 | 3,711 | 2,132 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|-------|-------|-------|-------|
| 3,892 | 3,086 | 3,024 | 1,537 |

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

Loans outstanding: EUR 54.9 million

Number of loans: 133

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

Loans outstanding: EUR 16.2 million

Number of loans: 100

- **Renewal of transport fleets:**

Loans outstanding: EUR 4.8 million

Number of loans: 71

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

Loans outstanding: EUR 2 million

Number of loans: 3

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

Loans outstanding: More than EUR 185,964

Number of loans: 1

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

Loans outstanding: More than EUR 445,238

Number of loans: 2

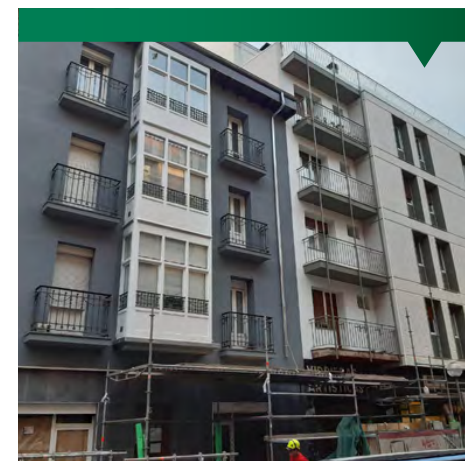
- **Energy efficient homes:**

Loans outstanding: EUR 416.4 million

Number of loans: 3,279

Caja Rural de Navarra's energy efficiency framework included 3,279 outstanding loans at 31 December 2020 financing the purchase or renovation of buildings. Together, these CRN-financed energy-efficient buildings¹⁶ save 17,672 tonnes/year compared to the average home in Spain¹⁷.

This section includes financing for the European SmartEnCity¹⁸ 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 CO₂. 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.



New façades in Aldave Street 5 and 7 (Vitoria-Gasteiz)

Source: **VISEA**

smar+
en
ci+y

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.

[> proyecto smart-en-city](https://proyecto-smart-en-city)

¹⁶ Eligible energy-efficient homes are defined as purchased residences (buildings, apartments, family homes) with energy efficiency scores in the top 15%. CRN's sustainability framework is more demanding as it only includes purchased homes with an A or B energy rating. It also includes home renovation loans that deliver at least a 30% energy efficiency saving.

¹⁷ Assuming a 90 m² newbuild apartment (in apartment block) with annual emissions of 69.80 kg CO₂ eq/m² compared to the average emissions of existing Spanish properties.

¹⁸ https://smartencity.eu/news/detail/?rx_call=238

**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.

4. 4. SUSTAINABLE FORESTRY

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 1.3 million in 2020, spread across 4 loan transactions to 3 borrowers.

Sustainable forestry key figures:

(to the right of this text)

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

¹⁹ <https://www.pefc.org/>

**LOANS OUTSTANDING (MILLIONS OF EUROS)**

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 1.2 | 1.2 | 3.2 | 2.1 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 4 | 4 | 8 | 6 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 3 | 3 | 5 | 4 |



**CASE STUDY**

Caja Rural de Navarra supports the company with capital equipment loans.

[> egoin](#) 

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



12.2

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

5. WASTE MANAGEMENT

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 21.6 million at 31 December 2020, spread across 67 loans to 33 borrowers as follows: [\(to the right of this text\)](#)

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 12.6 million

Number of loans: 35

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

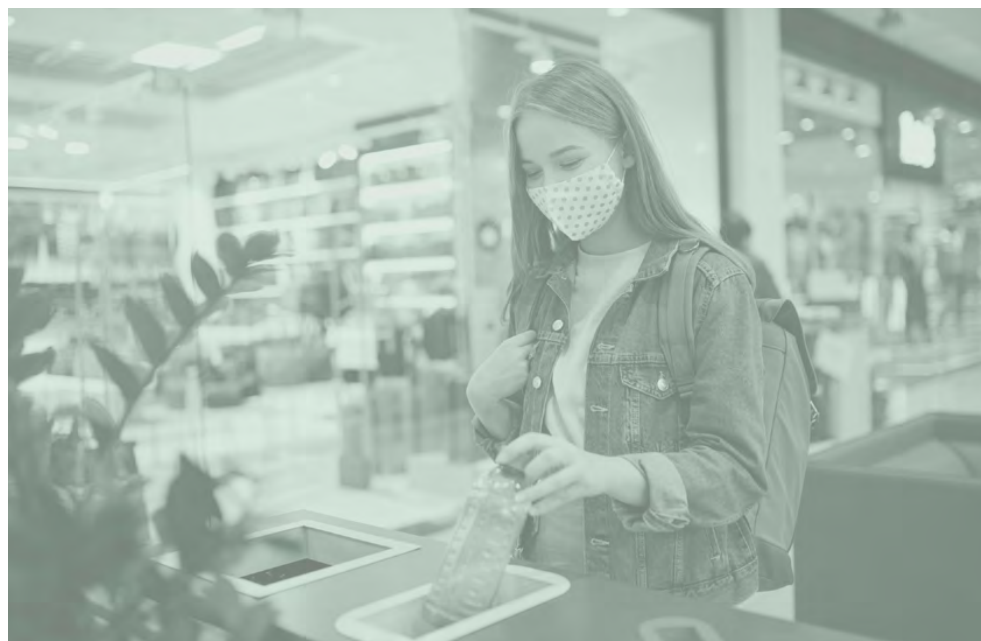
Loans outstanding: EUR 3.2 million

Number of loans: 18

- **Clean-up of waste.**

Loans outstanding: EUR 5.6 million

Number of loans: 14



LOANS OUTSTANDING (MILLIONS OF EUROS)

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 21.6 | 22.8 | 25.8 | 15.8 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 67 | 70 | 74 | 46 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 33 | 42 | 51 | 32 |




trasa



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
(Tratamiento de Subproductos Agroalimentarios S.L.)

[> trasa](#) 

11 SUSTAINABLE CITIES
AND COMMUNITIES

11.1

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

6. SOCIAL HOUSING

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.


LOANS OUTSTANDING (MILLIONS OF EUROS)

| 2020 | 2019 | 2018 | 2017 |
|-------|------|------|------|
| 595.8 | 628 | 644 | 723 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|-------|-------|-------|-------|
| 7,047 | 7,165 | 7,127 | 8,178 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|-------|-------|-------|-------|
| 6,827 | 6,930 | 6,882 | 7,742 |

KEY INDICATORS REPORT:
A. First, the basic figures are:

Total investment of EUR 595.8 million.

Spread across 7,047 loans.

To 6,827 borrowers, of whom: 6,779 are individuals and 48 are legal entities.

Lending history: [\(to the left of this text\)](#).

B. Regarding the **current status** of these loans, only 2.0% 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.



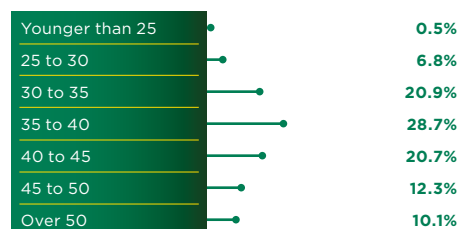
C. Regarding the **distribution of these loans**:

• 99.30% were to individuals (of which 38.6% had two or more signatories and 61.4% had a single signatory).

• 0.7% were to legal entities.

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

AGE



More than 28% 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 10% of loans were to people over 50 who, due to various life circumstances, need a home later on in their lives.

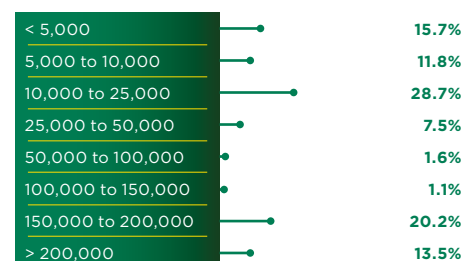
E. The conclusions of the first paragraph above are confirmed by analysis of the **number of children** of those taking out these loans. Nearly 70% have no children at the time they sign the mortgage.

NUMBER OF CHILDREN



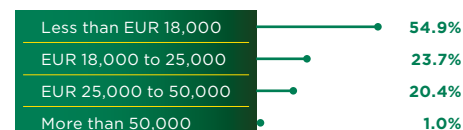
F. Also, data collected means we can show (see table below) that more than 55% of loans granted were in towns with a population of less than 25,000 **residents** with just over 15% going to **villages** of less than 5,000 inhabitants, helping sustain small populations and counter the risk of rural depopulation.

POP. PER TOWN/VILLAGE



G. Finally, the table below shows the **average income per person** in the family unit taking out the mortgage. More than 54% 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



ADDITIONAL INFORMATION ON OFFICIAL REQUIREMENTS

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



**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.

7. SOCIAL INCLUSION

Caja Rural de Navarra has a special relationship with bodies working for social and economic integration and social and economic development in the areas where it is active.

The Covid-19 pandemic struck particularly hard at vulnerable communities, such as older people, the unemployed, immigrants or those at risk of social exclusion.

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 (physical or mental). These organizations run training and rehabilitation centres as well as special employment centres to support people into work. Caja Rural de Navarra devotes EUR 6.4 million to this financing line, which allows 13 organizations to do their work managing Special Employment Centres, residential facilities and day centres. Together they provide training and rehabilitation services to more than 7,000 people and employ 6,000 people, supporting a good proportion of people with disabilities in Navarre, the Basque Country and La Rioja.

**INCLUSION**

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 7.6 million in financing to support 28 social organizations supporting the social inclusion of more than 3,000 people.

**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 25.1 million to fund 49 bodies helping more than 100,000 people of all ages.

**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 5 residential homes that look after more than 250 elderly people. Total financing for this segment is EUR 3.4 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 35 professional associations whose membership includes more than 3,000 professionals and organizations from various sectors of the economy.

**CULTURE**

Caja Rural de Navarra also provides EUR 10 million of funding for investments designed to foster social integration through culture. The money goes to 123 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.



Based on an analysis of information collected, we calculate that the current loan book for these purposes totals EUR 56.4 million, spread across 253 loans, as follows:

| LOANS OUTSTANDING (MILLIONS OF EUROS) | | | |
|---------------------------------------|------|------|------|
| 2020 | 2019 | 2018 | 2017 |
| 56.6 | 50.8 | 50.3 | 42 |
| NUMBER OF LOANS | | | |
| 2020 | 2019 | 2018 | 2017 |
| 344 | 344 | 489 | 379 |
| NUMBER OF BORROWERS | | | |
| 2020 | 2019 | 2018 | 2017 |
| 253 | 257 | 280 | 257 |





CASE STUDY

[> Eco-integra](#) 

The link below presents a real-life example of a loan granted by Caja Rural de Navarra to support a social integration, recycling and circular economy project with a company whose corporate purpose is to recycle electronic and electrical waste.

[> Video caso práctico- Eco-integra](#) 

4 QUALITY 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.

8. EDUCATION

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:



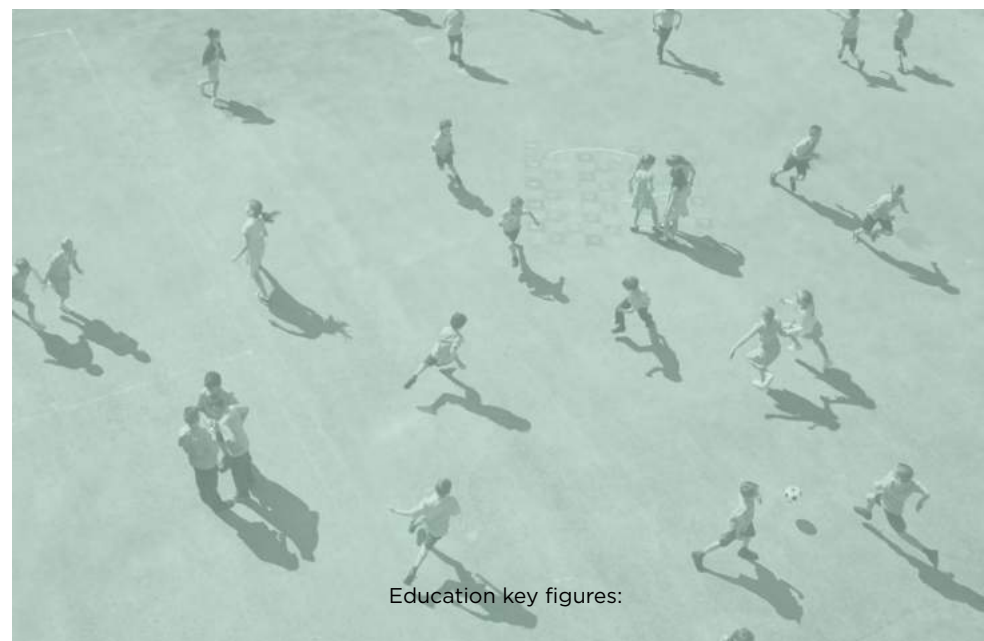
FINANCING INVESTMENTS

new buildings, new equipment and other infrastructure (sports, cultural, etc.). Caja Rural de Navarra currently has EUR 26.7 million committed to financing investments by 60 training centres with more than 35,000 students between them.



INTERNATIONAL SCHOLARSHIPS

for university students and professional training. This provides financial support for students wanting to study for some time in educational institutions or companies abroad so that none is prevented from doing so through lack of money. Despite the drastic mobility constraints imposed because of Covid-19, this form of support continued helping 277 students (244 at the Public University of Navarra, 20 Erasmus Plus and 13 Scholarships to the University of Navarra).



Education key figures:

LOANS OUTSTANDING (MILLIONS OF EUROS)

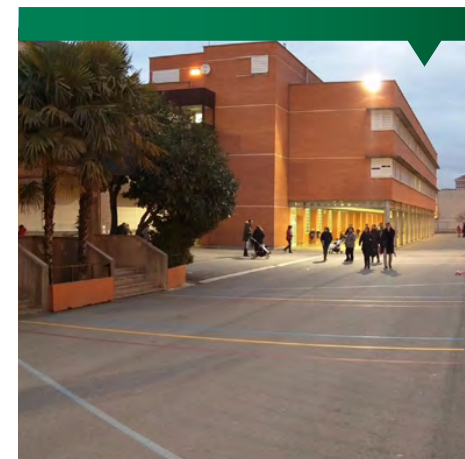
| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 26.7 | 24 | 27.9 | 23.2 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 105 | 92 | 207 | 166 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|------|------|------|------|
| 60 | 58 | 88 | 81 |



CASE STUDY

Caja Rural de Navarra supports this educational institution in financing its energy efficiency project.

Pedagógica San Prudencio Sdad. Coop. Ltda.

[> Colegio San Prudencio](#) 

8 DECENT WORK AND
ECONOMIC GROWTH

8.3

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

9. ECONOMIC INCLUSION

The Covid-19 pandemic took a heavy toll on the economic fabric of the regions where Caja Rural de Navarra operates in 2020. 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 808 million in loans to 5,043 companies and self-employed²⁰.

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 60,233 loans with a total amount of EUR 1,725.8 million spread across 51,897 borrowers.

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.


LOANS OUTSTANDING (MILLIONS OF EUROS)

| 2020 | 2019 | 2018 | 2017 |
|---------|---------|---------|---------|
| 2,725.5 | 1,777.9 | 1,810.7 | 1,896.8 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|--------|--------|--------|--------|
| 46,370 | 37,329 | 38,274 | 34,556 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|--------|--------|--------|--------|
| 39,682 | 31,895 | 32,771 | 28,980 |

²⁰ Data includes financing to all classes of company

²¹ Commission Regulation (EU) 651/2014

B Loans to **ENTREPRENEURS**.

C Loans to **SMEs** as defined by the European Union²¹.

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

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 384.9 million, consisting of 31,861 loans to 29,191 borrowers.

“Small loans” over the last four years:



LOANS OUTSTANDING (MILLIONS OF EUROS)

| 2020 | 2019 | 2018 | 2017 |
|--------|-------|-------|-------|
| 406.54 | 376.5 | 598.2 | 676.9 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|--------|--------|--------|--------|
| 32,718 | 30,302 | 33,556 | 30,796 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|--------|--------|--------|--------|
| 29,191 | 27,054 | 29,480 | 26,775 |

As a result this is a highly diversified line comprising many loans with an average amount of EUR 12,083, reaching a great many people, particularly in rural areas and small population clusters. Specifically, 69% of financing in this segment goes to populations at risk of financial exclusion.



B ENTREPRENEURSHIP

Caja Rural de Navarra has a special line supporting entrepreneurial projects, which has been running 14 years since 2007. Over this time, we have striven to ensure viable projects can get the finance they need and over time bear fruit as real businesses rooted in the region and generating stable jobs. The pandemic makes it all the more important to support viable enterprises with a clear aim: to make sure no viable project is excluded from the market because of problems raising finance.

The projects supported all share certain features which make them suitable for funding: entrepreneurs with years of experience in the sector where they are mounting their business, a good understanding of the business and strong commitment to the everyday running of the business.

Despite the difficulties of 2020, 156 projects saw the light of day under the Línea Inicia funding scheme, generating 284 direct jobs. As in previous years, we are committed to maintaining co-working agreements with bodies supporting entrepreneurship in Caja Rural de Navarra's regions of operation, such as universities and local institutions involved in the promotion of jobs and entrepreneurship. These basic institutions are often a great help to entrepreneurs in the early stages of their projects and in supporting them as their businesses grow.

We are well aware that unemployment is set to spike in the near future and some companies and self-employed professionals are likely to encounter difficulties. Even so, Caja Rural de Navarra is maintaining its commitment to support entrepreneurial projects and is open to new proposals going forward, based on new business models and often in sectors that face total transformation in coming years.

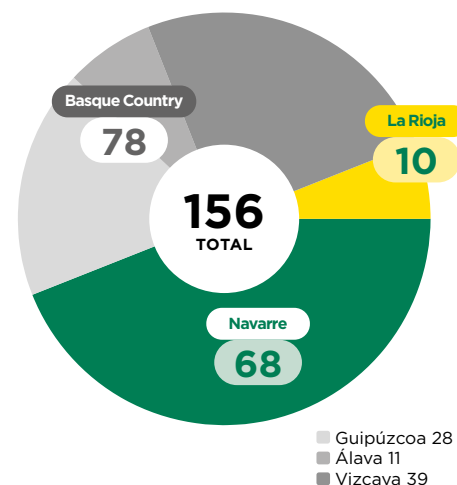
Over its 14 years of activity, the Línea Inicia scheme for entrepreneurs has backed 2,109 new businesses, which have directly generated 3,589 jobs (an average of 1.82 per project if we only count the partners).

In 2020, we financed 156 new projects:

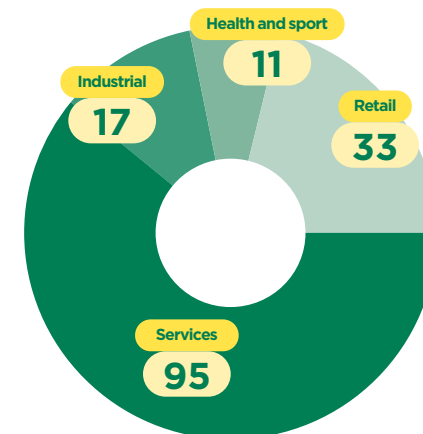
AVERAGE AGE OF PROJECT PARTNERS IN 2020

38.84 years

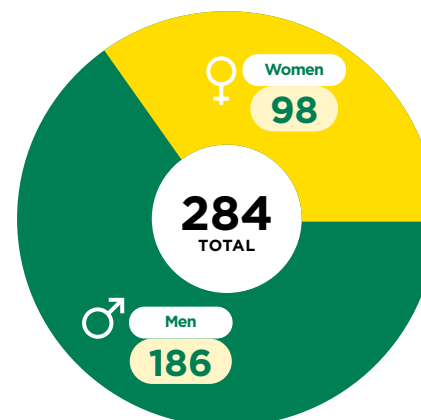
LOCATION OF PROJECTS



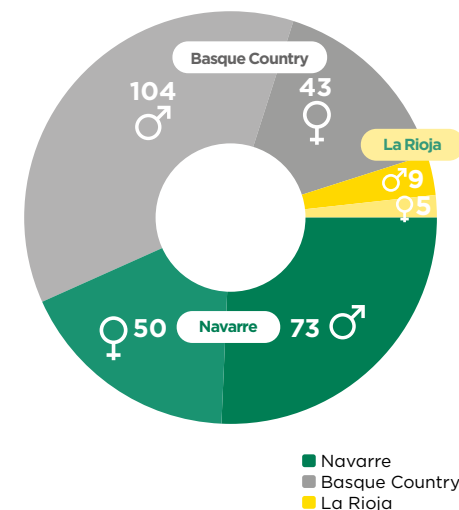
DISTRIBUTION BY SECTOR

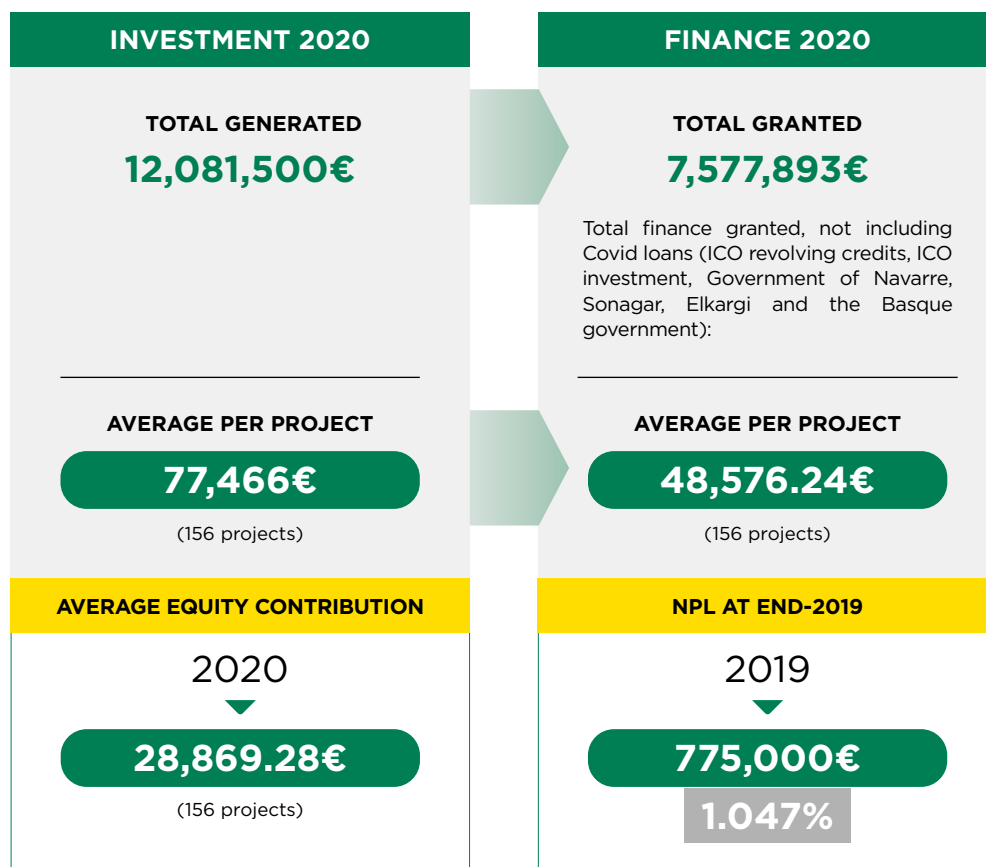


GENDER OF PARTNERS



GEOGRAPHICAL DISTRIBUTION OF PARTNERS





Loans outstanding under the line at year-end were EUR 62.6 million, spread over 1,355 loans to 982 borrowers.



| PROJECTS SUPPORTED | | | | |
|--------------------|------|------|------|------|
| 2015 | 2016 | 2017 | 2018 | 2018 |
| 185 | 195 | 197 | 220 | 228 |
| DISCONTINUED | | | | |
| 2015 | 2016 | 2017 | 2018 | 2018 |
| 78 | 76 | 46 | 31 | 17 |
| SURVIVAL RATE (%) | | | | |
| 2015 | 2016 | 2017 | 2018 | 2018 |
| 58% | 61% | 77% | 86% | 93% |

C FINANCING SMES

The basic data for this item show an accumulated amount of EUR 1,448 million, with 6,572 loans to 4,466 borrowers, including special Covid financing.

Financing SMEs – key figures:



LOANS OUTSTANDING (MILLIONS OF EUROS)

| 2020 | 2019 | 2018 | 2017 |
|---------|---------|---------|-------|
| 1,448.4 | 1,344.4 | 1,159.7 | 1,179 |

NUMBER OF LOANS

| 2020 | 2019 | 2018 | 2017 |
|-------|-------|-------|-------|
| 6,572 | 5,775 | 4,539 | 3,759 |

NUMBER OF BORROWERS

| 2020 | 2019 | 2018 | 2017 |
|-------|-------|-------|-------|
| 4,466 | 3,914 | 3,221 | 2,549 |

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

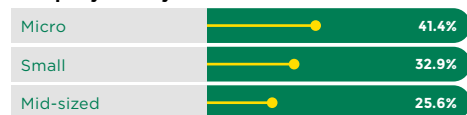
1. Regarding the **current state** of these loans, 2.0% of the total amount is more than 90 days in arrears. This is a good figure given the average for the financial sector.

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:

| MICRO-ENTERPRISE | |
|-------------------|----------------------|
| Headcount | Up to 10 |
| Revenue | Up to EUR 2 million |
| Assets | Up to EUR 2 million |
| SME | |
| Headcount | 10-49 |
| Revenue | Up to EUR 10 million |
| Assets | Up to EUR 10 million |
| MID-SIZED COMPANY | |
| Headcount | 49-249 |
| Revenue | Up to EUR 50 million |
| Assets | Up to EUR 43 million |
| LARGE COMPANY | |
| Headcount | More than 250 |
| Revenue | ver EUR 50 million |
| Assets | Over EUR 43 million |

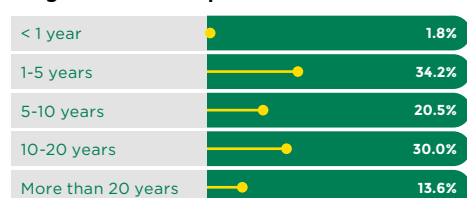
The table below shows that more than 77% of financing in this category went to micro-enterprises (48.9%) and small companies (28.2%), underlining the penetration and the Bank's concern to maintain the local business network.

Company size by amount lent



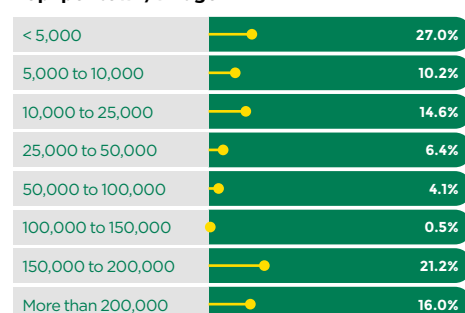
3. Caja Rural de Navarra has always supported SMEs, building up the essential business fabric for the regions to develop and remain competitive in their production. This is evidenced by the fact that over 40% of **companies have been loyal** customers of the Bank for more than 10 years. In addition, the Bank continues to support new companies. More than 5.6% of companies initiated their relationship with the Bank in the last year.

Length of relationship with CRN



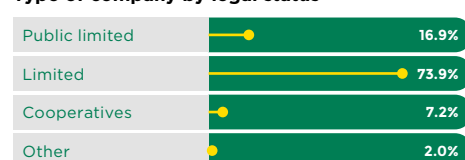
4. The Bank's involvement in rural development is an important strand of its work. Nearly 38% of sums lent went to companies based in **populations** of less than 10,000 people, which means the scheme is not only developing the local economy but also reinforcing the social fabric in rural zones.

Pop. per town/village



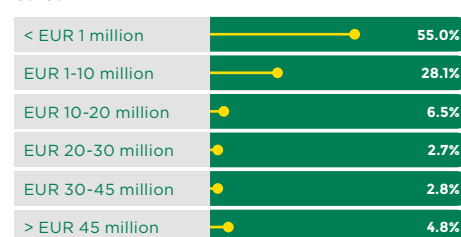
5. Also, regarding **type of customer**, figures show that most are limited companies (consistent with the points made above) and more than 7.0% are cooperatives (mostly in the primary sector), figures in line with our origins as a cooperative credit institution and business philosophy.

Type of company by legal status

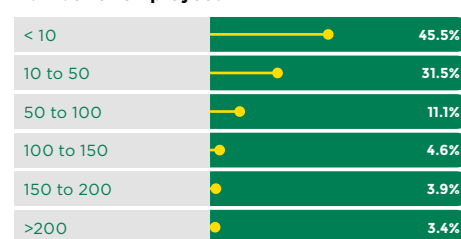


6. For a deeper analysis of the real state of companies we have financed under this line, we attach two tables showing **sales** and **number of employees** in each:

Sales



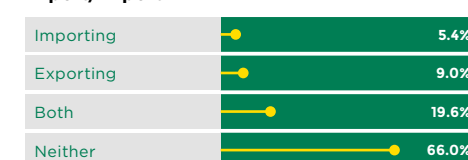
Number of employees



These two tables show the small scale of most companies financed by this line. More than 83% of funds went to firms with turnover of less than EUR 10 million and more than 77% 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 26. The line also helped retain 79,300 jobs in the Autonomous Regions where the Bank is present.

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 34% of the companies we finance through this line.

Export/import



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

| | |
|------------------------------------------------|-------|
| Agriculture. livestock. forestry and fisheries | 4.3% |
| Manufacturing | 35.5% |
| Construction | 23.1% |
| Transport and warehousing | 3.9% |
| Hospitality | 5.9% |
| Property | 8.7% |
| Professionals. scientific and technical | 8.5% |
| Administration and auxiliary services | 5.9% |
| Other | 4.2% |

**D. 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 2020 totalled

EUR 808 million

supporting

5,043 companies

with

5,725 loans

The firms and the self-employed who applied for CRN finance from these Covid lines had, based on latest available data, a total of 89,345 workers, indicating the massive positive impact of this action to mitigate the pandemic's impact and sustain household income among the community.

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 HARRASMENT AND AGAINST ANY KIND OF DISCRIMINATIONA

5.13 PREVENTING WORK RELATING RISKS

5.14 HUMAN RIGHTS

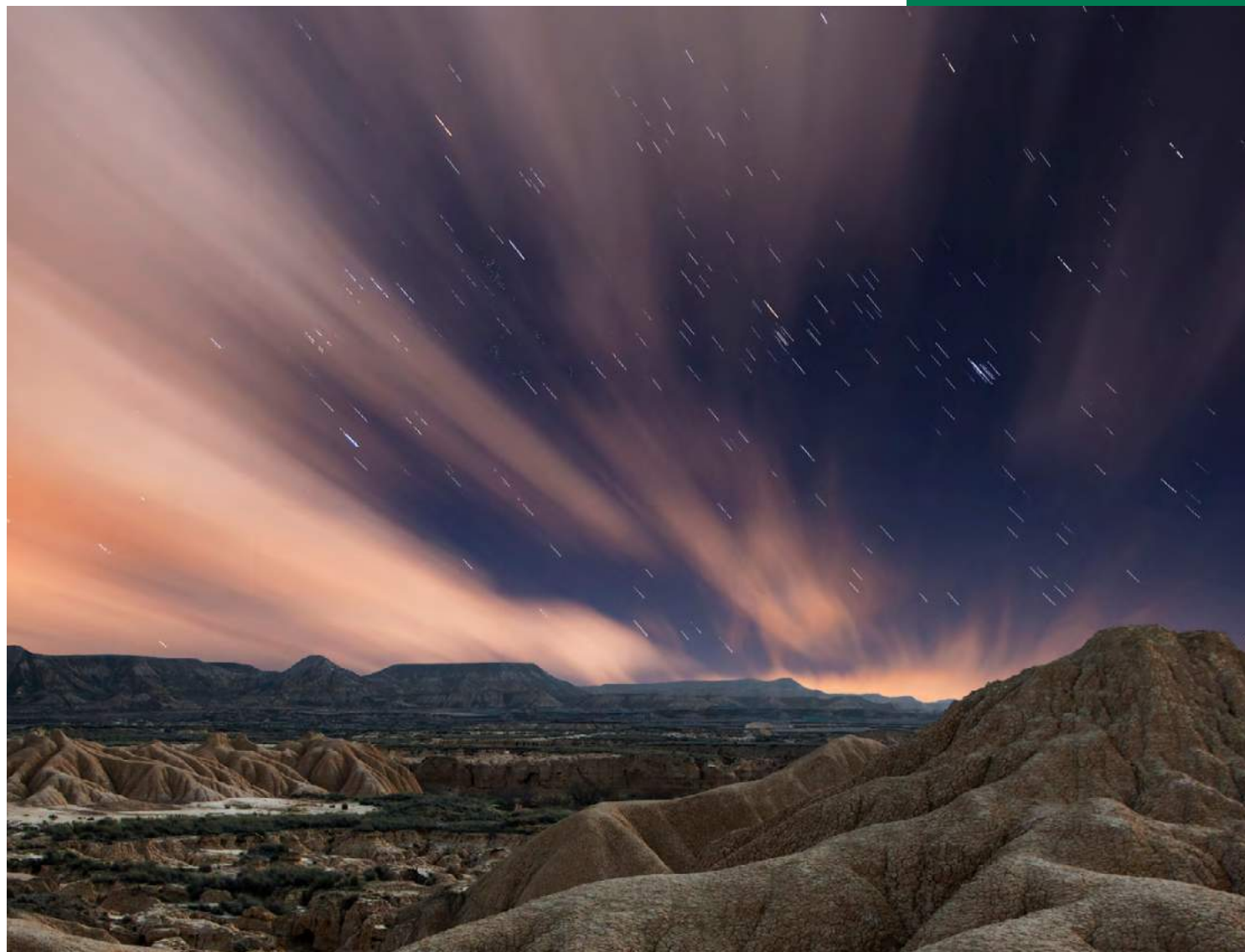


5.1 THE TEAM

At Caja Rural de Navarra, we are convinced that the people who comprise our staff are the engine of the Bank and our key competitive advantage. The value our employees deliver is the Bank's raison d'être and what really makes the difference. By value we mean both the value the Bank delivers for customers and hence the community, and what the employees contribute to each other, creating an enriching working environment that encourages team development in a generationally diverse workforce.

Working for Caja Rural de Navarra means having strong values, including close relationships with people, commitment to the environment and socially responsible business practice. These values came to the fore in 2020. All branches stayed open through the pandemic, even during the general lockdown, continuing to offer service throughout and giving practical expression to our objective of staying close to our community.

These circumstances, coupled with the ongoing digital transformation of the banking industry, encouraged a faster take-up of digital skills among the staff, which are essential to run our business through digital media but without sacrificing our essence, proximity.



5.2 DISTRIBUTION OF STAFF AND TYPES OF CONTRACT

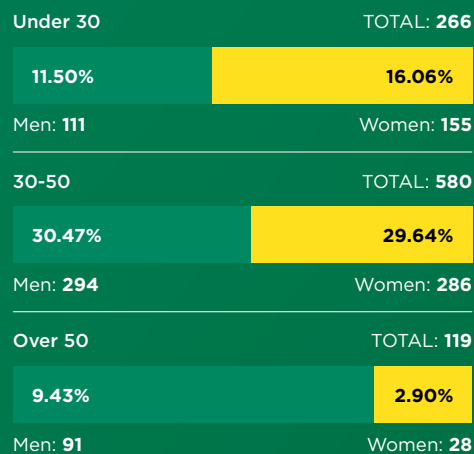
2018 TOTAL EMPLOYEES

965

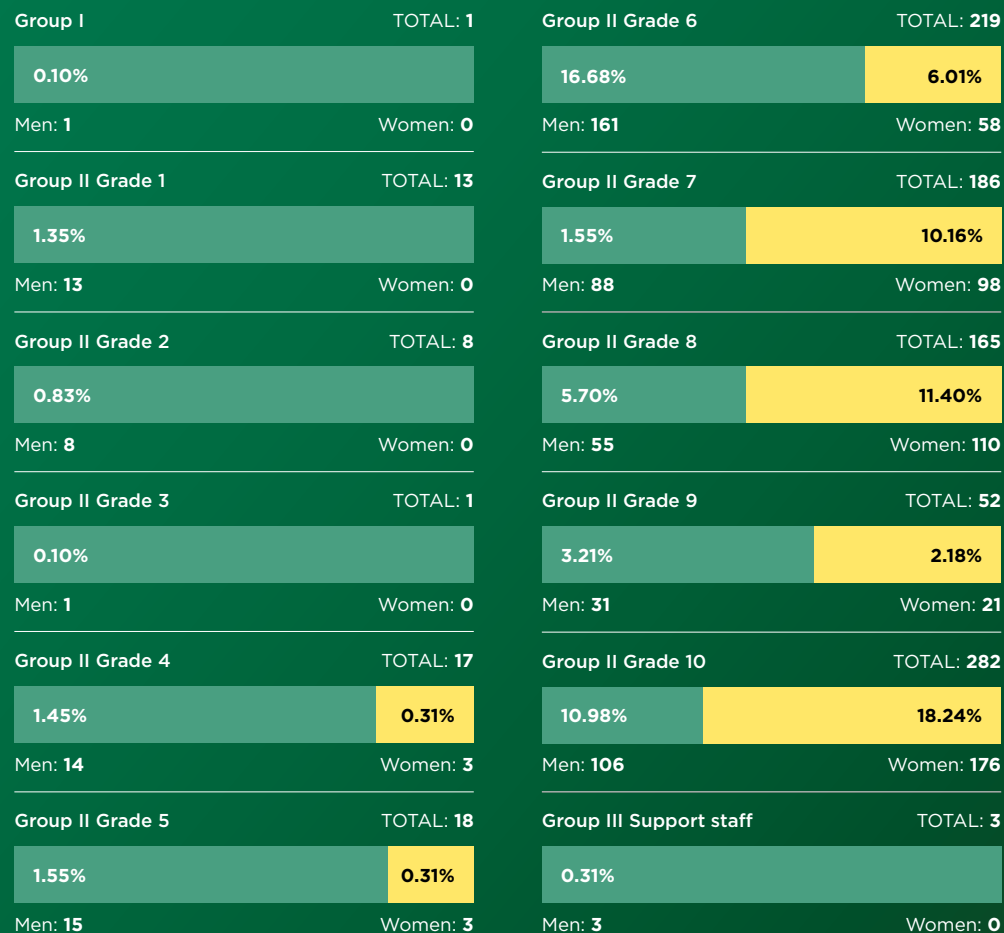
> BY SEX



> BY AGE



> PROFESSIONAL CLASSIFICATION



2019 TOTAL EMPLOYEES

963

> BY SEX

52%

48%

Men
498Women
465

> BY AGE

Under 30

TOTAL: 264

11.84%

15.58%

Men: 114

Women: 150

30-50

TOTAL: 583

30.74%

29.80%

Men: 296

Women: 287

Over 50

TOTAL: 116

9.14%

2.91%

Men: 88

Women: 28

> PROFESSIONAL CLASSIFICATION

Grupo I

TOTAL: 1

0.10%

Men: 1

Women: 0

Grupo II Grade 1

TOTAL: 11

1.14%

Men: 11

Women: 0

Grupo II Grade 2

TOTAL: 8

0.83%

Men: 8

Women: 0

Grupo II Grade 3

TOTAL: 1

0.10%

Men: 1

Women: 0

Grupo II Grade 4

TOTAL: 15

1.25%

0.31%

Men: 12

Women: 3

Grupo II Grade 5

TOTAL: 18

1.56%

0.31%

Men: 15

Women: 3

Grupo II Grade 6

TOTAL: 225

17.03%

6.33%

Men: 164

Women: 61

Grupo II Grade 7

TOTAL: 206

9.14%

12.25%

Men: 88

Women: 118

Grupo II Grade 8

TOTAL: 135

5.19%

8.83%

Men: 50

Women: 85

Grupo II Grade 9

TOTAL: 51

3.01%

2.28%

Men: 29

Women: 22

Grupo II Grade 10

TOTAL: 289

12.05%

17.96%

Men: 116

Women: 173

Grupo III Support staff

TOTAL: 3

0.31%

Men: 3

Women: 0

2020 TOTAL EMPLOYEES

948

> BY SEX

52%

48%

Men
496Women
452

> BY AGE

Under 30

TOTAL: 262

12.03%

15.61%

Men: 114

Women: 148

30-50

TOTAL: 573

31.22%

29.22%

Men: 296

Women: 277

Over 50

TOTAL: 113

9.07%

2.85%

Men: 86

Women: 27

> PROFESSIONAL CLASSIFICATION

Group I

TOTAL: 1

0.11%

Men: 1

Women: 0

Group II Grade 1

TOTAL: 10

1.05%

Men: 10

Women: 0

Group II Grade 2

TOTAL: 8

0.84%

Men: 8

Women: 0

Group II Grade 3

TOTAL: 1

0.11%

Men: 1

Women: 0

Group II Grade 4

TOTAL: 13

1.05%

0.32%

Men: 10

Women: 3

Group II Grade 5

TOTAL: 18

1.58%

0.32%

Men: 15

Women: 3

Group II Grade 6

TOTAL: 224

17.19%

6.43%

Men: 163

Women: 61

Group II Grade 7

TOTAL: 238

10.44%

14.66%

Men: 99

Women: 139

Group II Grade 8

TOTAL: 102

4.22%

6.54%

Men: 40

Women: 62

Group II Grade 9

TOTAL: 75

3.69%

4.22%

Men: 35

Women: 40

Group II Grade 10

TOTAL: 255

11.71%

15.19%

Men: 111

Women: 144

Group III Support staff

TOTAL: 3

0.32%

Men: 3

Women: 0



5.2.1 TOTAL HEADCOUNT AND BREAKDOWN BY SEX, AGE, COUNTRY AND PROFESSIONAL CLASSIFICATION

Professional classification has three groups: Group I is the Managing Director, who prepares for and works with the Governing Board in its decision-making when defining and proposing the business strategy, drawing up the Annual Operating Plan, setting targets for the income statement and expansion of the Bank and monitoring budgets.

Group II is administrative and management personnel. This group involves heads of department and other executives responsible for carrying through the day-to-day business in the different areas. Group III, support staff, includes employees doing tasks that are not specifically related to banking but are support roles, such as qualified staff drivers and maintenance personnel.

Group II is divided into a number of pay grades. There are 10 pay grades for different functions within the same group. In addition to these 10 grades there are two starting grades, first-year entry and second-year entry. There is a professional promotion system within the Group II grades that means workers pass from grade 10 to 9, 9 to 8 and 8 to 7, and in the case of managers from 7 to 6 based on time served and the completion of commercial tasks.

5.2.2. TOTAL HEADCOUNT AND BREAKDOWN BY TYPE OF EMPLOYMENT CONTRACT

2018 TOTAL EMPLOYEES

965

2019 TOTAL EMPLOYEES

963

2020 TOTAL EMPLOYEES

948

1. TYPE OF CONTRACT

| Contract code: | Description | Employees | % total |
|----------------|--------------------------------------------|------------|---------|
| 001 | Permanent (full-time) | 720 | 74.61% |
| 200 | Permanent (part-time) | 0 | 0.00% |
| 401 | Specific task or service (full-time) | 5 | 0.52% |
| 402 | Production contingencies (full-time) | 53 | 5.49% |
| 502 | Production contingencies (part-time) | 1 | 0.10% |
| 410 | Temporary replacement contract (full-time) | 22 | 2.28% |
| 420 | Work experience (full-time) | 163 | 16.89% |
| 520 | Work experience (part-time) | 1 | 0.10% |
| Total | | 965 | 100.00% |

1. TYPE OF CONTRACT

| Contract code: | Description | Employees | % total |
|----------------|--------------------------------------------|------------|---------|
| 001 | Permanent (full-time) | 733 | 76.12% |
| 200 | Permanent (part-time) | 2 | 0.21% |
| 401 | Specific task or service (full-time) | 5 | 0.52% |
| 402 | Production contingencies (full-time) | 51 | 5.30% |
| 502 | Production contingencies (part-time) | 1 | 0.10% |
| 410 | Temporary replacement contract (full-time) | 16 | 1.66% |
| 420 | Work experience (full-time) | 154 | 15.99% |
| 520 | Work experience (part-time) | 1 | 0.10% |
| Total | | 963 | 100.00% |

1. TYPE OF CONTRACT

| Contract code: | Description | Employees | % total |
|----------------|--------------------------------------------|------------|---------|
| 001 | Permanent (full-time) | 740 | 78.06% |
| 200 | Permanent (part-time) | 2 | 0.21% |
| 401 | Specific task or service (full-time) | 7 | 0.74% |
| 402 | Production contingencies (full-time) | 57 | 6.01% |
| 502 | Production contingencies (part-time) | 0 | 0.00% |
| 410 | Temporary replacement contract (full-time) | 10 | 1.05% |
| 420 | Work experience (full-time) | 131 | 13.82% |
| 520 | Work experience (part-time) | 1 | 0.11% |
| Total | | 948 | 100.00% |

5.2.3. ANNUAL AVERAGE OF PERMANENT/TEMPORARY CONTRACTS

**2020 TOTAL INDEFINITE
CONTRACTS**
742
**2019 TOTAL INDEFINITE
CONTRACTS**
735
**2018 TOTAL INDEFINITE
CONTRACTS**
759

| Contract code | Description | Employees 2020 | Employees 2019 | Employees 2018 |
|---------------|-----------------------|----------------|----------------|----------------|
| 001 | Permanent (full-time) | 740 | 733 | 759 |
| 200 | Permanent (part-time) | 2 | 2 | 0 |

2020 INDEFINITE EMPLOYEES

> BY SEX

53.91% **46.09%**

Men **400** Women **342**

> BY AGE

Under 30

73 **9.84%**

Employees 2020 % total 2020

30-50

556 **74.93%**

Employees 2020 % total 2020

Over 50

113 **15.23%**

Employees 2020 % total 2020

> PROFESSIONAL CLASSIFICATION

Group I

1 **0.13%**

Employees 2020 % total 2020

Group II Grade 1

10 **1.35%**

Employees 2020 % total 2020

Group II Grade 2

8 **1.08%**

Employees 2020 % total 2020

Group II Grade 3

1 **0.13%**

Employees 2020 % total 2020

Group II Grade 4

13 **1.75%**

Employees 2020 % total 2020

Group II Grade 5

18 **2.43%**

Employees 2020 % total 2020

Group II Grade 6

224 **30.19%**

Employees 2020 % total 2020

Group II Grade 7

238 **32.08%**

Employees 2020 % total 2020

Group II Grade 8

102 **13.75%**

Employees 2020 % total 2020

Group II Grade 9

73 **9.84%**

Employees 2020 % total 2020

Group II Grade 10

51 **6.87%**

Employees 2020 % total 2020

Group III Support staff

3 **0.40%**

Employees 2020 % total 2020

The team

1 - 2 - 3 - 4 - **5** - 6 - 7 - 8 - 9 - 10 - 11 - 12

2020 TOTAL TEMPORARY CONTRACTS

206

2019 TOTAL TEMPORARY CONTRACTS

228

2018 TOTAL TEMPORARY CONTRACTS

245

| Contract code | Description | Employees 2020 | Employees 2019 | Employees 2018 |
|---------------|--------------------------------------------|----------------|----------------|----------------|
| 401 | Specific task or service (full-time) | 7 | 5 | 5 |
| 402 | Production contingencies (full-time) | 57 | 51 | 53 |
| 410 | Temporary replacement contract (full-time) | 10 | 16 | 22 |
| 420 | Work experience (full-time) | 131 | 154 | 163 |
| 502 | Production contingencies (part-time) | 0 | 1 | 1 |
| 520 | Work experience (part-time) | 1 | 1 | 1 |

2020 TEMPORARY EMPLOYEES

> BY SEX

46.60%

53.40%

Men
96

Women
110

> BY AGE

Menores de 30 años

189

91.75%

Employees 2020

% total 2020

De 30 a 50 años

17

8.25%

Employees 2020

% total 2020

Mayores de 50 años

0

0.00%

Employees 2020

% total 2020

> PROFESSIONAL CLASSIFICATION

Grupo II Nivel 9

2

0.97%

Employees 2020

% total 2020

Grupo II Nivel 10

204

99.03%

Employees 2020

% total 2020

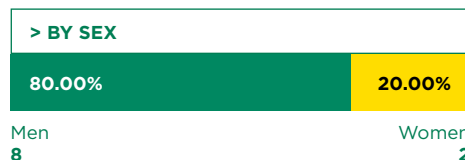


2020 TOTAL
CONTRATOS

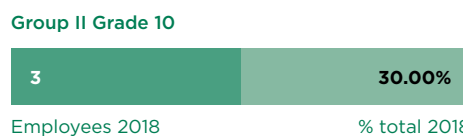
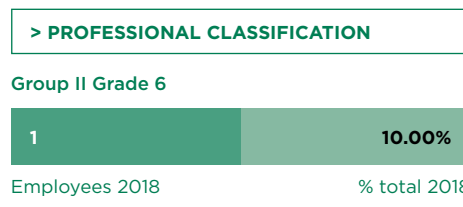
965

5.2.4. DEPARTURES BY SEX, AGE, COUNTRY AND PROFESSIONAL CLASSIFICATION

2018 TOTAL DEPARTURES **10**



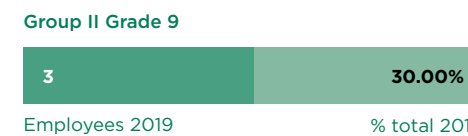
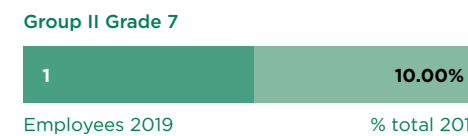
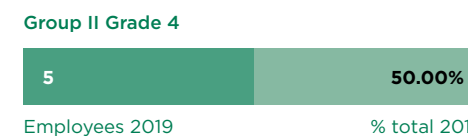
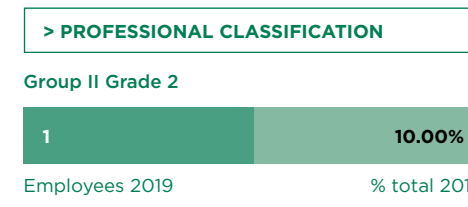
> BY AGE



2019 TOTAL DEPARTURES **10**



> BY AGE



The team

1 - 2 - 3 - 4 - **5** - 6 - 7 - 8 - 9 - 10 - 11 - 12

2020 TOTAL DEPARTURES

10

> BY SEX

60.00%

40.00%

Men
6

Women
4

> BY AGE

Under 30

2

20.00%

Employees 2020

% total 2020

30-50

3

30.00%

Employees 2020

% total 2020

Over 50

5

50.00%

Employees 2020

% total 2020

> PROFESSIONAL CLASSIFICATION

Group II Grade 6

5

50.00%

Employees 2020

% total 2020

Group II Grade 7

2

20.00%

Employees 2020

% total 2020

Group II Grade 9

2

20.00%

Employees 2020

% total 2020

Group II Grade 10

1

10.00%

Employees 2020

% total 2020



5.2.5. EMPLOYEES AT END-2020, BY PROVINCE

2018 TOTAL EMPLOYEES **965**



580
NAVARRA



82
LA RIOJA



0
MADRID



118
BISCAY



128
GUIPÚZCOA



57
ÁLAVA

> BY SEX

ÁLAVA TOTAL: **57**

Men: **33** Women: **24**

GUIPÚZCOA TOTAL: **128**

Men: **58** Women: **70**

LA RIOJA TOTAL: **82**

Men: **41** Women: **41**

MADRID TOTAL: **0**

Men: **0** Women: **0**

NAVARRA TOTAL: **580**

Men: **305** Women: **275**

BISCAY TOTAL: **118**

Men: **59** Women: **59**

> BY AGE

ÁLAVA TOTAL: **57**

Under 30 **24**

30-50 **33**

Over 50 **0**

GUIPÚZCOA TOTAL: **128**

Under 30 **42**

30-50 **82**

Over 50 **4**

LA RIOJA TOTAL: **82**

Under 30 **25**

30-50 **54**

Over 50 **3**

MADRID TOTAL: **0**

30-50 **0**

NAVARRA TOTAL: **580**

Under 30 **136**

30-50 **332**

Over 50 **112**

BISCAY TOTAL: **118**

Under 30 **39**

30-50 **79**

Over 50 **0**



2019 TOTAL EMPLOYEES

963
568
 NAVARRE

83
 LA RIOJA

1
 MADRID

125
 BISCAY

132
 GUIPÚZCOA

54
 ÁLAVA

> BY SEX

 ÁLAVA TOTAL: **54**

 Men: **29** Women: **25**

 GUIPÚZCOA TOTAL: **132**

 Men: **66** Women: **66**

 LA RIOJA TOTAL: **83**

 Men: **43** Women: **40**

 MADRID TOTAL: **1**

 Men: **1**

 NAVARRE TOTAL: **568**

 Men: **297** Women: **271**

 BISCAY TOTAL: **125**

 Men: **62** Women: **63**

> BY AGE

 ÁLAVA TOTAL: **54**

 Under 30 **20**

 30-50 **34**

 Over 50 **0**

 GUIPÚZCOA TOTAL: **132**

 Under 30 **44**

 30-50 **83**

 Over 50 **5**

 LA RIOJA TOTAL: **83**

 Under 30 **25**

 30-50 **56**

 Over 50 **2**

 MADRID TOTAL: **1**

 De 30 a 50 años **1**

 NAVARRE TOTAL: **568**

 Under 30 **129**

 30-50 **331**

 Over 50 **108**

 BISCAY TOTAL: **125**

 Under 30 **46**

 30-50 **78**

 Over 50 **1**


2020 TOTAL EMPLOYEES

948



564
NAVARRA



81
LA RIOJA



1
MADRID



124
BISCAY



126
GUIPÚZCOA



52
ÁLAVA

> BY SEX

ÁLAVA TOTAL: 52

Men: 29 Women: 23

GUIPÚZCOA TOTAL: 126

Men: 64 Women: 62

LA RIOJA TOTAL: 81

Men: 43 Women: 38

MADRID TOTAL: 1

Men: 1

NAVARRA TOTAL: 564

Men: 301 Women: 263

BISCAY TOTAL: 124

Men: 58 Women: 66

> BY AGE

ÁLAVA TOTAL: 52

Under 30 17

30-50 34

Over 50 1

GUIPÚZCOA TOTAL: 126

Under 30 38

30-50 82

Over 50 6

LA RIOJA TOTAL: 81

Under 30 24

30-50 55

Over 50 2

MADRID TOTAL: 1

30-50 1

NAVARRA TOTAL: 564

Under 30 139

30-50 323

Over 50 102

BISCAY TOTAL: 124

Under 30 44

30-50 78

Over 50 2





5.2.6. INTEGRATED REPORT 2018

| EXPERIENCE (AVE. YEARS OF SERVICE) 2019 | EXPERIENCE (AVE. YEARS OF SERVICE) 2018 |
|--------------------------------------------|--------------------------------------------|
| 12.85 | 11.62 |
| EXPERIENCE (AVE. YEARS OF SERVICE) 2020 | |
| 13.32 | |

| Diversity | Employees 2020 | % total 2020 | % total 2019 | * % 2018 |
|-----------|----------------|--------------|--------------|----------|
| Men | 496 | 52.32% | 51.71% | 51.40% |
| Women | 452 | 47.68% | 48.29% | 48.60% |

| Employees with university degrees | Employees 2020 | % total 2020 | % total 2019 | * % 2018 |
|-----------------------------------|----------------|--------------|--------------|----------|
| Graduates | 64 | 6.75% | 4.15% | 8.14% |
| Non-graduates | 884 | 93.25% | 95.85% | 91.86% |
| Total | 948 | | | |

At 31 December 2020 the number of Caja Rural de Navarra employees with a disability was: 4.

5.3. REMUNERATION POLICY

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

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 we provide.

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

A. 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.

B. 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 Back 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.

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

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, which is tailored to the realities of the market and provides a path of professional progress and promotion for its staff.

DISTRIBUTION OF ELEMENTS OF REMUNERATION

| | 2020 | 2019 |
|--------------------------------|---------|--------|
| Collectively negotiated salary | 65.51% | 70.62% |
| Voluntary salary | 19.10% | 19.78% |
| Incentives | 15.38%* | 9.60% |

* E2020 included 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. It is discretionary.



Average remuneration by professional classification:

| | |
|-------------------------------------|--------------------|
| EMPLOYEE AVERAGE SALARY 2020 | 37,906.92 € |
| GROSS PAY 2020 | 2,263.10 € |
| MEDIAN EMPLOYEE SALARY 2020 | 34,895.53 € |
| GROSS PAY 2020 | 2,083.32 € |

| | |
|-------------------------------------|--------------------|
| EMPLOYEE AVERAGE SALARY 2019 | 37,129.42 € |
| GROSS PAY 2019 | 2,216.68 € |
| MEDIAN EMPLOYEE SALARY 2019 | 34,000.00 € |
| GROSS PAY 2019 | 2,029.85 € |

| | |
|-------------------------------------|--------------------|
| EMPLOYEE AVERAGE SALARY 2018 | 36,354.01 € |
| GROSS PAY 2018 | 2,170.39 € |
| MEDIAN EMPLOYEE SALARY 2018 | 33,284.26 € |
| GROSS PAY 2018 | 1,987.12 € |

| Category | Rel. to 2020 average | Rel. to 2019 average |
|-------------------------|----------------------|----------------------|
| Group II Grade 1 | 3.00 | 2.98 |
| Group II Grade 2 | 2.29 | 2.32 |
| Group II Grade 4 | 1.97 | 1.97 |
| Group II Grade 5 | 1.83 | 1.85 |
| Group II Grade 6 | 1.36 | 1.37 |
| Group II Grade 7 | 0.99 | 1.01 |
| Group II Grade 8 | 0.89 | 0.88 |
| Group II Grade 9 | 0.76 | 0.79 |
| Group II Grade 10 | 0.57 | 0.57 |
| Group III Support Staff | 0.84 | 0.85 |

| Category | Rel. to 2020 average | Rel. to 2019 average |
|-------------------------|----------------------|----------------------|
| Group II Grade 1 | 3.26 | 3.26 |
| Group II Grade 2 | 2.49 | 2.53 |
| Group II Grade 4 | 2.14 | 2.16 |
| Group II Grade 5 | 1.98 | 2.02 |
| Group II Grade 6 | 1.48 | 1.50 |
| Group II Grade 7 | 1.08 | 1.11 |
| Group II Grade 8 | 0.97 | 0.96 |
| Group II Grade 9 | 0.83 | 0.87 |
| Group II Grade 10 | 0.61 | 0.62 |
| Group III Support staff | 0.91 | 0.92 |

| 2018 | | |
|----------------------------------|-------|---------|
| Minimum starting salary EUR/hour | | |
| 22,056.74 € | 1,700 | 12.97 € |

| Minimum starting salary EUR/NMW 2018 | | |
|--------------------------------------|-------------|------|
| 22,056.74 € | 10,302.60 € | 2.14 |

*NMW = National Minimum Wage year 2018

| 2019 | | |
|----------------------------------|-------|---------|
| Minimum starting salary EUR/hour | | |
| 22,634.18 € | 1,700 | 13.31 € |

| Minimum starting salary EUR/NMW 2019 | | |
|--------------------------------------|-------------|------|
| 22,634.18 € | 12,600.00 € | 1.80 |

*NMW = National Minimum Wage year 2019

| 2020 | | |
|----------------------------------|-------|---------|
| Minimum starting salary EUR/hour | | |
| 22,634.18 € | 1,700 | 13.31 € |

| Minimum starting salary EUR/NMW2020 | | |
|-------------------------------------|-------------|------|
| 22,634.18 € | 13,300.00 € | 1.70 |

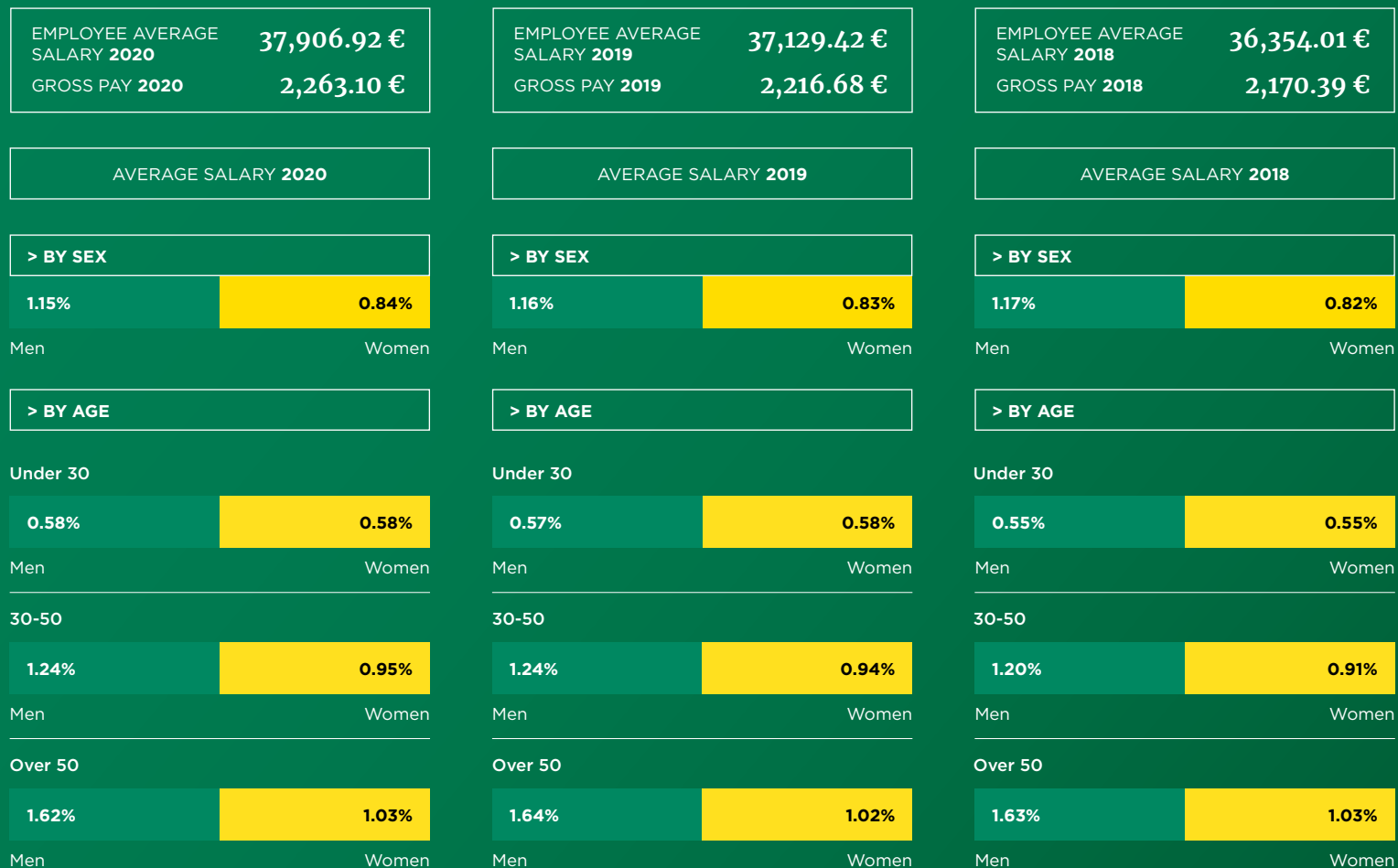
*NMW = National Minimum Wage year 2020

** For confidentiality reasons groups comprising one person have been merged into the nearest equivalent group with more than one.

** Data based on Average Labour Index

*** Data based on Median salary

2. AVERAGE REMUNERATION AND BREAKDOWN BY SEX AND AGE





EMPLOYEE AVERAGE
SALARY **2020** **34,895.53 €**
GROSS PAY **2020** **2,083.32 €**

AVERAGE SALARY **2020**

> BY SEX

| | |
|-------|-------|
| 1.25% | 0.91% |
| Men | Women |

> BY AGE

Under 30

| | |
|-------|-------|
| 0.63% | 0.63% |
| Men | Women |

30-50

| | |
|-------|-------|
| 1.34% | 1.03% |
| Men | Women |

Over 50

| | |
|-------|-------|
| 1.76% | 1.12% |
| Men | Women |

EMPLOYEE AVERAGE
SALARY **2019** **34,000.00 €**
GROSS PAY **2019** **2,029.85 €**

AVERAGE SALARY **2019**

> BY SEX

| | |
|-------|-------|
| 1.27% | 0.90% |
| Men | Women |

> BY AGE

Under 30

| | |
|-------|-------|
| 0.63% | 0.63% |
| Men | Women |

30-50

| | |
|-------|-------|
| 1.36% | 1.03% |
| Men | Women |

Over 50

| | |
|-------|-------|
| 1.79% | 1.11% |
| Men | Women |

EMPLOYEE AVERAGE
SALARY **2018** **33,284.26 €**
GROSS PAY **2018** **1,987.12 €**

AVERAGE SALARY **2018**

> BY SEX

| | |
|-------|-------|
| 1.28% | 0.89% |
| Men | Women |

> BY AGE

Under 30

| | |
|-------|-------|
| 0.60% | 0.60% |
| Men | Women |

30-50

| | |
|-------|-------|
| 1.31% | 0.99% |
| Men | Women |

Over 50

| | |
|-------|-------|
| 1.78% | 1.13% |
| Men | Women |

THE AVERAGE LABOUR INDEX AT CAJA RURAL DE NAVARRA IS: **EUR 2,263.10 /GROSS PAY**

* SSCC: Central Services

* Data based on average Labour Index

3. AVERAGE SALARY GAP BY FUNCTION, MEN vs. WOMEN

| Function | MEN AVERAGE SALARY 2020 | MEN AVERAGE SALARY 2019 | MEN AVERAGE SALARY 2018 | WOMEN AVERAGE SALARY 2020 | WOMEN AVERAGE SALARY 2019 | WOMEN AVERAGE SALARY 2018 |
|------------------------------|----------------------------|----------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| Area/regional manager | 2.60 | 2.61 | 2.73 | 2.22 | 2.20 | 2.42 |
| Branch manager/SSCC | 1.39 | 1.39 | 1.41 | 1.13 | 1.12 | 1.16 |
| Admin-sales/central services | 0.90 | 0.91 | 0.92 | 0.75 | 0.75 | 0.74 |

| Function | MEN MEDIAN SALARY 2020 | MEN MEDIAN SALARY 2019 | MEN MEDIAN SALARY 2018 | WOMEN MEDIAN SALARY 2020 | WOMEN MEDIAN SALARY 2020 | WOMEN MEDIAN SALARY 2020 |
|------------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Area/regional manager | 2.82 | 2.85 | 2.98 | 2.41 | 2.41 | 2.65 |
| Branch/SSCC | 1.51 | 1.52 | 1.54 | 1.23 | 1.22 | 1.27 |
| Admin-sales/central services | 0.98 | 0.99 | 1.00 | 0.82 | 0.82 | 0.81 |

* SSCC: Central Services

* Data based on average Labour Index

4. SALARY DISTRIBUTION 2019

Information on the total annual compensation ratio (GRI 102-38) and the percentage increase in total annual compensation (GRI 102-39).

| | 2020 | 2019 | 2018 |
|----------------------------------------------------------------------------|-------------|-------------|-------------|
| MEDIAN SALARY excluding incentives | 34,895.53 | 34,000.00 | - |
| MEDIAN SALARY excluding top salary or incentives | 39,319.74 | 36,844.07 | - |
| Ratio of best-paid person's salary vs. median employee salary | 5.89 | 7.94 | 7.41 |
| MEDIAN % PAY RISE | 0.31 | 2.62 | - |
| Ratio of % increase best-paid person's salary vs. median % increase | 3.21 | 0.35 | 0.95 |



5. AVERAGE REMUNERATION OF DIRECTORS AND MANAGERS

Gross total remuneration of
the board in 2020 was:

55,275.08 €

| Board members 2020 | |
|--------------------------------|---------------------------------|
| TERES LOS ARCOS IGNACIO | ETAYO ANDUEZA MARCELINO |
| RODRIGUEZ EGUILAZ JOSE JOAQUIN | ZABALETA CIRIZA ROBERTO |
| ESANDI SANTESTEBAN FERMIN | GOÑI JUAMPEREZ PEDRO JOSE |
| SANCHEZ DIESTRO CARLOS | DEL CASTILLO TORRES JESUS MARIA |
| ARRONDO LAHERA ALBERTO | URRUTIA AICEGA GABRIEL |
| GARCIA DIAZ DE CERIO MANUEL | IRISARRI VALENCIA PEDRO JESUS |
| OLLETA GAYARRE FERNANDO | ZABALETA JURIO IGNACIO |

Annual average remuneration per person: **3,948.22 €**

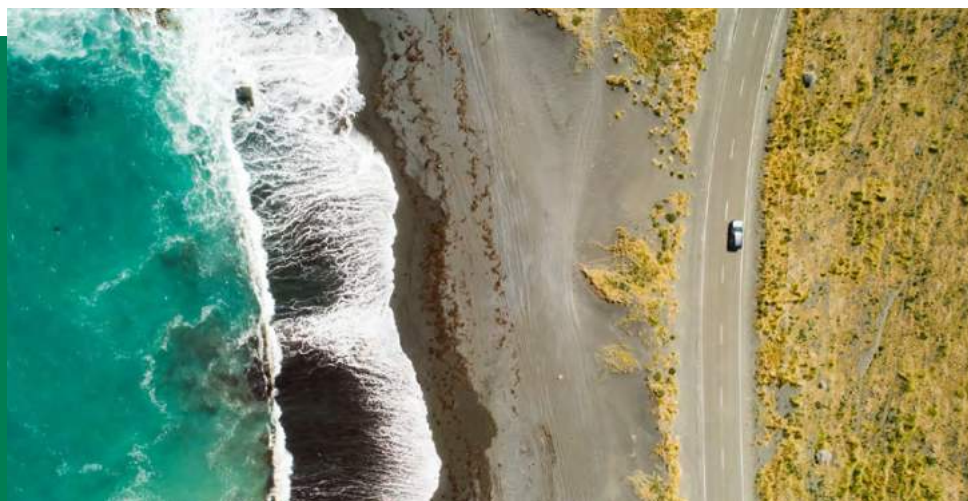
Gross total remuneration of the
management team was:

1,926,000.00 €

| Board members 2020 | |
|-------------------------------------|---------------------------------------|
| UGARTE ALBERDI ALBERTO | Risk Department Director |
| LECUMBERRI SEVIGNE ANGEL | Commercial Director |
| AYECHU REDIN JUAN MARIA | Bussines Banking Director |
| SOLA ARRESE FELIX | Compliance Director |
| RODRIGUEZ LASPIUR FRANCISCO J. | Management Control Director |
| ARRIETA DEL VALLE IGNACIO | Managing Director |
| SAGASETA GARCIA CARLOS ALBERTO | Internal Audit Director |
| GARCIA DE EULATE MARTIN MORO MIGUEL | Treasury Operations Director |
| TABOADA PLATAS SERGIO | Head of Technology and Organization |
| MORIONES ARAMENDIA MARIA | Head of Housing and Real State Assets |
| CAMPOS JIMENEZ FERNANDO | Head of Human Resources |
| MENA SOLA IGNACIO | Head of Legal Affairs |
| BERAZALUCE MINONDO FRANCISCO J. | Head of Equity Investments |
| MAEZTU ZAPATERIA IGNACIO | Commercial Director Branches |

Annual average remuneration per person: **137,571.43 €**

* 2020 includes incentive payments on the Strategic plan



5.4 CORPORATE PROFIT FOR THE YEAR

Caja Rural de Navarra makes available employees a number of benefits as follows:

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

- Regular free transfers

- Securities: special terms for employees, spouses and non-adult children

- Car and home insurance with special discounts for employees



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.

The agreement was passed to employees at the start of the year and will be included in the new collectively negotiated agreement in 2021.

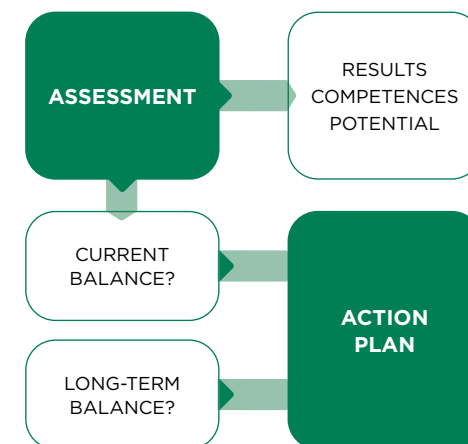
5.6 DEVELOPING PROFESSIONALS

The aim is to create a scorecard that gives an overview of the current staff situation and how this relates the ideal team structure.

This is important not only to balance the team to meet current needs but also to project future needs

The model has three levels and indicators:

- A strategic consideration for any model to be sustainable is to have the initial talent that can grow and take on future responsibilities in the Bank.



- We must have people fit and ready to take on new responsibilities.
- A balanced management structure. We have to maintain a stable structure in the teams, blending experience with flexibility via new staff in training.

In designing the team balance scorecard, we rely on **three information gathering** exercises:

- Improvement Plan Review
- Cross-functional Review
- Review of team business objectives

The results will feed into action plans designed to bring new profiles into the Bank, and to develop communities 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 of proximity, commitment and responsibility. And we lay especial emphasis on Leadership, as we consider that the managerial function is key in the personal development of Bank employees.

The Improvement Plan sets out objectives that tend to develop competences. These objectives 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, the annual review by branch managers and regional managements on the functioning of the central services departments and vice versa.

Central Services review:

- Sales support
- 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

Employees are represented in the Bank's governance at Governing Board level. One representative of the staff is nominated as employee director and takes part in governance decisions with access to the management information forming the basis of discussions at Board meetings and strategy points. 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.

When it comes to dialogue with employees, the Bank is in constant contact with employees' legal representatives. There is an forum for initial exchange of ideas on training backed up by regular quarterly meetings.

Other aspects of employee relations have their own established channels for communications and exchange of ideas, ensuring a continuous flow of information on a wide range of issues, from organizational structure and distribution to compliance with labour regulations and health and safety.



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

One of the Bank's key values is the talent of the workforce, which is transmitted day by day from person to person, like a continuous apprenticeship programme for personal development, which is reinforced by a well-funded internal training programme that

we implement systematically. Also, the generational diversity of the workforce, with people from different generations working side by side, naturally facilitates exchanges on issues and skills, helping pass on this knowledge.

The Bank's basic objective is to develop people in their professional life, enabling them to progress horizontally and vertically into new roles and functions, empowering them to advise customers on all aspects of banking.

In the last 4 years, bank regulations have been tightened and the Bank has had to focus much of its training programmes on making sure staff have the qualifications to deliver advice and implement various regulations. This took the form of several courses on regulatory compliance. We now have a well-trained body of men and women with specific technical areas of knowledge, the result of an extra effort made by employees in the field of training. This, coupled over the last year with the rollout of the Bank's digital transformation, has meant more hours spent on staff training.

The need to comply with regulations also provided an opportunity to skill up employees so they can advise clients on more complex matters, with better service and high levels of knowledge.

The Caja Rural de Navarra training plan is customer-centric, putting the internal customer and their career development at the core of the programme and aligning the needs of the workforce with the Training Programme.





In 2020, a total of **77,938 training** hours were delivered as follows:

| > BY SEX | | |
|----------------------------------------|--------------------|--------|
| 49.91% | 50.09% | |
| Men 38,897.00 | Women 39,041.00 | |
| TOTAL | 77,938.00 hours | |
| > BY AGE | | |
| Under 30 | 31,046.50 hours | 39.83% |
| 30-50 | 40,662.00 hours | 52.17% |
| OVER 50 | 6,229.50 hours | 7.99% |
| TOTAL | 77,938.00 hours | |
| > AREAS OF TRAINING BY HOURS DELIVERED | | |
| Horas normativa | 69,970.00 hours | 89.78% |
| Otras formaciones | 7,968.00 hours | 10.22% |
| TOTAL | 77,938.00 hours | |

Out of the total training hours, 69,970 were related to compliance, especially, in descending order, the Spanish Insurance Brokerage Act, MiFID II and the Mortgage Act.

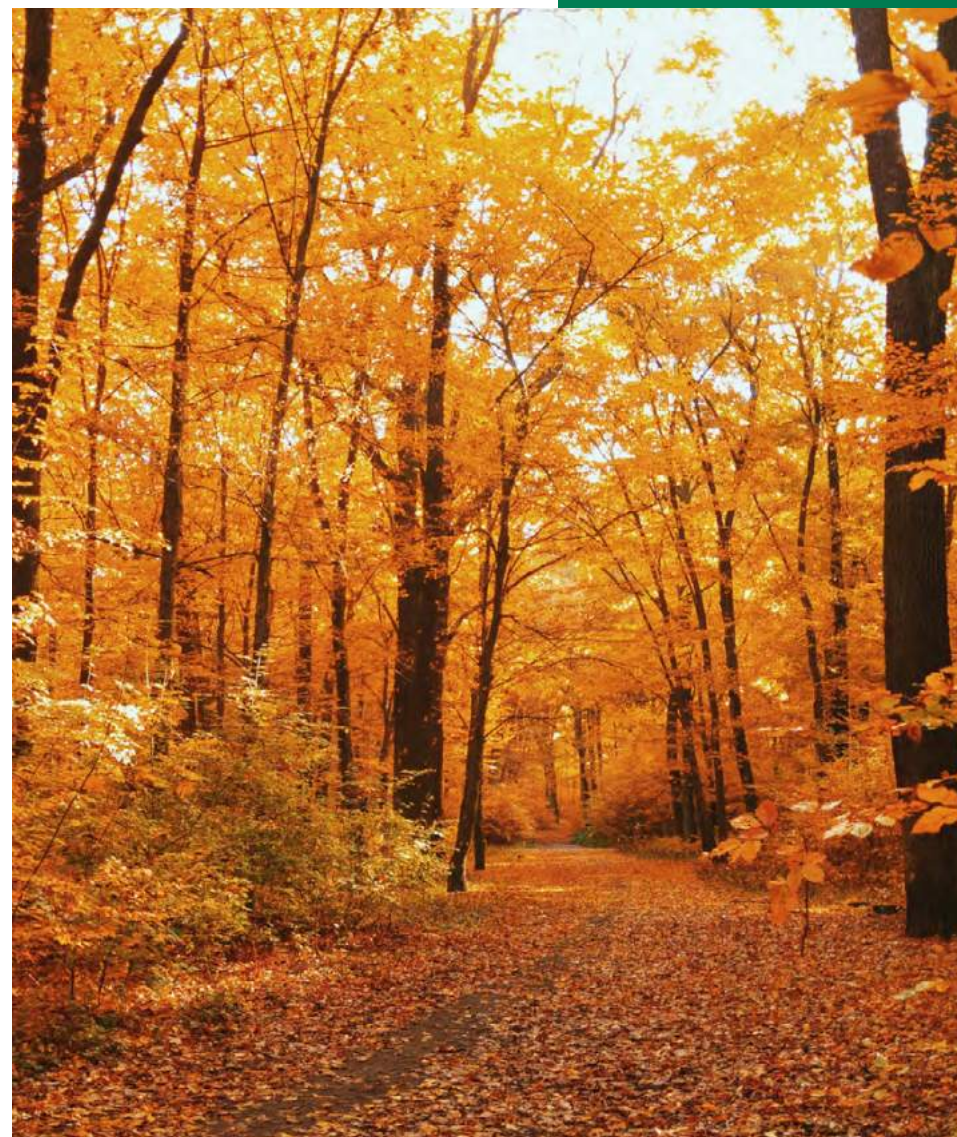
| > PROFESSIONAL CLASSIFICATION | | |
|-------------------------------|------------------------|--------|
| Group II Grade 1 | 236.50 hours | 0.30% |
| Group II Grade 2 | 506.00 hours | 0.65% |
| Group II Grade 3 | 40.00 hours | 0.05% |
| Group II Grade 4 | 884.00 hours | 1.3% |
| Group II Grade 5 | 1,158.50 hours | 1.49% |
| Group II Grade 6 | 15,450.00 hours | 19.82% |
| Group II Grade 7 | 15,269.50 hours | 19.59% |
| Group II Grade 8 | 7,130.00 hours | 9.15% |
| Group II Grade 9 | 5,498.50 hours | 7.05% |
| Group II Grade 10 | 31,765.00 hours | 40.76% |
| TOTAL | 77,938.00 hours | |

These extraordinary circumstances led to a reduction in the number of hours' training delivered to 82.13 hours per person, successfully ensuring the workforce is kept constantly updated.

5.9 ABSENTEEISM INDEX AT CAJA RURAL DE NAVARRA

| TYPE OF ABSENTEEISM | 2020 | 2019 | 2018 |
|---------------------------------------|------------------|------------------|------------------|
| Common illness | 32,190.00 | 33,592.50 | 37,635.00 |
| Covid-19 illness | 17,805.00 | - | - |
| Non-work accident | 1,267.50 | 3,097.50 | 1,072.50 |
| Accident at work/Work-related illness | 555.00 | 450.00 | 397.50 |
| Maternity | 12,667.50 | 14,977.50 | 15,487.50 |
| Paternity/full or part time | 7,230.00 | 4,672.50 | 3,390.00 |
| TOTAL HOURS OFF WORK | 71,715.00 | 56,790.00 | 57,982.50 |
| TOTAL WORKING HOURS | 1,611,600.00 | 1,637,100.00 | 1,640,500.00 |
| ABSENTEEISM INDEX | 4.45% | 3.47% | 3.53% |

* The absenteeism index rose in 2020 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, currently being rolled out, 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. The workforce is evenly split between men and women, and 34% of branch managers, a key role in the Bank, are women. This is one of the highest ratios in the sector.

The key targets of the Equality Plan are:

- 1-** To reaffirm Caja Rural de Navarra's Equality Policy
- 2-** To include equality considerations in the new Strategic Plan
- 3-** To strengthen the heavily male- or female-biased teams to create a better gender balance.
- 4-** To promote an equality culture among leaders to develop a gender-aware leadership style

5- To inform staff of the results of the Bank's Equality Diagnostic and Plan

6- To use inclusive language and non-sexist imagery in internal communications

7- To engage the Bank's staff in the march toward Equality

8- To maintain a balanced workforce in terms of access to employment

9- To reduce vertical segregation

10- To correct any gender gap in salary

11- To compile data broken down by gender

12- To run a 5-year analysis of termination of temporary contracts to see if there is any gender bias

13- To raise awareness on work-life balance and co-responsibility

14- To seek to make sure the composition of Committees reflects the composition of the workforce

15- To encourage monitoring or how the gender equality principle is applied in practice

16- To provide the resources needed to implement the Equality Plan and meet the commitment to equality

17- To incorporate gender issues into customer surveys

18- To draw up gender equal criteria for "personal service"

19- To use inclusive language in oral and written communications

20- To highlight Caja Rural de Navarra's commitment to managing Equality

21- To promote equality through the CSR report

22- To encourage suppliers to promote gender equality in their companies when subcontracting



5.11 INTEGRATION OF TALENT AND COMMITMENT TO EMPLOYMENT

IDENTIFYING TALENT

The University is our main source of talent, and we are in continuous contact and collaboration with academic institutions, providing a first opportunity to many people completing their studies and struggling to break into the working world.

In 2020, we took part in the following jobs fairs: Empleogune in Vitoria, the Jobs conference held by the University of the Basque Country and the Forum of the Chamber of Gipuzkoa, both in San Sebastian, and the Career Forum of the University of Navarre in Pamplona.

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.

Our work experience programmes serve as a way to the working world and as our Talent "incubator".

In 2020, 183 people joined our work experience programme. We welcomed 95 people to our summer programme, including 61 women and 34 men.

IMPROVING THE CANDIDATE EXPERIENCE

One of the aims of bringing in talent is to improve the candidate's experience. To this end, we have developed a new section of the website which makes it much more intuitive and simpler to log in and apply.

Another key issue is communications with candidates and we have made a number of improvements to the *onboarding* process.

UPSKILLING ADVISORS

Our commitment to personal development is reflected in the 92 students that joined the joint university programme with UNIR, the International University of La Rioja. MiFID II and the Mortgage Act have created new needs for training in the banking industry. We make it possible for recent graduates seeking a career in the financial world to get the necessary qualifications while putting into practice the knowledge acquired within our teams.

Guidance and feedback is key to this process. To ensure this, we assign an experienced internal tutor whose functions include:

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

SUSTAINABLE GROWTH

In this uncertain year, Caja Rural de Navarra has continued to consolidate talent. We are maintaining our positive trend in converting temporary to permanent contracts. This year, 32 people were put onto permanent contracts: 20 women and 12 men. This is 6% more than last year.

CAJA RURAL DE NAVARRA ALUMNI

We want to develop our ongoing relationships with professionals that have contributed value to Caja Rural de Navarra. For this reason we are setting up a community of people who have passed through our teams or whom we have sponsored in their studies.

The Alumni programme will offer *networking* among its members, training, news updates on financial issues and the Bank, and professional opportunities in the community.

5.12 PROTOCOL ON SEXUAL AND GENDER HARRASMENT AND AGAINST ANY KIND OF DISCRIMINATION

As indicated in Article 71 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 RELATING 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 Preving 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:

1. Prevention structures at Caja Rural de Navarra.
2. Risk evaluation at workstations and other work areas.
3. Prevention planning.



4. Health research and measurements.

5. Training and informing employees.

6. Emergency and evacuation plans.

7. Documentation of work teams and premises.

8. Documentation of the Health and Safety Committee.

9. 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 2020:

- The Prevention plan was revised and updated.
- Health monitoring actions were carried out.
- Internal checks were carried out on branches. In some cases, furniture was changed or workstations were overhauled.
- Regular maintenance was carried out on fire detection systems and air conditioning.



In addition, in response to the onset of 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 2020, there were a total of 9 **workplace accidents** at Caja Rural de Navarra, involving 6 women and 3 men. Of these, 6 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

2020 **indicators** are as follows:

Frequency rate: 5.58

Severity rate: 0.10

The following actions are planned for 2021:

- 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

Caja Rural de Navarra's Code of Conduct sets out guidelines for action. Compliance with the Code of Conduct is how we address Human Rights in our business. We ensure compliance by socialising our values through different channels of communications with employees.

To achieve this, we must all be aware that it is essential to be aware and work together to avoid and correct such situations.

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. The same content is also available on the employee website.

Bank 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.

The Bank has over the years of its existence built up a deserved reputation among its member customers who are also the Bank's main customers, but this reputation must be continually strengthened and improved.

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 General Management and the financial officer.

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.

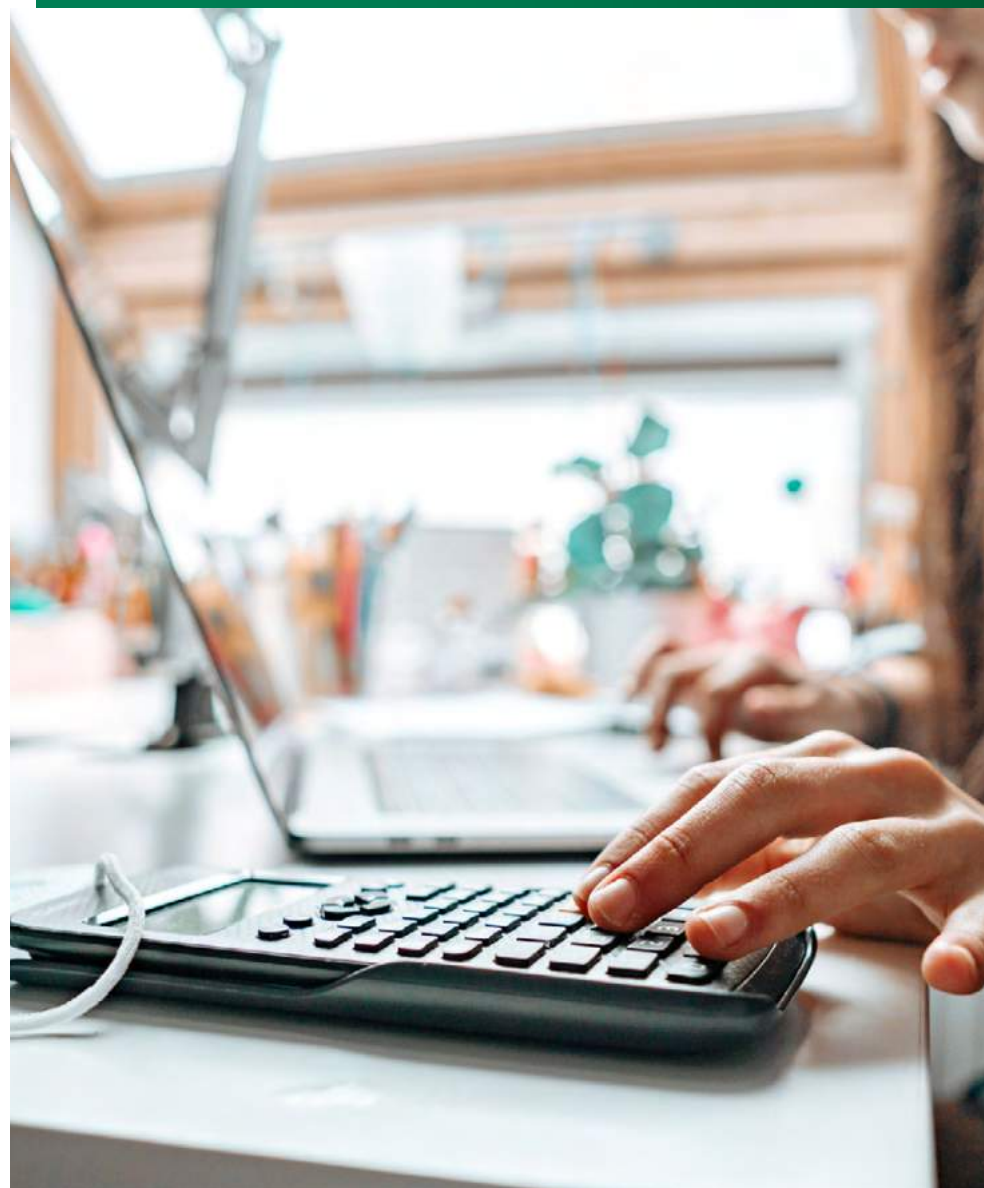
On cost control, General Management approves annual expense budgets for each Area. Expenses are checked monthly by the Management Committee and two six-monthly controls are run each year by the Financial Area with General Management.

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.

For those services that the Bank considers most essential, it requires meetings between the parties to assess both the quality of service and delivery and Communications, to ensure a satisfactory standard of work. 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 Act on Social Inclusion of People with Disabilities (LISMI). 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.

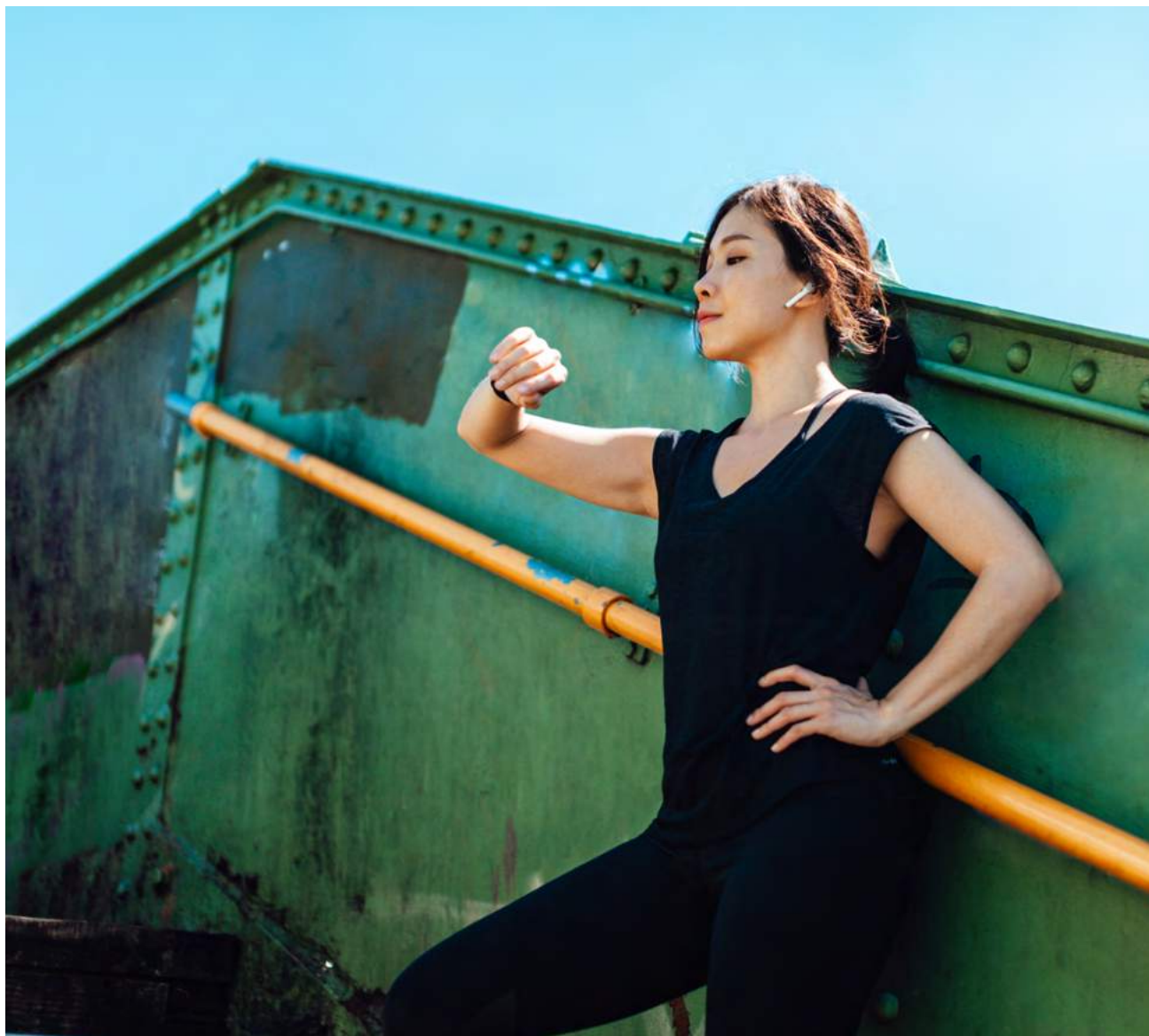
Production of both comes with environmental costs.

Caja Rural de Navarra'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.

6.4. PERCENTAGE FINANCING OF LOCAL 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).

Looking at the figures for local suppliers (total 2020 billings) it turns out that the total expense (2020 billings) is EUR 124 million, of which 51.96% are purchases from suppliers in Navarre, the Basque Country and La Rioja.



07

CAJA RURAL DE NAVARRA AND THE ENVIRONMENT

7.1 CAJA RURAL DE NAVARRA AND THE ENVIRONMENT

7.2 RESOURCE CONSUMPTION AND IMPROVEMENT PLANS

7.3 DIRECT RELATION WITH SUSTAINABLE ENVIRONMENTAL ACTIVITIES

7.4 SUPPORT FOR COOPERATIVE MEMBERS AND CUSTOMERS IN SUSTAINABILITY PROJECTS



7.1 CAJA RURAL DE NAVARRA AND THE ENVIRONMENT

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.

Caja Rural de Navarra conducted its business in 2020 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.)



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.



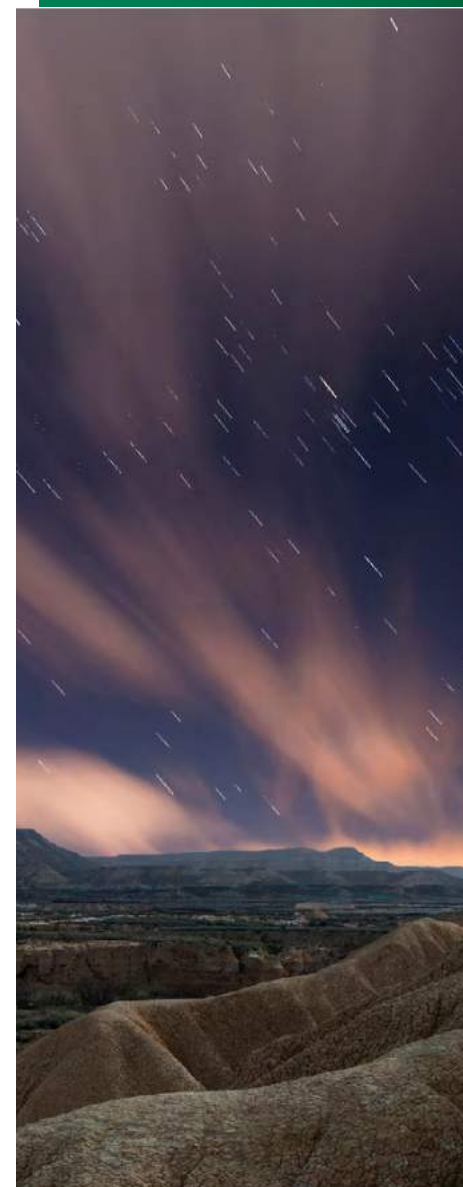
We do not see rural communities as an unchanging bucolic place for tourists to visit at weekends but as a place where people want to live with dignity and adequate services. This requires sensible and sustainable human impacts.



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 in 2020. This is most important in small communities, where there is a higher proportion of older people.



7.2 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 2020, this process was introduced in 34 branches. The forecast for 2021 is to complete the programme, digitizing the last 21 branches.

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 but declined more than expected in 2020 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) | 2016 | 2017 | 2018 | 2019 | Forecast 2020 | 2020 | Forecast 2021 |
|-----------------------------|--------|--------|--------|--------|---------------|--------|---------------|
| chlorine free paper | 65,656 | 63,278 | 58,349 | 50,800 | 50,000 | 45,825 | 48,000 |
| thermal POS paper | 340 | 332 | 0 | 0 | 0 | 0 | 0 |
| ATM paper | 294 | 148 | 277 | 1,533 | 1,700 | 1,415 | 1,400 |
| envelopes | 4,214 | 3,568 | 3,767 | 2,576 | 2,500 | 3,618 | 3,000 |
| brochures and posters | 4,565 | 4,300 | 4,200 | 1,195 | 1,150 | 416 | 1,100 |
| total paper consumption | 75,069 | 70,894 | 66,593 | 56,104 | 55,350 | 51,274 | 53,500 |

Paper consumption per employee in 2020 (at 31 December the headcount was 948) was 54.08, below the level of 62.62 in 2019, although, as we said, exceptional factors were at play in 2020.

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 | 2016 | 2017 | 2018 | 2019 | Forecast 2020 | 2020 | Forecast 2021 |
|-------------------------|-------|-------|-------|--------|---------------|-------|---------------|
| recycled toner | 3,199 | 3,276 | 3,368 | 1,1957 | 1,900 | 3,183 | 3,050 |
| original toner | 231 | 251 | 229 | 106 | 100 | 82 | 70 |

Toner consumption per employee in 2020 was 3.35 in recycled toner and 0.08 in original toner, compared to 2019 figures of 2.03 recycled toner and 0.11 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 2020, all electricity was supplied from renewable sources.

2020 consumption data shows a steady decline thanks to the energy efficiency measures in place. Although in this case, the reduction in consumption will have been exaggerated by the absence of many employees and customers from the branches during lockdown.

Consumption was as follows:

| Electricity consumption kW/h. kW/h. | 2016 | 2017 | 2018 | 2019 | Forecast 2020 | 2020 | Forecast 2021 |
|----------------------------------------|----------|-----------|-----------|-----------|---------------|-----------|---------------|
| | 5771,985 | 5,557,303 | 5,814,696 | 5,307,239 | 5,250,000 | 4,870,619 | 5,100,000 |

Energy consumption per employee during the year was 5,137 KWh, compared to 5,511 KWh in 2019.

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. As we said, there was a sharp decline this year, mainly due to the increasing use of videoconferencing, which was especially encouraged this year by Covid-19 restrictions on mobility.

(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 2020, we replaced units in 8 branches.

Lighting

We continued to replace fluorescent with LED lighting, which is much more efficient and lower consumption. In 2020, 6 branches switched to LEDs.

Outdoor 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 2020, 17 signs were replaced.

Computers and ATMs

We have planned no action 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. As we said, 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.

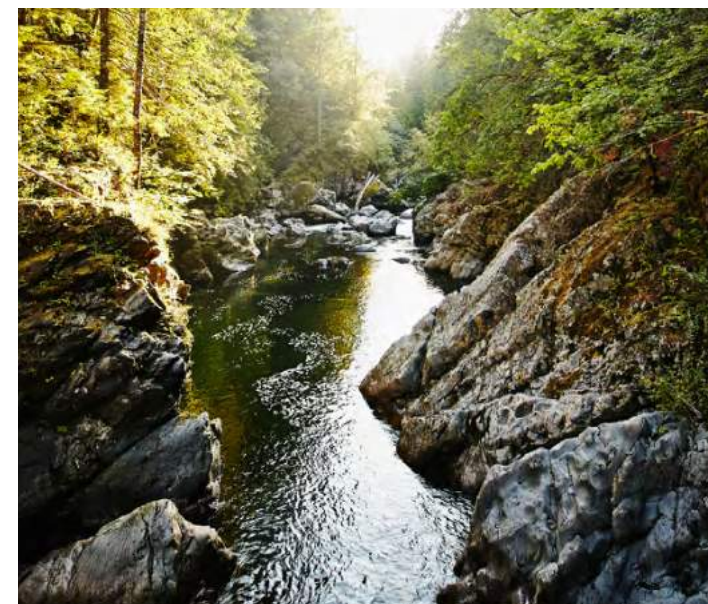
Water consumption in the branch network was as follows:

| Water consumption m ³ | 2016 | 2017 | 2018 | 2019 | Forecast 2020 | 2020 | Forecast 2021 |
|----------------------------------|--------|--------|--------|-------|---------------|-------|---------------|
| | 12,924 | 12,810 | 12,220 | 9,830 | 9,700 | 8,519 | 9,800 |

Water consumption per employee in 2020 (at 31 December the headcount was 948) was 8.98 m³, compared to 10.30 m³ in 2019.

This consumption data was derived from adding up the real consumption of the 6 Central Services offices, plus an estimate of consumption by the branch network based on their real consumption, classifying branches into different types according to the number of employees and extrapolating the branch consumption to all offices of this type.

We believe much of the fall in consumption in 2020 was due to the lower attendance of employees in branches during lockdown.



Photography contest image
from Caja Rural de Navarra
Author: Leyre Gardeta Cuadrado

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.

Most of the waste generated is managed as follows:

- Paper waste generated in branches is deposited by the cleaning services in specific paper and cardboard recycling bins 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:

| Consumption units | 2016 | 2017 | 2018 | 2019 | Forecast 2020 | 2020 | Forecast 2021 |
|-------------------|-------|-------|------|-------|---------------|-------|---------------|
| | 2,788 | 2,280 | 684 | 3,162 | 3,000 | 3,277 | 2,800 |

3. ATMOSPHERIC EMISSIONS

The activity in branches does not generate 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 2020 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 Aragón and owned by third parties.

This saved 1,325 tonnes of CO₂ emissions. The amount was calculated by taking our total electricity consumption in 2020 and multiplying it by the Endesa Energía conversion factor (0.27gCO₂/kWh) from the latest Ministerial regulation (June 2020).

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.

5. 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 areas.

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.



6. INITIATIVES TO REDUCE WASTE AND CONSUMABLES IN 2020

- **6 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 nine more branches in 2020.

- **New signage.** There are plans to change 12 luminous displays, replacing them with lower-consumption LED displays.

- **Digitization of branches** to eliminate the use of physical paper. This year, the last 21 branches are expected to go fully paperless.



7.3 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. 2020 was not a windy year and generation was below average at 229 GWh (260 in 2019).

b) Renovables de la Ribera, S.L.; owner of four wind farms in Navarre, whose construction was completed in 2020. There are a total of 111 MWh taking its annual estimated power generation to 325,000 MWh. This company obtained finance for this investment from the European Investment Bank.

The two companies produce enough energy to power 167,000 average households, saving 270,000 tCO₂eq of atmospheric emissions if the energy was produced in combined cycle power stations (comparable to wind as such plants also act as load regulators)

c) Bosqalia. This company grows and exploits poplars. At end-2020 it managed 284 hectares of planted land, more than 90,000 feet.

According to Carlos A. Novertó in a report recently compiled for the FAO, to produce 446 grams of wood a tree requires 650 grams of CO₂ and releases 477 grams of oxygen into the atmosphere. According to this calculation, each cubic metre of forest biomass (trunk, roots, branches, leaves) absorbs 0.26 tonnes of carbon equivalent (tCe). For poplar or cottonwood forest this equates to 41.28 tonnes of CO₂/ha/year.

The carbon absorbing effect of our plantations, based on the most common use of the wood which is for planks is 11,720 tCO₂eq. Assuming planks have a limited life and can decay in a tip or be burnt in a kiln the cultivation of poplars has a zero carbon cycle. The Spanish Ministry of the Environment calculates the absorption effect in its 2015 "Guide to estimating carbon dioxide absorption" at 10.5 kg CO₂/year/foot. This equates to 945 tonnes per year.

All Bosqalia's cultivations have, before they are cut, PEFC sustainable wood chain of custody certification.

d) Flour group (see Equity investments annex). For the years 2019-2028, plants producing wheat flour that are subsidiaries of Caja Rural de Navarra signed a long-term contract for electricity supply under which around 80% will come from renewable sources, specifically the new Dehesa de Mallén and Campoliva II wind farms, both in Saragossa and not owned by Caja Rural de Navarra.

These plants will come onstream in 2020.

7.4. SUPPORT FOR COOPERATIVE MEMBERS AND CUSTOMERS IN SUSTAINABILITY PROJECTS

Support for sustainability projects is structured around the Caja Rural de Navarra “sustainable portfolio”, which includes nine lines of action that are aligned with the UN Sustainable Development Goals and subscribe to the Green Bond and Social Bond Principles. The sustainable portfolio is rated by Sustainalytics and formed the bases for the issuance of certain financial products, as detailed in the loan book sustainability impact report for 2020.

Although the total portfolio combines EUR 4,160 million in its nine lines, at the moment we will focus on three types of action centred around climate change:

a) Promotion of renewable energy

Loans to fund the generation of electricity from renewable sources – solar, wind, geothermal, hydro-electric, etc. – use of bio-fuels, development of infrastructure or systems for renewable energy and the manufacture of components for these industries. The metrics of this line are as follows:

| | AMOUNT OF LINE (Millions of euros) | NUMBER OF LOANS | NUMBER OF BORROWERS |
|------|---------------------------------------|-----------------|---------------------|
| 2020 | 30.4 | 68 | 49 |
| 2019 | 40.6 | 87 | 53 |
| 2018 | 39.7 | 80 | 49 |

b) Energy efficiency

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

The metrics for this line are as follows:

| | AMOUNT OF LINE (Millions of euros) | NUMBER OF LOANS | NUMBER OF BORROWERS |
|------|---------------------------------------|-----------------|---------------------|
| 2020 | 593.4 | 4,575 | 3,892 |
| 2019 | 463.7 | 3,968 | 3,086 |
| 2018 | 443.1 | 3,711 | 3,024 |

The largest single item was the EUR 416.4 million that went to support energy efficiency in housing. The loans include those for the acquisition or rehabilitation of buildings, within the definition of “energy efficient housing” defined in the sustainability framework, with 3,279 distinct transactions at the close of 2020.

c) Waste management

Loans to develop equipment and technology that make more efficient use of resources and/or reduce waste.

| | AMOUNT OF LINE (Millions of euros) | NUMBER OF LOANS | NUMBER OF BORROWERS |
|------|---------------------------------------|-----------------|---------------------|
| 2020 | 21.6 | 67 | 33 |
| 2019 | 22.9 | 70 | 42 |
| 2018 | 22.9 | 74 | 51 |

d) Support for the cooperative model and traditional agriculture sector

The focus on environmental sustainability groups together all 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 metrics of this line are as follows:

| | AMOUNT OF LINE (Millions of euros) | NUMBER OF LOANS | NUMBER OF BORROWERS |
|------|---------------------------------------|-----------------|---------------------|
| 2020 | 108.4 | 1,653 | 1,265 |
| 2019 | 134.7 | 1,688 | 1,284 |
| 2018 | 103.3 | 1,220 | 963 |



08

CAJA RURAL DE NAVARRA AND SOCIETY

8.1 COMMITTED TO LOCAL REGION

8.2 SOCIAL ACTION

8.3 OUR RELATIONSHIP TO THE PUBLIC AND PRIVATE INSTITUTIONAL SECTORS



8.1 COMMITTED TO LOCAL REGION

Caja Rural de Navarra is a regional financial institution with 254 branches and employing 948 people at 31 December 2020. Legally constituted as a credit cooperative, it is strongly rooted in the regions where it is active, Navarre, the Basque Country and La Rioja.

The local presence and strong commitment to the local community is part of the powerful base formed by its 176,042 members 569,362 customers (517,347 people and 52,015 legal entities). This 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. It always seeks to deal with them in line with Corporate Social Responsibility principles as set out in its articles of association.

8.2 SOCIAL ACTION

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.





BUDGET ALLOCATION

We set out below the core lines and allocation of the Education and Development Fund approved by the General Meeting for financial year 2020:

| | (In thousands of €) | | 2020 | | 2019 | | 2018 | |
|-----------------------------------------------------------------------|------------------------|--|--------------|--|--------------|--|--------------|--|
| Consultancy, training and promotion of the cooperative business model | 1,788,096.94€ 42.86% | | | | | | | |
| Teaching and research | 769,374.28€ 18.44% | | | | | | | |
| Sports aid | 83,613.89€ 2.00% | | | | | | | |
| Charity work | 379,523.48€ 9.10% | | | | | | | |
| Cultural, recreational and other activities | 412,020.71€ 9.88% | | | | | | | |
| Economic and social development | 739,166.04€ 17.72% | | | | | | | |
| TOTAL | 4,171,795.34€ | | 4,172 | | 4,221 | | 4,110 | |

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. In the course of this last year, for instance, the impact of Covid-19 meant that charity, cultural and other projects promoting economic and social activity received more support than in prior years.

Through the EDF, Caja Rural de Navarra does its bit to help create a fairer society with greater solidarity. To achieve this, it is reassuring to work with institutions that have for decades been working for the most disadvantaged segments of society, such as the Red Cross, Proyecto Hombre, Aspace, etc.

INITIATIVES AND PROJECTS SUPPORTED

The most prominent projects supported in 2020 under each of the Fund's guidelines were as follows:

Action to combat Covid-19

- Backing for local business through the “We are your business” campaign. EUR 150,000 was allocated to stimulate commerce in towns and villages, with special offers, free vouchers, etc. through different trade associations in the Basque Country, Navarre and La Rioja.

- Support for older people and those at risk of vulnerability, through the “*Pañuelico Solidario*” (Red scarves for solidarity) initiative, supporting the work done by the Pamplona-Tudela Cáritas organization and the Pamplona Casa de Misericordia. EUR 379,090.97, thanks to the direct contribution of Caja Rural and the extraordinary collaboration of the citizenry.

- Spanish Red Cross: collaboration with the “Your rights in play” campaign, which collects toys for children and families at risk of vulnerability. As well as making a direct contribution of EUR 2,000, we repurposed our branches in the Basque Country and La Rioja as toy collection points.

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 to develop effective training and professionalization programmes.

- Entrepreneurship Days in Villava and Cadreita to encourage young people into the farming sector, run jointly with the public sector company INTIA. The primary aim was 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 2020, 4,944 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.

- Collaboration agreements with various trade organizations and industry bodies to promote lifelong learning, competitiveness and local associations.

| INSTITUTIONS | SCOPE OF OPERATIONS | AIMS |
|---------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Professional associations | Álava Biscay Guipúzcoa Navarre La Rioja | To support events, associations and financial benefits for their members. |
| Trade associations | | To support events, collegiality and financial benefits for their members. |
| Small trader associations | | To support customer loyalty, associations and financial benefits for their members. Support for digitization at both association and member level by providing the WE ARE YOUR BUSINESS market place. Training support for businesses so they can acquire the skills to upgrade to new technologies and e-commerce. |
| Affinity cards | | Issue of affinity cards and promotion of customer loyalty. The Bank makes financial contributions to the associations to help them run promotional and loyalty programmes for their customers. |
| Promueve programme | | The programme gives the self-employed, professionals and businesses financial benefits and helps support enterprise. |

Social, charity and sporting projects

- Asociación Navarra de Autismo (ANA): Installation of new pictograms to help children with autism in Pamplona (on each of the city's traffic-lighted pedestrian crossings). This is a scheme developed in tandem with the Pamplona local authority and ANA, the Autism Association of Navarre.
- Proyecto Hombre: partnering with programmes to attend and support people suffering from addiction problems.
- Aspace: support for care and protection of people with cerebral palsy.
- Cáritas: support for the UN's "Right to food" programme, through the "*Tu corazón suma*" (your heart counts) initiative which was integrated with the 2020 Vuelta a España and raised EUR 8,000.
- Social and leisure activities for various

groups and organizations of older people.

- Solidarity mask day: under this initiative, 10% of income from Seguros RGA insurance policies sold in the Bank's branches during the day go to support projects run by the Spanish Red Cross.
- Development of and support for environmental education projects: Support for the Aula de la Naturaleza de Fundación Ilundain - Haritz Berri. This is an educational resource visited by thousands of schoolchildren each year.
- 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. We successfully adapted to the circumstances imposed by the pandemic, supporting virtual sponsored runs such as the "Run for water" sponsored by the NGO Alboan, which supports drinking water projects in different African countries.

Research, education and employment

- CIMA scholarships: EUR 45,000 contributed to the Centre for Applied Medical Research to support the work of this leading national and international research centre sponsored by the University of Navarre.
- Universities:
 - International scholarships: despite Covid-19 restrictions on travel, in 2020 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. A total of 277 students were supported through various programmes (Erasmus, Palafox, Martín de Rada, ISEP USA, ISEP International, bilateral agreements and UN Alumni).

- Other activities: the Bank also promotes activities with the university community in the fields of enterprise, 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 20 international scholarships in collaboration with the Government of Navarre. 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

- Music and cinema festivals: support the cultural sector through hard times by sponsoring new initiatives such as the “Pamplona Reclassics” classical music festival and the Navarre International Film Festival.

- VI. Caja Rural de Navarra photography competition: the latest competition was held in 2020 attracting more than a thousand entries.

- 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 2020 and are customers of CRN.

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 14 years that the line has been running it has supported 2,108 projects which have helped economic and social development in the areas where they operate.

Over this time, 3,589 direct jobs have been created. In 2020, 284 jobs were directly generated (123 in Navarre, 147 in the Basque Country and 14 in La Rioja). They were taken by 186 men and 98 women (65% and 35%, respectively) with an average age of 38.84 years.

The average funding sought per project in 2020 was EUR 48,576.24 and the average investment made was EUR 77,466.

The success rate of businesses is 85% (survival rate of projects funded over the last three years), well above the market average.

The geographical spread of businesses supported in 2020 was: 68 in Navarre, 78 in the Basque Country and 10 in La Rioja.

Projects supported in 2020 by sector: services (60.90%), retail (21.15%), industry (10.90%), health and sport (7.05%).

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 OUR RELATIONSHIP TO THE PUBLIC AND PRIVATE INSTITUTIONAL SECTORS

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. The most important agreements we have with such institutions are as follows:

AGREEMENTS WITH PUBLIC AUTHORITIES AND OTHER AGENCIES

GOVERNMENT OF NAVARRE -
MANAGEMENT OF THE NAVARRE
CARNET JOVEN SCHEME

GOVERNMENT OF NAVARRE - INCOME
TAX AND CAP

GOVERNMENT OF NAVARRE
- EDUCATION DEPARTMENT
(PROFESSIONAL TRAINING)

GOVERNMENT OF LA RIOJA -
MANAGEMENT OF THE LA RIOJA
CARNET JOVEN SCHEME

BASQUE GOVERNMENT - R&D&I

BASQUE GOVERNMENT - VISESA

BASQUE GOVERNMENT -
LANGUAGE RIGHTS

BASQUE GOVERNMENT - SENDOTU SMES
AND SELF-EMPLOYED WORKERS IN THE
AGRICULTURAL, FORESTRY AND FISHING
SECTORS

GOVERNMENT OF ARAGON - CAP

REGIONAL GOVERNMENT OF BISCAY -
VIA T REMOTE TOLL SYSTEM

UNIVERSITY OF NAVARRE

PUBLIC UNIVERSITY OF NAVARRE

FUNDACIÓN PARA LA INVESTIGACIÓN
MÉDICA APLICADA

ALTUBE UNIVERSITY ASSOCIATION

OFFICIAL CHAMBER OF COMMERCE
AND INDUSTRY IN NAVARRE

ELKARGI SDAD. GARANTÍA RECÍPROCA

IBERAVAL, SDAD. DE GARANTÍA
RECÍPROCA

ANEL

ASSOCIATION OF WORKERS SOCIETIES
OF EUSKADI (ASLE)

EUROPEAN INVESTMENT FUND'S
SME INITIATIVE

ENISA - ENTREPRENEURS /
YOUNG ENTREPRENEURS / SMES
COMPETITIVENESS

CONFEDERATION OF COOPERATIVES
OF EUSKADI (ERKIDE)

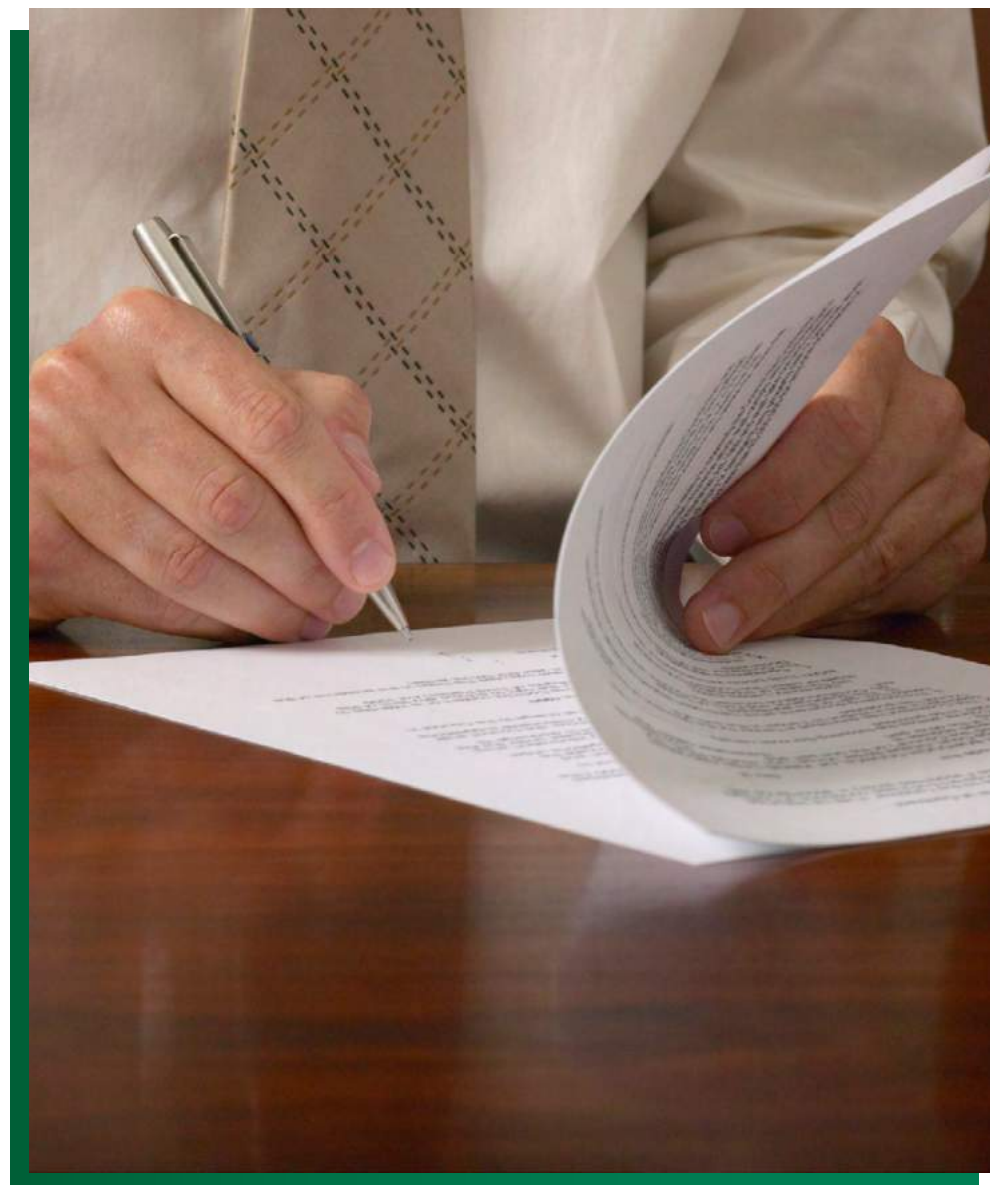
GARAPEN - DEVELOPMENT
AGENCIES OF EUSKADI

FOMENTO DE SAN SEBASTIÁN -
ENTREPRENEURS

UEMA (MANCOMUNIDAD DEL EUSKERA)
- GIA

AUTOCONTROL

IDAE PAREER PROGRAMME WITH
NEIGHBOURHOOD ASSOCIATIONS



09 STATE OF AFFAIRS- ROAD MAP



MAIN IMPROVEMENT CHALLENGES AND OBJECTIVES/ ECONOMIC-FINANCIAL ANALYSIS AND CORPORATE GOVERNANCE DEVELOPMENTS

| TARGETS/OBJECTIVES | OBJECTIVE 2020 | DEGREE OF ACHIEVEMENT 2020 | OBJECTIVES 2021 |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Sustainable practices | Maintain the programme of training new employees to give investment advice and maintain continuous training for all employees accredited to advise customers. | Training programmes were maintained, with an inclusive ambition, reaching most employees with the investment advisory training. | We will continue the same policy. Personalised advice is a key part of our focus on proximity to customers. |
| Customer-focused services | Maintain the programmes to collect data on customer perceptions of service quality, and their user experience of the Bank's main products and services. | Dialogue with customers was maintained through the channels provided by the Bank. | The same objective is maintained for 2021. |
| Socially responsible investment | Update the Sustainability Framework by including in the impact report (loan book sustainability framework) information on how it aligns with the EU taxonomy and, in greater detail, with the UN PRI, which will probably lead to a more detailed identification of additional goals beyond the 3 currently considered (12 -"Responsible consumption and production"-, 7-"Clean and affordable energy"- and 11 -"Sustainable cities and communities"-). | Objective achieved in 2002, with the drafting of a new Sustainability Framework, verified by Sustainalytics, which includes alignment with the EU taxonomy (according to its latest draft versions), and more detailed and granular alignment with the United Nations Sustainable Development Goals. | Maintain the current Framework. |
| | Update again the Sustainalytics Second-Party Opinion report on the new sustainability framework. | Objective achieved in 2020. | Continue obtaining Sustainalytics Second-Party Opinion for sustainable bond issues. |
| | Complete the process of identifying energy efficient homes following the guidelines of the EU taxonomy. | Push forward towards the objective in 2020. Since 2019, the Bank's IT system stores all required data on Energy Efficiency Certificates, covering both energy consumption and CO2 emissions. | Continue to identify this information adequately for all new mortgages. |
| | As part of the inclusion of Housing Energy Efficiency information in the impact report (of the loan book sustainability framework), it is intended to complete the data collection processes for the financing granted for renovation purposes. | Objective achieved in 2020. Renovation projects are now being identified so that they can be appropriately monitored. | Continue identifying renovation projects. |

| TARGETS/OBJECTIVES | OBJECTIVE 2020 | DEGREE OF ACHIEVEMENT 2020 | OBJECTIVES 2021 |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sustainable products | Complete the development of a specific financing line for improving homes' energy efficiency. | Objective in progress. The Bank continues to finance a relevant number of energy efficiency initiatives, although this funding needs to be more specific. | Specify parameters for home energy efficiency improvement loans. |
| | Analysis of legislation applying to different sustainable investment vehicles to adapt them to the demands of the sustainability regulations. | The Caja Rural Group has developed an ambitious project to adapt the Bank, with the support of a consultant, to meet all sustainability requirements. | 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). |
| Sustainable management of suppliers | Continue with improvements to traceability, reporting and monitoring processes for suppliers. | Monitoring was put in place based on the Bank's Supplier's Handbook and improvements were made to monitoring, traceability and reporting. | Objective maintained for 2021 and the procurement policy expanded to include social, gender equality and environmental issues. |
| Regulatory compliance, corporate governance and transparency | Maintain communication with ESG rating agency Sustainalytics to improve Caja Rural de Navarra's sustainability management. | In 2020, the Bank renewed its ESG risk rating with a score of 12.9, among the best in the sector. | Maintain a high ESG risk rating by Sustainalytics. |
| | Continue to improve the Regulatory Compliance platform being developed jointly with the members of the Caja Rural Group at national level. | Considerable progress was made in developing and implementing the compliance engine. A number of improvements were made and new ones identified. | The objective for 2021 is to have the engine fully up and running and implement the new improvements identified in 2020. |
| | Improve presence of the gender under-represented on the Board. | | Promote women's candidacies as Directors of the Bank during statutory renewals of Board membership. |
| | Incorporate sustainability factors into the Risk Appetite Framework. | | Develop and launch the project |
| | Incorporate sustainability factors into lending and monitoring of credit risk. | | Define the carbon footprint of the Bank's loan book by sector and start to define new monitoring variables. |
| | Register transactions that meet sustainability criteria. Expand the data collected on projects. | | Define objectives and establish the control and identification process. |

MAIN IMPROVEMENT CHALLENGES AND OBJECTIVES/ SOCIAL ISSUES

| TARGETS/OBJECTIVES | OBJECTIVE 2020 | DEGREE OF ACHIEVEMENT 2020 | OBJECTIVES 2021 |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Financial inclusion | Continue financial education initiatives in the school environment. | Objective in progress. The pandemic and social distancing made it harder to complete some of the planned actions for schools. | Objective maintained for 2021, given the increasing importance of financial education in modern society. |
| Human resource management (equality and diversity, health and safety etc.) | Healthy company: promote a mindfulness programme to improve staff health with the aim of giving employees methods to relax and confront conflict situations in a considered and responsible way. We also seek to enhance the sense of belonging and external dissemination of the Caja Rural de Navarra brand through inter-company sports competitions. | Objective partly achieved. Staff were offered various mindfulness and emotional well-being courses. A sports programme was also launched as part of the "Companies challenge" although it was halted because of the pandemic. | The physical and mental well-being of employees remains a priority for the Bank so we will continue offering programmes of this kind. |
| Social Welfare Fund | Continue awareness-raising actions on re-use of resources and recycling | Objective in progress. We must continue to put out messages promoting more sustainable consumption in a context of rising global population and limited resources. | Draw up educational content for school students to raise awareness of responsible consumption from a young age. |
| Volunteering | Creation of the Mueve-T blog to raise awareness, motivate and integrate employees into long-term sustainability projects. | Objective achieved. A wide range of articles were published on the blog during the year addressing different topics. | Extend this commitment to the different existing working groups to address new areas in the future. |
| | Promote volunteering initiatives involving Caja Rural de Navarra employees. | Objective not achieved. Social distancing prevented a number of planned volunteering initiatives. | Promote corporate volunteering actions, focusing on the two areas of care and reforestation at a local level. |
| Contribution to society | Continue to prepare and publish the Corporate Social Responsibility Report. | Objective achieved. | |
| Alignment with the UN sustainable development goals (SDG). | Spread and raise awareness in the organisation of the concept of sustainability and SDGs. | Objective in progress. Two blog articles were posted on this topic, continuing to promote a sustainability culture in the organisation. | Effectively communicate all actions taken by the Bank in this area. |

| TARGETS/OBJECTIVES | OBJECTIVE 2020 | DEGREE OF ACHIEVEMENT 2020 | OBJECTIVES 2021 |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dialogue with and development of local communities | Launch a new dialogue with stakeholders and extend the materiality analysis to include all companies in the Caja Rural de Navarra Group | Objective in progress, although we continued to generate forums and channels for dialogue with our stakeholders. | Complete a comprehensive materiality analysis, giving us the opportunity to effectively reach all stakeholders and hear their main concerns and demands. |
| Training | Increase training of new recruits, encouraging digitalisation and virtual media as an advanced communication system for skill-sharing and development. | Objective partly achieved. All employees received digital skills training during the year. New employees can access these courses and are included in the training programme. | Continue promoting online training and delivering update sessions to avoid older employees falling behind. |
| Time register | Introduce a time register system to comply with the regulation and as a self-regulation system with the flexibility we already have in place to support work-life balance. | Installation of the Woffu app to underpin the time register of the workforce. Online courses on work-life balance were also delivered (guide to balance and shared responsibility). | Guarantee family life balance for our employees offering alternatives and flexible working methods (teleworking). |
| Employee affinity groups, diversity councils or networking groups | | | Create a private Alumni group on LinkedIn to foster the Talent community, for people who have worked at CRN. |
| Diversity initiatives | | | Updates to the CRN Equality Plan, including the concept of diversity. |
| Equal pay | | | Conduct an in-depth study on CRN's gender pay gap. |
| Disclose the overall median gross gender pay gap | | | Study the Bank's pay gap compared to median pay. |
| Advice | | | Define the policy for integrating sustainability risks into investment advice. |
| Expand the Sustainable Funds range | | | Develop a new Sustainable Fund "Rural Fondo 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. |

| TARGETS/OBJECTIVES | OBJECTIVE 2020 | DEGREE OF ACHIEVEMENT 2020 | OBJECTIVES 2021 |
|---------------------------------------------------------------------------------|----------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Introduction of the loyalty module in local businesses | | | Define the customer loyalty module which allows businesses to offer discounts, issue vouchers, special offers and prize draws. |
| Digitisation of schools | | | Call for applications for grants for schools in the Basque Country, coupled with a financing line, to facilitate investment in digital classrooms. |
| Support the employability and integration to the labour market for young people | | | Draw up a collaboration agreement that promotes young people's employability (practical training, company visits, grants, etc.) |



MAIN IMPROVEMENT CHALLENGES AND OBJECTIVES/ ENVIRONMENT

| TARGETS/OBJECTIVES | OBJECTIVE 2020 | DEGREE OF ACHIEVEMENT 2020 | OBJECTIVES 2021 |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Climate change strategy | Continue cooperation with the EeMAP initiative. | Strong links were maintained with the project. The Bank was also a member organisation of the Energy efficient mortgage label (EeML). | Remain involved in EeMAP and EeML, playing an active role in promoting funding for energy efficiency through this European initiative. |
| | Analyse, design and implement a specific financing line for improving homes' energy efficiency. | Objective in progress. The Bank continues to finance a number of energy efficiency initiatives, although this funding needs to be more specific. | Specify parameters for home energy efficiency improvement loans. |
| Volunteering | Continue developing the Volunteering Strategy, encouraging environmental and social activities that help improve our environment, creating a standing group of volunteers to carry out actions and form a motivating group when proposing actions, innovation and development. | In progress. A guiding reforestation plan was drawn up, to conduct actions in local woodlands to underpin a zero CO ₂ emissions policy. | Creation of a pool of volunteers to develop various environmental projects in collaboration with local organisations (reforestation, cleaning up woodland, etc.). |
| Promote environmental actions in our community | | | Promote various environmental initiatives in all regions where Caja Rural de Navarra operates. |
| Improve recycling of waste at Caja Rural de Navarra branches | | | Develop a recycling process for solid urban waste generated at the branches. |
| Calculate and eliminate CRN's carbon footprint | | | Measure current emissions and develop an action plan. |
| Reduce the carbon footprint at the Grupo Harinero and Solera Asistencial | | | Continue working to raise awareness and develop an action plan. |

10 ANEXO I

10 GRI STANDARDS – MANDATORY LAND MATERIAL INDICATORS



| GRI STANDARDS – MANDATORY INDICATORS | | |
|--------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | INDICATOR | COMMENT |
| Profile of the organization | 102-1 Organization name | CAJA RURAL DE NAVARRA , Sociedad Cooperativa de Crédito ABOUT US , Page 18 PROFILE OF THE ORGANIZATION , Page 23 |
| | 102-2 Activities, brands, products and services | ABOUT US , Page 18 PROFILE OF THE ORGANIZATION , Page 23 |
| | 102-3 Location of headquarters | PROFILE OF THE ORGANIZATION , Page 23 |
| | 102-4 Location of operations | ABOUT US , Page 18 PROFILE OF THE ORGANIZATION , Page 23 |
| | 102-5 Ownership and legal form | PROFILE OF THE ORGANIZATION , Page 23 |
| | 102-6 Markets served | PROFILE OF THE ORGANIZATION , Page 23 |
| | 102-7 Scale of the organization | KEY FIGURES , Page 40 |
| | 102-8 Information on employees and other workers | THE TEAM , Page 81 |
| | 102-9 Supply chain | SUPPLIERS , Page 111 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. |
| | 102-10 Significant changes to the organization and its supply chain | There were no significant changes to the organization and its supply chain in 2020 |
| | 102-11 Precautionary principle or approach | The development and launch of new products by the Financial Institution does not generate risk or serious or irreversible damage to the environment. |
| | 102-12 External initiatives | ABOUT US , Page 18 CORPORATE CULTURE , Page 36 CAJA RURAL DE NAVARRA AND SOCIETY , Page 125 |
| | 102-13 Membership of associations | CAJA RURAL DE NAVARRA AND SOCIETY , Page 125 ABOUT US , Page 18 |

| GRI STANDARDS – MANDATORY INDICATORS | | |
|--------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | INDICATOR | COMMENT |
| Strategy | 102-14 Statement from senior decision-makers | CHAIRMAN'S LETTER , Page 4 |
| | 102-15 Key impacts, risks, and opportunities | STRATEGY OF THE BANK , Page 15 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. |
| Ethics and integrity | 102-16 Values, principles, standards, and norms of behaviour | ABOUT US: STRUCTURE OF THE BANK , Page 29 |
| | 102-17 Mechanisms for advice and concerns about ethics | CONFIDENTIAL CHANNELS FOR 'WHISTLEBLOWING' AND 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 | 102-18 Governance structure | GOVERNANCE BODIES , Page 24 GOVERNING BODIES AND INTERNAL MANAGEMENT AND CONTROL STRUCTURE , Page 26 |
| | 102-19 Delegation of authority | ABOUT US: STRUCTURE OF THE BANK , Page 29 |
| | 102-20 Executive-level responsibility for economic, environmental, and social topics | ABOUT US: STRUCTURE OF THE BANK , Governing Board Page 26 |
| | 102-21 Consulting stakeholders on economic, environmental, and social topics | ABOUT THE REPORT , Page 6 |
| | 102-22 Composition of the highest governance body and its committees | 2020 Annual Corporate Governance Report: https://www.cajaruraldenavarra.com/sites/default/files/igc-2020.pdf |
| | 102-23 Chair of the highest governance body | |
| | 102-24 Nominating and selecting the highest governance body | GOVERNING BODIES AND INTERNAL MANAGEMENT AND CONTROL STRUCTURE Page 26. |

| GRI STANDARDS – MANDATORY INDICATORS | | |
|--------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | INDICATOR | COMMENT |
| Governance | 102-25 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> <ul style="list-style-type: none"> • Article 48 of the Bank's Articles of association. • Article 24 of the Governing Board's Rules of Procedure. Both these documents can be found at: www.cajaruraldenavarra.com • 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. <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 May 2020.</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> |
| | 102-26 Role of the highest governance body in selecting objectives, values and strategy | ABOUT US: STRUCTURE OF THE BANK , Page 29 |
| | 102-27 Collective knowledge of highest governance body | ABOUT US: STRUCTURE OF THE BANK , Page 29 |
| | 102-28 Performance evaluation of the highest governance body | GOVERNING BODIES AND INTERNAL MANAGEMENT AND CONTROL STRUCTURE , Page 26 |
| | 102-29 Identifying and managing economic, environmental, and social impacts | ABOUT THE REPORT , Page 6 GOVERNING BODIES AND INTERNAL MANAGEMENT AND CONTROL STRUCTURE , Page 26 |
| | 102-30 Effectiveness of risk management processes | INTERNAL CONTROL FRAMEWORK FOR CAJA RURAL DE NAVARRA , Page 30 |

| GRI STANDARDS – MANDATORY INDICATORS | | |
|--------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | INDICATOR | COMMENT |
| Governance | 102-31 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. |
| | 102-32 Highest governance body's role in sustainability reporting | ABOUT THE REPORT: Page 6 |
| | 102-33 Communication of critical concerns | CUSTOMERS: Page 43 |
| | 102-34 Nature and total number of critical concerns | CUSTOMERS: Page 43 |
| | 102-35 Remuneration policy | THE TEAM: Page 95 With summary of the remuneration policy: |
| | 102-36 Process for determining remuneration | https://www.cajaruraldenavarra.com/es/gobierno-corporativo-politica-remuneraciones |
| | 102-37 Stakeholders' involvement in remuneration | Stakeholders do not participate in determining remuneration |
| | 102-38 Annual total compensation ratio | THE TEAM: Page 95 CRN remuneration policy (summary): |
| | 102-39 Total annual compensation percentage increase ratio | https://www.cajaruraldenavarra.com/es/gobierno-corporativo-politica-remuneraciones |
| Reporting practice | 102-40 List of stakeholder groups | ABOUT THE REPORT, Page 7 |
| | 102-41 Collective bargaining agreements | THE TEAM, Page 81 |
| | 102-42 Identification and selection of stakeholders | ABOUT THE REPORT, Page 7 EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION, Page 9 |
| | 102-43 Approach to stakeholder engagement | ABOUT THE REPORT, Page 7 EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION, Page 9 |
| | 102-44 Temas y preocupaciones clave mencionados | EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION, Page 9 |

| GRI STANDARDS – MANDATORY INDICATORS | | |
|--------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | INDICATOR | COMMENT |
| Reporting practice | 102-45 Entities included in the consolidated financial statements | ABOUT US: STRUCTURE OF THE BANK- EQUITY INVESTMENTS , Page 37 |
| | 102-46 Defining report content and topic boundaries | EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION , Page 9 |
| | 102-47 List of material topics | ABOUT THE REPORT , Page 6 |
| | 102-48 Restatement of information | <p>There are no restatements resulting from:</p> <ul style="list-style-type: none"> • Mergers or acquisitions; • Changes in base years or periods; • The nature of the business; <p>There are some restatements in Annex II, relating to the methods used to measure employees and remuneration in companies comprising the consolidated Group.</p> <p>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> |
| | 102-49 Changes in reporting | EXTERNAL MATERIALITY ANALYSIS AND INTERNAL VISION , Page 9 In 2020, the materiality analysis was again based on the stakeholder consultations conducted in 2017 and 2018 and the material aspects therefore remain unchanged. |
| | 102-50 Reporting period | ABOUT THE REPORT , Page 6 |
| | 102-51 Date of most recent report | CHAIRMAN'S LETTER , Page 4 |
| | 102-52 Reporting cycle | ABOUT THE REPORT , Page 6 |
| | 102-53 Contact point for questions regarding the report | ABOUT THE REPORT , Page 6 |

| GRI STANDARDS – MANDATORY INDICATORS | | |
|--------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | INDICATOR | COMMENT |
| Reporting practice | 102-54 Claims of reporting in accordance with the GRI Standards. | CHAIRMAN'S LETTER , Page 5 ABOUT THE REPORT , Page 6 |
| | 102-55 Table of GRI contents | ANNEX II , Page 151 |
| | 102-56 External assurance | Caja Rural de Navarra is publishing its fourth Corporate Social Responsibility Report and the 2020 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. |



| GRI STANDARDS MATERIAL INDICATORS | | |
|-------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KEY ISSUE | | COMMENT |
| Financial strength of the Bank and global risk management. | GRI 103: Management focus | 103-1 Explanation of the material topic and its boundary ABOUT THE REPORT , Page 9 The materiality analysis was carried out by the parent Bank (Caja Rural de Navarra). The next materiality analysis will be carried out in 2021 at Consolidated Group scope. |
| | | 103-2 The management approach and its components ABOUT US , Page 18 |
| | | 103-3 Evaluation of the management approach ABOUT THE REPORT , Page 14 |
| | GRI 201: Economic performance | 201-1 Direct economic value generated and distributed ABOUT US , Page 40 |
| | | 201-2 Financial implications and other risks and opportunities due to climate change 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. 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. 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. The consultancy Sustainalytics has ratified that the Bank's framework is aligned with the principles and objectives mentioned above, including the "Green Bond Principles" and "Social Bond Principles" 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. |

| GRI STANDARDS MATERIAL INDICATORS | | | |
|------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KEY ISSUE | COMMENT | | |
| Financial strength of the Bank and global risk management. | GRI 201: Economic performance | 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 | ABOUT US , Page 28 All the senior executives come from the local community. |
| | | 202-2 Proportion of senior executives hired from the local community | |
| | GRI 203: Indirect economic impacts | 203-1: Infrastructure investments and services supported | Page 57-84 Given the Bank's nature as an entity that provides financial services, our main impact as an investor in infrastructure and services comes from the projects carried out by our customers, and in particular those carried out by the Bank's borrowers. 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. 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. The consultancy Sustainalytics has ratified that the Bank's framework is aligned with the principles and objectives mentioned above, including the "Green Bond Principles" and "Social Bond Principles" 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. |

| GRI STANDARDS MATERIAL INDICATORS | | |
|-------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KEY ISSUE | | COMMENT |
| Financial strength of the Bank and global risk management. | GRI 203: Indirect economic impacts | <p>Page 57-84</p> <p>Given the Bank's nature as an entity that provides financial services, our main economic impact is indirect and comes from the projects carried out by our customers, in particular those carried out by the Bank's borrowers.</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. 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 consultancy Sustainalytics has ratified that the Bank's framework is aligned with the principles and objectives mentioned above, including the "Green Bond Principles" and "Social Bond Principles" 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> |
| | GRI 204: Procurement practices | <p>204-1 Proportion of spending on local suppliers</p> <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> |

| GRI STANDARDS MATERIAL INDICATORS | | | |
|-----------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KEY ISSUE | COMMENT | | |
| Strategy of the organization. | GRI 103: Management focus | 103-1 Explanation of the material topic and its boundary | ABOUT THE REPORT , Page 9 |
| | | 103-2 The management approach and its components | ABOUT THE REPORT , Page 10-14 |
| | | 103-3 Evaluation of the management approach | ABOUT THE REPORT , Page 10-14 Stakeholders did not participate in the strategic planning process for the plan 2020 |
| Transparency in marketing | GRI 103: Management focus | 103-1 Explanation of the material topic and its boundary | ABOUT THE REPORT , Page 9 |
| | | 103-2 The management approach and its components | ABOUT US , Page 10 CUSTOMERS , Page 42-52 |
| | | 103-3 Evaluation of the management approach | ABOUT THE REPORT , Page 6-9 |
| | GRI 206: Anti-competitive behaviour | 206-1: Legal actions related to anti-competitive behaviour, anti-trust and monopoly practices | In 2020, 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 | | |
| Transparency in marketing | GRI 417: Marketing and labelling | 417-1 Requirements for product and service information and labelling | CUSTOMERS, Page 45 |
| | | 417-2 Incidents of non-compliance concerning product and service information and labelling | CUSTOMERS, Page 48-52 |
| | | 417-3 Incidents of non-compliance concerning marketing communications | CUSTOMERS, Page 47 |
| | GRI 418: Customer privacy | 418-1: Substantiated complaints regarding breaches of customer privacy and losses of customer data | CUSTOMERS, Page 53 |
| Quality of service and customer satisfaction | GRI 103: Management focus | 103-1 Explanation of the material topic and its boundary | ABOUT THE REPORT, Page 9 |
| | | 103-2 The management approach and its components | ABOUT THE REPORT, Page 6 CUSTOMERS, Page 48-52 |
| | | 103-3 Evaluation of the management approach | ABOUT THE REPORT, Page 9 |
| | | FS15 Description of policies for the fair design and sale of financial services and products. | CUSTOMERS, Page 45 |

| GRI STANDARDS MATERIAL INDICATORS | | | |
|----------------------------------------------------------------|------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASPECTO CLAVE | COMMENT | | |
| Caja Rural de Navarra's CSR policy and social engagement | GRI 103: Management focus | 103-1 Explanation of the material topic and its boundary | ABOUT THE REPORT , Page 6-9 |
| | | 103-2 The management approach and its components | CUSTOMERS , Page 45 |
| | | 103-3 Evaluation of the management approach | ABOUT THE REPORT , Page 6-9 |
| Corporate culture | GRI 103: Management focus | 103-1 Explanation of the material topic and its boundary | ABOUT THE REPORT , Page 6-9 |
| | | 103-2 The management approach and its components | ABOUT THE REPORT , Page 10 |
| | | 103-3 Evaluation of the management approach | ABOUT THE REPORT , Page 6-9 |
| Management focus | GRI 205: Management focus | 205-1 Operations assessed for risks related to corruption | There were no transactions assessed in this area in 2020 |
| | | 205-2 Communications and training on anti-corruption policies and procedures | The Bank has a Crime Prevention Policy, with which all employees are made familiar through its Code of Conduct, published in 2020, and through the employee website available to all employees. |
| | | 205-3 Confirmed incidents of corruption and actions taken | There were no cases of corruption in 2020 |

11 ANNEX II

11 NON-FINANCIAL STATEMENTS OF COMPANIES COMPRISING
THE CAJA RURAL DE NAVARRA CONSOLIDATED GROUP



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. We are well aware that 2020 was an exceptional year in many areas of our lives and the world economy. Spain was especially hard hit, in part because of its heavy reliance on tourism.

Caja Rural de Navarra's equity investments, along with their workers, suppliers and customers, were all affected by the pandemic. We will look in closer detail at their various situations as they come up in the sections of this document.

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 2020:

| Company | Location | TAX ID | % ownership interest | External audit |
|------------------------------------------------------------------|------------------------------|---------------|----------------------|----------------|
| HARIVASA 2000 S.A | Noain (Navarre) | A31013402 | 100% | Yes |
| Transnoain S.A | Noain (Navarre) | A31870058 | | No (*) |
| Cerelia I+D S.L | Noain (Navarre) | B71312888 | | No (*) |
| Cerelia Agro, S.L. | Almenara (Castellón) | B44539682 | | No |
| Cerelia S.L | Noain (Navarre) | B31949217 | | No |
| Harinera de Tardienta S.A | Tardienta (Huesca) | A22001499 | | Yes |
| Harinas Selectas S.A | Tardienta (Huesca) | A50107143 | | No (*) |
| Comercial Don Obrador, S.A. | Getafe (Madrid) | B79410742 | | No (*) |
| Le Moulin de Navarre | Bayona (Francia) | FR25813803103 | | No (*) |
| Harántico, S.L. | Marcon (Pontevedra) | B36562593 | | No |
| Reyes Hermanos S.L | Marcon (Pontevedra) | B36000818 | | Yes |
| Harinera del Mar S.L | Almenara (Castellón) | B97832232 | | Yes |
| Haribéricas SXXI S.L | Sevilla (Sevilla) | B64939341 | | Yes |
| Harivenasa S.L | Noain (Navarre) | B71075774 | | Yes |
| HRVS Eood | Sofía (Bulgaria) | BG203420883 | | No |
| Explotación Agrícola Las Limas | Tudela (Navarre) | J71085179 | | No |
| Industria Tonelera de Navarra S.L | Monteagudo (Navarre) | B31688336 | | No |
| Tonnellerie de L'Adour S.A.S | Plaisance du Gers (Francia) | FR96425029972 | | No |
| Merranderie de L'Adour (antes Oroz Fils STE Exploitation) | Plaisance du Gers (Francia) | FR94379700966 | | No |
| Tonnellerie de L'Adour USA Inc | Sunland, California (EE.UU.) | C3886342 | | No |
| Bouquet Brands S.A | Esquiroz (Navarre) | A31884000 | | No |
| Bahia de Cádiz S.L | Pamplona (Navarre) | B84996743 | | No |
| Solera Asistencial S.L | Pamplona (Navarre) | B71150866 | | Yes |
| Solera Navarra S.L | Pamplona (Navarre) | B71186654 | | Yes |
| Torre Monreal S.L | Tudela (Navarre) | B31872872 | | Yes |
| SERESGERNA S.A | Pamplona (Navarre) | A31697808 | | Yes |
| Preventia Sport S.L | Pamplona (Navarre) | B71008783 | | No |
| Promoción Estable del Norte S.A | Pamplona (Navarre) | A31663651 | | Yes |
| Informes y Gestiones Generales, S.A. | Pamplona (Navarre) | A31437635 | | No |
| Informes Técnicos y Valoraciones Generales, S.L. | Pamplona (Navarre) | B31917305 | | No |
| Administración De Fincas Informes Y Gestiones S.L. | Pamplona (Navarre) | B71054944 | | No |

No (*): The company does not undergo a formal audit but is analysed in the audit of its parent company.

We also show the sectors and regions where each company offers its products and services.

| COMPANY | REGIONS |
|--------------------------------------------|-------------------------------------------|
| FLOUR SECTOR | |
| HARIVASA 2000 S.A. | Spain, south of France |
| TRANSNOAIN | Spain, south of France |
| CEREALIA I+D | Spain |
| HRVS EOOD | Bulgaria, Rumania |
| CERELIA | Spain |
| CERELIA Agro | Spain |
| HARINERA DE TARDIENTA | Spain, south of France, exports to Africa |
| HARINAS SELECTAS | Spain |
| LE MOULIN DE NAVARRA | France |
| REYES HERMANOS | Spain, Portugal |
| HARINERA DEL MAR | Spain |
| HARIBÉRICAS SXXI | Spain, Portugal |
| HARIVENASA | Spain, exports to twenty countries |
| DON OBRADOR | Madrid |
| WINERY SUPPLIES | |
| 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 |
| SENIOR CARE | |
| SOLERA ASISTENCIAL | Navarre |
| SOLERA NAVARRA | Navarre |
| TORRE MONREAL | Navarre |
| SERESGERNA | Navarre |

| COMPANY | REGIONS |
|-----------------------------------------------------------|-----------------------------------|
| SUPPORT FOR CAJA RURAL DE NAVARRA CUSTOMERS | |
| INFORMES Y GESTIONES GENERALES, S.A. | Navarre, La Rioja, Basque Country |
| INFORMES TECNICOS Y VALORACIONES GENERALES, S.L. | Navarre, La Rioja, Basque Country |
| ADMINISTRACION DE FINCAS INFORMES Y GESTIONES S.L. | Navarre |
| PROMOCION ESTABLE DEL NORTE | Navarre, La 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. First, though, we would like to list the companies comprising our equity investment area by type of activity.

To do this, we focus on the parent or biggest companies, skipping over some of their, or the Bank's, functional subsidiaries that merely provide services to the Bank:

| AREA | COMPANY | Status in Group |
|-----------------------------------------------|---------------------------------------------------------|-------------------|
| FOOD | Cereal transformation | |
| | 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 |
| | Vineyards and wineries | |
| | 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 |
| | Dairy | |
| | IPARLAT | associate |
| | Support for Cooperatives, Farmers and Stock-raisers | |
| | SERVICIOS EMPRESARIALES AGRO INDUSTRIALES, S.A. - SENAI | associate |
| ECOLOGICAL TRANSITION, RENEWABLE ENERGY | Renewable energy generation | |
| | COMPAÑÍA EOLICA DE TIERRAS ALTAS | associate |
| | RENOVABLES DE LA RIBERA | associate |
| | MINICENTRALES CANAL BARDENAS | equity investment |
| | RURAL ENERGIAS ARAGONESAS, S.A. | associate |
| | IBERJALON | associate |

| AREA | COMPANY | Status in Group |
|-----------------------------------------------|-----------------------------------------|-------------------|
| ECOLOGICAL TRANSITION, RENEWABLE ENERGY | RURAL DE ENERGIA DE TIERRAS ALTAS, S.A. | associate |
| | Poplars | |
| REAL ESTATE | BOSQALIA | associate |
| | Rental of state-subsidized housing | |
| PROMOCIÓN ECONÓMICA REGIONAL | ERROTABIDEA | associate |
| | Venture capital and seed finance | |
| | START UP | equity investment |
| | Mutual guarantee societies | |
| | SONAGAR | equity investment |
| | ELKARGUI | equity investment |
| CARE | IBERAVAL | equity investment |
| | Senior care | |
| ENGINEERING | SOLERA ASISTENCIAL | subsidiary |
| | Civil engineering and testing | |
| | LABORATORIOS ENTECSA | associate |
| | IGEO2 | associate |

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 over three quarters 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.

Spain produces less wheat than it consumes, even in good years like 2020: 7,678 thousand tonnes of common wheat and 826 thousand tonnes of durum wheat were harvested in 2020 (compared to 5,430 thousand tonnes in total in 2019 and 8,100 thousand tonnes in 2018). It therefore imports between 4,500 and 6,000 thousand tonnes from abroad annually, mostly from other EU countries.

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.

In 2020, Spanish national production of flours, bread and pastry products fell sharply due to the lockdown of the hotels and catering sector, slump in tourism and change in household habits. The impact was felt unequally across the country due to the asymmetric impact of lower tourism.

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 will have 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 the at the core of the company and we must work in collaboration with colleagues and customers. Continuous improvement of products and processes.

Also, the global cereals market was exceptionally volatile all year and ended with a sharp rise in the fourth quarter. As well as the usual factors of supply/storage and demand, plus the worldwide complication of Covid, this year we also had hedge funds weighing into 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 Celia 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. This type of initiative remains in the minority. However, we are hopeful about the progress made

alongside farmers, cooperatives and these partner customers, and convinced these practices will be increasingly taken up over time.

As for the pandemic's impact on the sector, as we said, it varied from region to region and tended to be greater in those areas most reliant on tourism. Total flour consumption fell, more so in the Mediterranean than in the North and more so for pastries or products targeted at hotels and catering than for basic products.

Despite this, our factories maintained employment levels. We had to take some extra health and safety measures and the tasks involved in nearly every job got more complicated. But we believe we were able to cater adequately for our customers while maintaining a good level of service. Employees worked hard to achieve this, and the level of business meant we were able to avoid temporary lay-offs. In fact, the overall headcount increased (see 3.1)



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 2020. Spain's hotel, catering and tourism slumped drastically in 2020. Wine drinking in the hotel, restaurant and catering sectors fell off a cliff and Spanish wineries' sales dropped by 20%. Against this backdrop, wine production was cut back and investment in new barrels contracted. This forced Intona to apply a number of temporary lay-off plans to some staff, eventually affecting nearly all staff during the months of lockdown.

The position of Bouquet Brands, which is a distributor to bars and restaurants, was still worse as its business was compulsorily shut down. It, too, had to temporarily lay off staff.



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 en casa"
- 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

The pandemic has had an enormous impact on this sector. The efforts made by residents, staff and families have been extraordinary. The rapid rise in infections during March and April 2020 when nobody knew how to contain or treat the disease and hospitals were overrun, forced old people's homes to invent their own procedures and palliative care measures and find their own sources for protective equipment. Staff shortages, as some went into prophylactic or medical lockdown, were resolved with the help of workers from the day centres which closed early on in the pandemic.

The health staff received occasional unpaid support from volunteers, doctors, nurses and other technical personnel, who selflessly gave their time and knowledge at times of crisis. On occasion we had to turn down their help due to a lack of resources, training or illness. We all join in giving our heartfelt thanks for their laudable spirit and solidarity.

As a Group, all possible steps were taken to supply personal and collective protective equipment, oxygen and other medical supplies and to strengthen staff numbers irrespective of the difficulty in finding people or the cost.

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.

It has professional teams in Pamplona, San Sebastian, Bilbao, Vitoria and Logroño and can therefore serve all our customers.

Finally, "Preventia Sport" manages 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.

Covid impacted this group via reduced activity in its specialities, but ultimately had no significant effect on its employees.

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 dietitians 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 professionalization 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.

In last year's section on investee companies we declared our intention to produce

a materiality analysis and definition of stakeholders for these sub-groups in 2020, giving them the intended voice in procedures for setting CSR policy and hence the Group's sector objectives. Unfortunately, we were unable to conduct such an analysis this year and it has now been put back to 2021 at Consolidated Group level.

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

Coronavirus infection

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.

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

Coronavirus infection

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

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 THEIR RELEVANCE

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 | <ul style="list-style-type: none"> - Integrated process control - Quality metrics - Staff training - Insurance |
| Transmission of disease | <ul style="list-style-type: none"> - Cleaning and work protocols - Use of collective and personal protective equipment |
| Treatment of residents | <ul style="list-style-type: none"> - Selection process - Staff training - Quality metrics |
| Employee ethics | <ul style="list-style-type: none"> - Selection process - Working environment and training plans - Internal and external audits of Caja Rural de Navarra |
| Economic downturn | <ul style="list-style-type: none"> - Regular business reporting - Internal audit |

1.7. DISPUTES AND COMPLAINTS

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 | 2020 | 2019 |
|------------------|------------|------------|
| Baker's sack | 8,874,250 | 8,942,842 |
| Tanker/Big Bag | 24,245 | 21,043 |
| 1/5/10 kg packet | 33,311,752 | 23,938,236 |

The figure for tanker/big bag units published in last year's report are different from the 2019 figures here as we detected a statistical error in the number of big bags counted last year.

Incidence was less than 23 (32 in 2019) per million units delivered. Percentage of total incidents classed as serious: 18.9% (20.9% in 2019).

Breakdown by type:

Household use (0.5kg/1kg/5kg packet): incidence of 1.38 per million packets (1.77 in 2019).

Industrial use (25bk sack/tanker/big bag): Incidence of 104.3 per million (115.5 in 2019). Of these, 18 were considered serious (22 in 2019) as they related directly or indirectly to food safety and 40 (53 in 2019) 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 2020, the score was 4.04 compared to 3.97 and 3.95 in 2019 and 2018, respectively.

Responses are subjective - i.e. reflecting the opinion of each resident or relative - and the percentage of residents completing their surveys is lower than in 2019, perhaps because the surveys were only issued late in the year.

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 4.87 (4.91 in 2019 and 4.5 in 2018). 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 target relates to complaints. The 2019 indicator showed complaints running at 71% of what was considered a tolerable level, half of the volume received in 2018. In other words, although the scoring for specific aspects of residents' daily life fell slightly, the number of complaints also reduced.

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. Improvements scheduled for 2020 were generally not met. This was due to the radical changes imposed by the pandemic. Group activities were impossible, family visits were banned, it was not possible to increase the intensity of physiotherapy or occupational therapy, etc.

The internal assessment survey of employees, first carried out in December 2020, showcased the stress they were under and the efforts being made. The average rating was High Good across all questions. None of the questions resulted in a failing score, but there were comments on the heavy workload and the need for more staff this year.

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.

Complaints are not reported at the corporate level in this sector.

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 2020, complaints were received about 0.04% of actions (0.02% in 2019).

Informes y Gestiones was the subject of a quality audit in 2020, to identify the best areas for improvement.

COST OF QUALITY

In 2020, the following costs of maintaining the quality of products and services were identified:

| | Total |
|----------------------------------------------|------------------|
| Internal quality costs | EUR 1,058,490.45 |
| External quality spending | EUR 415,999.34 |
| Food defense spending | EUR 161,486.84 |
| Quality audits (customers, FSC, etc.) | EUR 39,287.58 |





2. ENVIRONMENTAL ISSUES

The Flour group uses the most energy in the Caja Rural Group. Wheat milling is a power intensive process and in 2020 the Flour group consumed approximately 68 GWh (compared to 66 GWh in 2019), an absolute terms rise but a 2% fall relative to units produced.

Of this, in 2020 slightly more than 28.6 GWh 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. This is double the certificates obtained in 2019.

Also, the heat treatment and softening process of oat flakes used 7.6 GWh of piped natural gas (7.3 GWh in 2019).

In addition, the group's raw materials and product transport fleet consumed approximately 9.7 GWh of fuel (12 GWh in 2019, unchanged from 2018).

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.

Also, in compliance with Royal Decree 56/2016, all plants again underwent energy audits in 2020 and investments were planned to cut energy consumption by 1.8 GWh annually.

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 PEFC²²-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 2020 was 0.8 GWh of electricity and 1.6 GWh of mains natural gas (1 GWh and 2.1GWh, respectively, in 2019). Transport of people and goods required 8,600 litres of diesel (12,300 in 2019). These figures are substantially down on 2019 due to the closure of day 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.

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 280 GWh of renewable electricity per year.
- Renovables de la Ribera launched four wind farms in August 2020, with total capacity of 111 MW in the south of Navarre.
- Bosqalia maintains plantations of the Populus genus (poplar trees) that, at end-December 2020, covered 284 hectares.

In each of the Group's companies is integrated into production considerations by the Steering Committee. No special committee has been appointed to date.

²² Certified timber from sustainable plantations.

The costs of reducing environmental risks break down as follows:

Flour Group:

| | 2020 | 2019 |
|--------------------------------------|---------------|---------------|
| Removing urban waste and waste water | 31,907 | 55,384 |
| Removing hazardous waste | 8,954 | |
| Removing non-hazardous waste | 34,221 | |
| Environmental management audits | 18,805 | 22,836 |
| Spending on energy efficiency | 1,406 | |
| Environmental consultancy | 3,270 | |
| Total | 98,563 | 78,210 |

Senior care group

| Direct expenses charged to the EMS (EUR) | 2020 | 2019 |
|-------------------------------------------------|--------------|--------------|
| Maintaining the Environmental Management System | 0 | 0 |
| Waste management | 5,048 | 7,994 |
| Total (EUR) | 5,048 | 7,994 |

Winery supplies

| Direct expenses charged to the EMS (EUR) | 2020 | 2019 |
|-------------------------------------------------|--------------|--------------|
| Maintaining the Environmental Management System | 3,532 | 3,669 |
| Waste management | 3,059 | 3,740 |
| Total (€) | 6,541 | 7,409 |

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.

FLOUR GROUP

This activity accounts for 90% of the Caja Rural Group's total consumption and nearly all its consumption of gas and diesel.

| | 2020 | | 2019 | |
|------------------------------------------------------|-----------|-----------------------|-----------|-----------------------|
| | Units | CO ₂ Eq, T | Units | CO ₂ Eq, T |
| Water. Consumption in m ³ | 72,007 | - | 79,970 | - |
| Natural Gas. MWh | 7,638 | 1,390 | 7,337 | 1,481 |
| Electricity | | | | |
| Non-renewable consumption, MWh | 40,173 | 10,847 | 54,909 | 13,233 |
| Renewable consumption, MWh | 28,669 | 0 | 10,993 | 0 |
| Fuel consumption | | | | |
| Diesel - process (litres) | 128,811 | 349 | - | - |
| Diesel - own fleet (litres) | 1,044,339 | 2,604 | 1,064,632 | 2,768 |
| Total CO₂ equivalent emissions (T) | | 15,190 | | 17,482 |

As the table shows, CO₂ equivalent emissions by the flour sector fell, even after bringing sub-product pelletization in-house at one of the Group's plants. Taking a broader view, this pelletization used to be done at our customer's plants and transporting the sub-product will now require fewer trucks, so the net result would be positive, but the direct effect is that our Group is emitting more CO₂ than last year.

OTHER SECTORS (SENIOR CARE, AUXILIARY FINANCIAL SERVICES AND WINERY SUPPLIES)

| | 2020 | | 2019 | |
|------------------------------------------------------|--------|-----------------------|--------|-----------------------|
| | Units | CO ₂ Eq, T | Units | CO ₂ Eq, T |
| Water. Consumption in m ³ | 36,824 | - | 25,901 | - |
| Gas MWh | 1,765 | 321 | 2,296 | 463 |
| Electricity | | | | |
| Non-renewable consumption, MWh | 974 | 263 | 1,517 | 366 |
| Fuel consumption, own fleet | | | | |
| Diesel, litres | 33,118 | 83 | 29,415 | 77 |
| Total CO₂ equivalent emissions (T) | | 667 | | 905 |

We want to indicate 2020 was deeply atypical for the care sector and wineries, due to the restrictions imposed because of the pandemic.

This year we began counting paper and toner consumption for the first time. Although the odd figure may be wrong or incomplete we nonetheless include the results here:

| | |
|--------------|---------------------|
| PAPER | 88,252.50 kg |
| TONER | 258.00 units |

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 materials, which are segregated and removed by waste collection and sanitation companies.

Natural gas is consumed in the residences and in the oat factory, as discussed in section 2.1. Natural gas emits CO₂ and it is considered that every kWh emits 0.182 kg (Emission factors issued by the Ministry for the Ecological Transition and Demographic Challenge, version 15, June 2020).

Therefore, direct CO₂ emissions to the atmosphere amounted to approximately 3,747 tonnes in 2020 (4,789 tonnes in 2019).

Following the guidance of the same document, we calculated emissions from each fuel and non-renewably sourced electricity, based on the ratio for our main supplier (0.27 grCO₂/kWh).

On this basis, total direct and indirect CO₂ emissions by Group companies was around 15,857 tonnes (compared to 18,387 tonnes in 2019 and 23,085 tonnes in 2018.).

These figures do not include the attributable generation of renewable energy in Group investee companies and CO₂ absorbed by the forestry plantations.

3. SOCIAL AND PERSONAL ISSUES

At the time of writing, our country has been declared in a "state of alarm" and the healthcare system is close to being overrun. Those who can be working from home and hundreds of thousands of workers from many sectors have been provisionally laid off until people recover their freedom of action and we can return to the normal interplay of demand and supply.

Most employees in the Bank's equity investments work in essential basic sectors (health/care, food, energy) which have to continue. They are working in solidarity with the community and their colleagues, under heavy workloads and great pressure. We offer them our thanks, proud to know that everyone is striving their utmost and doing everything asked of them and more. The community most affected and subject to unrelenting pressure are workers in the care sector. They deserve special recognition in this CSR report for what they have achieved and for their determination and sense of responsibility.



We continue below with the regulatory information.

3.1. EMPLOYMENT

Employment per work centre, summarised by country and region:

| Country | 2020 | | | 2019 | | |
|------------------------------------------|------------|------------|------------|------------|------------|------------|
| | Total | Men | Women | Total | Men | Women |
| Spain | 813 | 393 | 420 | 813 | 398 | 415 |
| France | 17 | 12 | 5 | 16 | 12 | 4 |
| Total active employees at Dec. 31 | 830 | 405 | 425 | 829 | 410 | 419 |

| Spain | 2020 | | | 2019 | | |
|-----------|-------|-----|-------|-------|-----|-------|
| | Total | Men | Women | Total | Men | Women |
| Navarre | 551 | 189 | 362 | 549 | 194 | 355 |
| Valencia | 88 | 70 | 18 | 95 | 74 | 21 |
| Andalusia | 64 | 50 | 14 | 65 | 52 | 13 |
| Aragon | 67 | 54 | 13 | 62 | 48 | 14 |
| Galicia | 36 | 28 | 8 | 36 | 28 | 8 |
| Euskadi | 7 | 2 | 5 | 5 | 2 | 3 |
| La Rioja | 1 | 0 | 1 | 1 | 0 | 1 |

The following is a breakdown of selected statistics relating to the staff in subsidiaries, grouped by activities:

FLOUR GROUP

| Contractual relationship (situation to 31/12) | 2020 | | | 2019 | | |
|--------------------------------------------------------------|-------|-----|-------|-------|-----|-------|
| | Total | Men | Women | Total | Men | Women |
| "Active" | 395 | 316 | 79 | 389 | 317 | 72 |
| On leave | 3 | 2 | 1 | 4 | 3 | 1 |
| Seconded (working for other companies but we pay the salary) | 0 | 0 | 0 | 0 | 0 | 0 |

| Contractual relationship (situation to 31/12) | 2020 | | | 2019 | | |
|-----------------------------------------------|------------|------------|-----------|------------|------------|-----------|
| | Total | Men | Women | Total | Men | Women |
| Early retirees | 0 | 0 | 0 | 6 | 6 | 0 |
| Company contracts | 398 | 318 | 80 | 399 | 326 | 73 |
| Temporary Contracts | | | | 27 | 20 | 7 |
| Temporary full-time | 16 | 13 | 3 | 26 | 19 | 7 |
| Temporary part-time | 0 | 0 | 0 | 1 | 1 | 0 |
| Permanent Contracts | 379 | 303 | 77 | 372 | 306 | 66 |
| Total active employees at Dec. 31 | 395 | 316 | 79 | 389 | 317 | 72 |

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. Accordingly, the figures for 2020 and 2019 were as follows:

| | 2020 | | | 2019 | | |
|------------------------------------------------------------------------|-------|-----|-------|-------|-----|-------|
| | Total | Men | Women | Total | Men | Women |
| General and area management | 39 | 33 | 6 | 37 | 31 | 6 |
| Engineers and graduates, reporting to a function area manager | 18 | 13 | 5 | 16 | 14 | 2 |
| Administrative, workshop and shift managers | 20 | 18 | 2 | 49 | 45 | 4 |
| Sales | 152 | 125 | 27 | 82 | 45 | 37 |
| First-grade managers, administrators and production or quality | 105 | 92 | 13 | 141 | 115 | 26 |
| Second-grade managers, administrators and production or quality | 113 | 73 | 40 | 81 | 73 | 8 |
| Administrative assistants, third-grade workers, assistants, labourers. | 2 | 2 | 0 | 2 | 1 | 1 |
| Trainees and probationers | 410 | 323 | 87 | 408 | 324 | 84 |

There was one person with a recognized disability in 2019 and 2020.

By age range:

| | 2020 | | | | 2019 | | | |
|--------------------|------------|--------------|-----------|--------------|------------|--------------|-----------|--------------|
| | Men | % | Women | % | Men | % | Women | % |
| Less than 30 years | 38 | 8.5% | 23 | 5.1% | 34 | 8.4% | 18 | 4.4% |
| 31 to 40 years | 91 | 20.3% | 35 | 7.8% | 92 | 22.6% | 35 | 8.6% |
| 41 to 50 years | 122 | 27.2% | 28 | 6.2% | 111 | 27.3% | 22 | 5.4% |
| 51 to 60 years | 91 | 20.3% | 4 | 0.9% | 74 | 18.2% | 6 | 1.5% |
| Over 60 | 14 | 3.1% | 3 | 0.7% | 13 | 3.2% | 2 | 0.5% |
| Total | 356 | 79.3% | 93 | 20.7% | 324 | 79.6% | 83 | 20.4% |

Figures by education are as follows:

| | 2020 | | | 2019 | | |
|--------------------------------------------------------------|------------|------------|-----------|------------|------------|-----------|
| | Total | Men | Women | Total | Men | Women |
| PhD | 1 | 1 | 0 | 1 | 1 | 0 |
| Graduate | 88 | 54 | 34 | 62 | 38 | 24 |
| Higher professional qualification or long working experience | 92 | 83 | 9 | 82 | 59 | 23 |
| Professional training 2 | 128 | 95 | 33 | 66 | 60 | 6 |
| High school or Professional training 1 | 113 | 97 | 16 | 128 | 111 | 17 |
| No qualifications | 27 | 26 | 1 | 14 | 12 | 2 |
| Undefined | 0 | 0 | 0 | 55 | 43 | 12 |
| Total | 449 | 356 | 93 | 408 | 281 | 84 |

Figures by type of contract for 2020 (none available for 2019) were as follows:

| | 2020 | | | |
|-------------------------------------------------------------------------------------------------|------------|--------------|-----------|--------------|
| | Men | % | Women | % |
| Permanent full-time | 331 | 73.7% | 73 | 16.3% |
| Permanent part-time or discontinuous | 0 | 0.0% | 7 | 1.6% |
| Probationers, trainees and apprentices | 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% |
| Temporary full-time contracts for time-limited work or services | 21 | 4.7% | 10 | 2.2% |
| Temporary part-time contracts for time-limited work or services | 0 | 0.0% | 0 | 0.0% |
| Total | 356 | 79.3% | 93 | 20.7% |

The movements corresponding to the hiring and departure of personnel during the year were:

| | 2020 | | | 2019 | | |
|-----------------------------------|------------|------------|------------|------------|------------|-----------|
| | Total | Men | Women | Total | Men | Women |
| Total headcount at 1 January | 393 | 316 | 77 | 363 | 293 | 70 |
| Average headcount in the year | 380 | 308 | 72 | - | - | - |
| New contracts in the year | 68 | 35 | 33 | 87 | 65 | 22 |
| Contracts terminated in the year | 66 | 35 | 31 | 57 | 42 | 15 |
| Voluntary resignation | 11 | 7 | 4 | 12 | - | - |
| Voluntary leave | 3 | 2 | 1 | 3 | - | - |
| Retirement (and early retirement) | 3 | 3 | 0 | 4 | - | - |
| End of contract | 36 | 16 | 20 | 21 | - | - |
| Dismissal | 13 | 7 | 6 | 17 | 11 | 6 |
| Total headcount at 31 December | 395 | 316 | 79 | 393 | 316 | 77 |
| Departure rate | 17% | 11% | 43% | 15% | 13% | 84 |

SENIOR CARE GROUP

| Contractual relationship (situation to 31/12) | 2020 | | | 2019 | | |
|--------------------------------------------------|------------|-----------|------------|------------|-----------|------------|
| | Total | Men | Women | Total | Men | Women |
| "Active" | 343 | 31 | 312 | 339 | 35 | 304 |
| On leave | 10 | 0 | 10 | 1 | 0 | 1 |
| Temporary Contracts, annual average | 83 | 10 | 73 | 76 | 9 | 67 |
| Permanent Contracts, annual average | 202 | 16 | 186 | 185 | 13 | 172 |
| Total active employees at Dec. 31 | 343 | 31 | 312 | 339 | 35 | 304 |

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 2020 and 2019 were as follows:

By age range:

| | 2020 | | | 2019 | | |
|--------------------|------------|-----------|------------|------------|-----------|------------|
| | Total | Men | Women | Total | Men | Women |
| Less than 30 years | 148 | 23 | 125 | 137 | 22 | 115 |
| 31 to 40 years | 142 | 14 | 128 | 131 | 11 | 120 |
| 41 to 50 years | 152 | 12 | 140 | 137 | 8 | 129 |
| 51 to 60 years | 101 | 7 | 94 | 92 | 7 | 85 |
| Over 60 | 27 | 0 | 27 | 19 | 0 | 19 |
| Total staff | 570 | 56 | 514 | 516 | 48 | 468 |

By professional category

| | 2020 | | | 2019 | | |
|---------------------------|-------|-----|-------|-------|-----|-------|
| | Total | Men | Women | Total | Men | Women |
| General and area managers | 5 | 3 | 2 | 5 | 2 | 3 |
| Doctors, psychologists | 10 | 2 | 8 | 7 | 1 | 6 |

| | 2020 | | | 2019 | | |
|-----------------------------------------------------------------|------------|-----------|------------|------------|-----------|------------|
| | Total | Men | Women | Total | Men | Women |
| Nurses, nutritionists and physiotherapists | 92 | 6 | 86 | 79 | 7 | 72 |
| Nursing and geriatric assistants | 319 | 30 | 289 | 327 | 30 | 297 |
| Administrators and technical staff in socio-cultural activities | 21 | 4 | 17 | 4 | 2 | 2 |
| Administrative assistants, cleaners, wardens | 123 | 11 | 112 | 94 | 6 | 88 |
| Total | 570 | 56 | 514 | 516 | 48 | 468 |

By academic qualifications

| | 2020 | | | 2019 | | |
|----------------------------------------------------------------------------------|------------|-----------|------------|------------|-----------|------------|
| | Total | Men | Women | Total | Men | Women |
| PhD | 0 | 0 | 0 | 1 | 1 | 0 |
| Graduate | 114 | 11 | 103 | 92 | 10 | 82 |
| Higher professional qualification (PT 1, 2 or higher) or long working experience | 334 | 35 | 299 | 329 | 31 | 298 |
| No qualifications | 122 | 10 | 112 | 94 | 6 | 88 |
| Total | 570 | 56 | 514 | 516 | 48 | 468 |

By contract type

| | 2020 | | | | 2019 | | | |
|----------------------------------------|------|------|-------|-------|------|-------|-------|--------|
| | Men | % | Women | % | Men | % | Women | % |
| Permanent full-time | 1 | 0.2% | 178 | 32.0% | 13 | 2.50% | 171 | 33.10% |
| Permanent part-time or discontinuous | 3 | 0.5% | 44 | 7.9% | 3 | 0.60% | 32 | 6.20% |
| Probationers, trainees and apprentices | 0 | 0.0% | 0 | 0.0% | 0 | 0.00% | 0 | 0.00% |

| | 2020 | | | | 2019 | | | |
|-----------------------------------------------------------------------------|-----------|-------------|------------|--------------|-----------|--------------|------------|---------------|
| | Men | % | Women | % | Men | % | Women | % |
| Temporary contract (replacing those on parental, sickness or holiday leave) | 18 | 3.2% | 174 | 31.3% | 15 | 2.90% | 157 | 30.40% |
| Temporary full-time contracts for time-limited work or services | 7 | 1.3% | 34 | 6.1% | 6 | 1.20% | 15 | 2.90% |
| Temporary part-time contracts for time-limited work or services | 13 | 2.3% | 84 | 15.1% | 11 | 2.10% | 93 | 18.00% |
| Total | 42 | 7.6% | 514 | 92.4% | 48 | 9.30% | 468 | 90.70% |

Figures included one person with a recognized disability in 2019 and 2020.

The movements corresponding to the departure of personnel (total movements) during the year have been:

| Losses and annual turnover of workers | 2020 | 2019 |
|---------------------------------------|------|------|
| Total headcount at 1 January | 332 | 307 |
| Average headcount in the year | 285 | 271 |
| New contracts in the year | 940 | 797 |
| Departures in the year: | 933 | 782 |
| Voluntary leave | 10 | 1 |
| Retirement | 2 | 0 |
| Death and disability | 0 | 0 |
| Voluntary resignation | 58 | 40 |
| End of contract | 851 | 819 |
| Dismissals of Women in the year | 12 | 4 |
| Dismissals of Men in the year | 0 | 2 |

| Losses and annual turnover of workers | 2020 | 2019 |
|---------------------------------------|------|------|
| Departures of Women in the year | 851 | 779 |
| Departures of Men in the year | 82 | 87 |
| Total departure rate | 292% | 255% |
| Women's departure rate | 315% | 256% |
| Men's departure rate | 329% | 249% |



WINERY SUPPLIES GROUP

| Contractual relationship (situation to 31/12) | 2020 | | | 2019 | | |
|------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Total | Men | Women | Total | Men | Women |
| "Active" | 62 | 49 | 13 | 339 | 35 | 304 |
| Leave | 0 | 0 | 0 | 0 | 0 | 0 |
| Service commission (working for other companies but we pay the salary) | 0 | 0 | 0 | 0 | 0 | 0 |
| Early retirees | 0 | 0 | 0 | 1 | 1 | 0 |
| Company Contracts | 62 | 49 | 13 | 64 | 51 | 12 |
| Temporary Contracts | 3 | 2 | 1 | 7 | 6 | 1 |
| Temporary full-time | 3 | 2 | 1 | 6 | 6 | 1 |
| Temporary part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Permanent Contracts | 59 | 47 | 12 | 57 | 45 | 11 |
| Total active employees at Dec. 31 | 62 | 49 | 13 | 63 | 50 | 12 |

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 2020 and 2019 were as follows:

By age range

| | 2020 | | | 2019 | | |
|--------------------|------------|-----------|-----------|-----------|-----------|----------|
| | Total | Men | Women | Total | Men | Women |
| Less than 30 years | 11 | 9 | 2 | 10 | 10 | 0 |
| 31 to 40 years | 19 | 10 | 9 | 15 | 12 | 3 |
| 41 to 50 years | 46 | 38 | 8 | 31 | 27 | 4 |
| 51 to 60 years | 21 | 18 | 3 | 14 | 12 | 2 |
| Over 60 | 5 | 5 | 0 | 3 | 3 | 0 |
| Total staff | 102 | 80 | 22 | 73 | 64 | 9 |

By professional category

| | 2020 | | | 2019 | | |
|------------------------------------------------------------------------|------------|-----------|-----------|-----------|-----------|----------|
| | Total | Men | Women | Total | Men | Women |
| General and area management | 8 | 8 | 0 | 6 | 6 | 0 |
| Administrative, workshop and shift managers Sales | 19 | 14 | 5 | 11 | 10 | 1 |
| First-grade managers, administrators and production or quality | 2 | 2 | 0 | 2 | 2 | 0 |
| Second-grade managers, administrators and production or quality | 43 | 40 | 3 | 13 | 11 | 2 |
| Administrative assistants, third-grade workers, assistants, labourers. | 29 | 15 | 14 | 41 | 35 | 6 |
| Trainees and probationers | 1 | 1 | 0 | 0 | 0 | 0 |
| Total staff | 102 | 80 | 22 | 73 | 64 | 9 |

By academic qualifications

| | 2020 | | | 2019 | | |
|--------------------------------------------------------------|------------|-----------|-----------|-----------|-----------|----------|
| | Total | Men | Women | Total | Men | Women |
| PhD | 0 | 0 | 0 | 0 | 0 | 0 |
| Graduate | 19 | 7 | 12 | 8 | 5 | 3 |
| Higher professional qualification or long working experience | 46 | 44 | 2 | 31 | 30 | 1 |
| Professional training 2 | 7 | 1 | 6 | 9 | 5 | 4 |
| High school or Professional training 1 | 30 | 28 | 2 | 24 | 23 | 1 |
| No qualifications | 0 | 0 | 0 | 1 | 1 | 0 |
| Total | 102 | 80 | 22 | 73 | 64 | 9 |

By contract type

| | 2020 | | | | 2019 | | | |
|-----------------------------------------------------------------------------|-----------|--------------|-----------|--------------|-----------|---------------|----------|---------------|
| | Men | % | Women | % | Men | % | Women | % |
| Permanent full-time | 61 | 59.8% | 15 | 14.7% | 40 | 54.79% | 7 | 9.59% |
| Permanent part-time or discontinuous | 6 | 5.9% | 4 | 3.9% | 1 | 1.37% | 2 | 2.74% |
| Probationers, trainees and apprentices | 1 | 1.0% | 0 | 0.0% | 0 | 0.00% | 0 | 0.00% |
| Temporary contract (replacing those on parental, sickness or holiday leave) | 0 | 0.0% | 0 | 0.0% | 0 | 0.00% | 0 | 0.00% |
| Temporary full-time contracts for time-limited work or services | 12 | 11.8% | 3 | 2.9% | 22 | 30.14% | 0 | 0.00% |
| Temporary part-time contracts for time-limited work or services | 0 | 0.0% | 0 | 0.0% | 1 | 1.37% | 0 | 0.00% |
| Total | 80 | 78.4% | 22 | 21.6% | 64 | 87.67% | 9 | 12.33% |

The movements corresponding to the hiring and departure of personnel during the year were:

| | 2020 | | | 2019 | | |
|-------------------------------|-------|-------|-------|-------|-----|-------|
| | Total | Men | Women | Total | Men | Women |
| Total headcount at 1 January | 62 | 50 | 12 | 73 | 63 | 10 |
| Average headcount in the year | 38.98 | 28.89 | 10.09 | N/D | N/D | N/D |

| | 2020 | | | 2019 | | |
|-----------------------------------|------------|------------|------------|------------|------------|----------|
| | Total | Men | Women | Total | Men | Women |
| New contracts in the year | 13 | 10 | 3 | 5 | 3 | 2 |
| Contracts terminated in the year | 13 | 11 | 2 | 16 | 16 | 0 |
| Voluntary resignation | 5 | 4 | 1 | 3 | 3 | 0 |
| Voluntary leave | 0 | 0 | 0 | 0 | 0 | 0 |
| Retirement (and early retirement) | 0 | 0 | 0 | 0 | 0 | 0 |
| End of contract | 6 | 5 | 1 | 11 | 11 | 0 |
| Dismissal | 2 | 2 | 0 | 2 | 2 | 0 |
| Total headcount at 31 December | 62 | 49 | 13 | 62 | 50 | 12 |
| Departure rate | 33% | 38% | 20% | 24% | 33% | 0 |

Figures included one person with a recognized disability in 2019 and 2020.

AUXILIARY FINANCIAL SERVICES GROUP

| Contractual relationship (situation to 31/12) | 2020 | | | 2019 | | |
|-----------------------------------------------|-----------|----------|-----------|-----------|-----------|-----------|
| | Total | Men | Women | Total | Men | Women |
| Active | 35 | 9 | 26 | 38 | 10 | 28 |
| Leave | 0 | 0 | 0 | 1 | 0 | 1 |
| Services committee | 0 | 0 | 0 | 0 | 0 | 0 |
| Early retirees | 0 | 0 | 0 | 0 | 0 | 0 |
| Company Contracts | 35 | 9 | 26 | 38 | 10 | 29 |
| Temporary Contracts | 7 | 2 | 5 | 12 | 2 | 10 |
| Temporary full-time | 6 | 2 | 4 | 10 | 2 | 8 |
| Temporary part-time | 1 | | 1 | 2 | 0 | 2 |
| Permanent Contracts | 28 | 7 | 21 | 26 | 8 | 19 |
| Total active employees at Dec. 31 | 35 | 9 | 26 | 38 | 10 | 28 |

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 2020 and 2019 were as follows:

By age

| | 2020 | | | 2019 | | |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Total | Men | Women | Total | Men | Women |
| Less than 30 years | 7 | 1 | 6 | 8 | 0 | 8 |
| 31 to 40 years | 15 | 3 | 12 | 18 | 4 | 14 |
| 41 to 50 years | 16 | 5 | 11 | 18 | 6 | 12 |
| 51 to 60 years | 4 | 1 | 3 | 4 | 1 | 3 |
| Over 60 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total staff | 42 | 10 | 32 | 48 | 11 | 37 |

By category

| | 2020 | | | 2019 | | |
|------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Total | Men | Women | Total | Men | Women |
| General and area management | 2 | 2 | 0 | 3 | 3 | 0 |
| Administrative, workshop and shift managers Sales | 2 | 0 | 2 | 1 | 0 | 1 |
| First-grade managers, administrators and production or quality | 14 | 5 | 9 | 14 | 6 | 8 |
| Second-grade managers, administrators and production or quality | 20 | 3 | 17 | 21 | 2 | 19 |
| Administrative assistants, third-grade workers, assistants, labourers. | 1 | 0 | 1 | 5 | 0 | 5 |
| Trainees and probationers | 3 | 0 | 3 | 4 | 0 | 4 |
| Total staff | 42 | 10 | 32 | 48 | 11 | 37 |

By academic qualifications

| | 2020 | | | 2019 | | |
|--------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Total | Men | Women | Total | Men | Women |
| PhD | 0 | 0 | 0 | 0 | 0 | 0 |
| Graduate | 28 | 10 | 18 | 30 | 11 | 19 |
| Higher professional qualification or long working experience | 1 | 0 | 1 | 0 | 0 | 0 |
| Professional training 2 | 11 | 0 | 11 | 17 | 0 | 17 |
| High school or Professional training 1 | 2 | 0 | 2 | 1 | 0 | 1 |
| Total staff | 42 | 10 | 32 | 48 | 11 | 37 |

By contract type

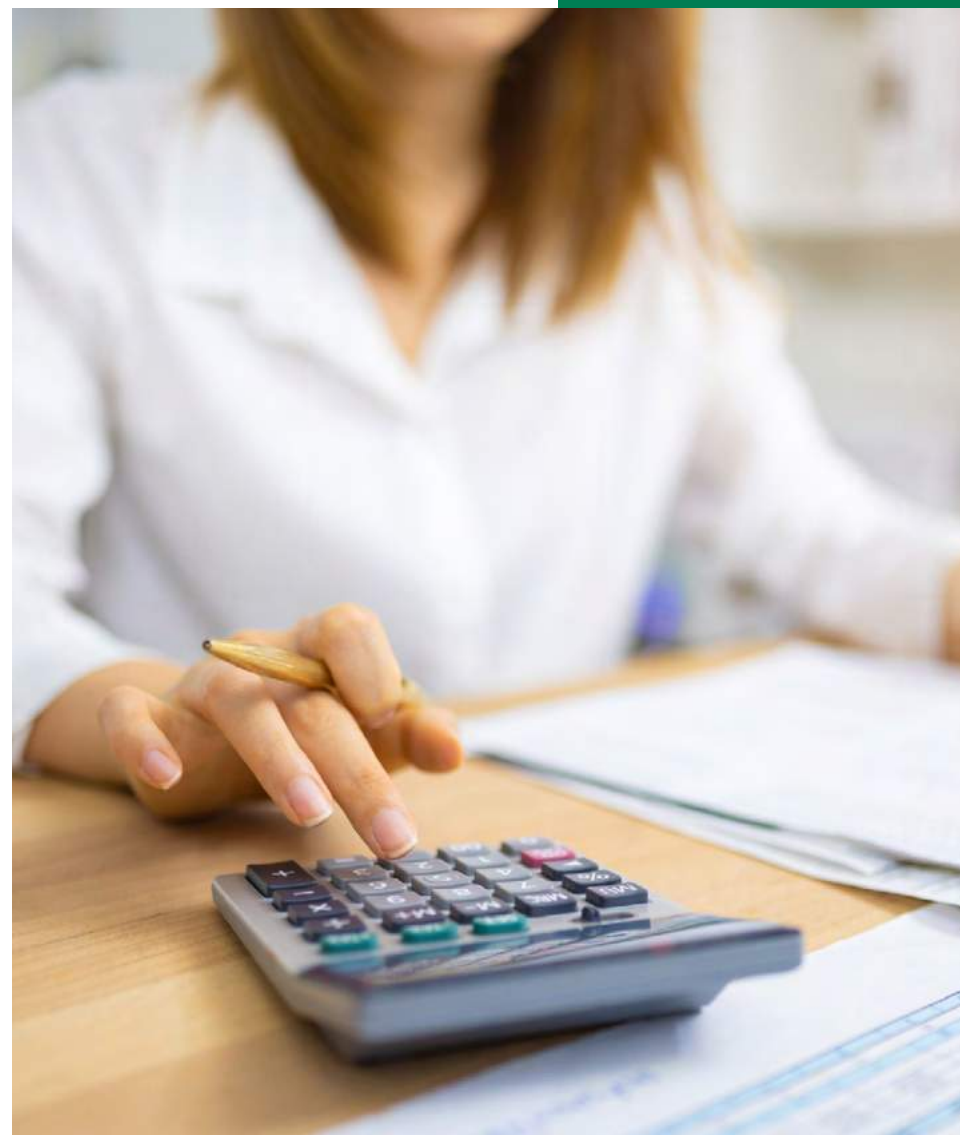
| | 2020 | | | | 2019 | | | |
|-------------------------------------------------------------------------------------------------|------|-------|-------|-------|------|-------|-------|-------|
| | Men | % | Women | % | Men | % | Women | % |
| Permanent full-time | 7 | 16.7% | 21 | 50.0% | 9 | 18.8% | 19 | 39.6% |
| Permanent part-time or discontinuous | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Probationers, trainees and apprentices | 0 | 0.0% | 3 | 7.1% | 0 | 0.0% | 6 | 12.5% |
| 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% |

| | 2020 | | | | 2019 | | | |
|-----------------------------------------------------------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
| | Men | % | Women | % | Men | % | Women | % |
| Temporary full-time contracts for time-limited work or services | 3 | 7.1% | 7 | 16.7% | 2 | 4.2% | 7 | 14.6% |
| Temporary part-time contracts for time-limited work or services | 0 | 0.0% | 1 | 2.4% | 0 | 0.0% | 5 | 10.4% |
| Total | 10 | 23.8% | 32 | 76.2% | 11 | 22.9% | 37 | 77.1% |

In this sub-sector there was no-one with a recognized disability.

The movements corresponding to the hiring and departure of personnel during the year were:

| | 2020 | | | 2019 | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Total | Men | Women | Total | Men | Women |
| Total headcount at 1 January | 36 | 9 | 27 | 38 | 10 | 28 |
| Average headcount in the year | 34.83 | 9.16 | 25.67 | 0 | 0 | 0 |
| New contracts in the year | 5 | 1 | 4 | 5 | 0 | 5 |
| Contracts terminated in the year | 7 | 1 | 6 | 7 | 1 | 6 |
| Voluntary resignation | 1 | 0 | 1 | 1 | 1 | 0 |
| Voluntary leave | 0 | 0 | 0 | 1 | | 1 |
| Retirement (and early retirement) | 0 | 0 | 0 | 0 | 0 | 0 |
| End of contract | 5 | 1 | 4 | 4 | 0 | 4 |
| Dismissal | 1 | 0 | 1 | 1 | 0 | 1 |
| Total headcount at 31 December | 35 | 9 | 26 | 36 | 9 | 27 |
| Departure rate | 20.1% | 10.9% | 23.4% | 23.7% | 11.1% | 27.6% |



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 2019 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 analyzed 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.

FLOUR GROUP

The sector benchmark is taken to be a person classed as lab assistant in the sector collective agreement (Collective Agreement for Companies in the Bread Flour and Semolina Sector). In June 2020, a new collective agreement was signed resetting the amounts of 2019 salaries. Figures for 2019 have therefore been adjusted to take account of the new average hourly rates:

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 | | In Group companies | |
|----------------|-------------------------------|------|--------------------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Men | 1.81 | 2.07 | 1.04 | 1.05 |
| Women | 1.38 | 1.55 | 0.80 | 0.79 |
| Average | 1.73 | 1.96 | 1.00 | 1.00 |
| Difference M/W | 0.43 | 0.52 | 0.25 | 0.26 |

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:

| | 2020 | | | 2019 | | |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| Less than 30 years | 1.36 | 1.43 | 1.24 | 1.49 | 1.33 | 1.80 |
| 31 to 40 years | 1.56 | 1.60 | 1.44 | 2.55 | 2.94 | 1.52 |
| 41 to 50 years | 1.78 | 1.86 | 1.38 | 1.67 | 1.73 | 1.33 |
| 51 to 60 years | 1.99 | 2.01 | 1.61 | 1.88 | 1.88 | 1.89 |
| Over 60 | 2.09 | 2.24 | 1.20 | 1.64 | 1.70 | 1.25 |
| Total | 1.73 | 1.81 | 1.38 | 1.96 | 2.07 | 1.55 |

| | 2020 | | | 2019 | | |
|------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| General and area management | 3.35 | 3.47 | 2.42 | 3.32 | 3.42 | 2.79 |
| Engineers and graduates, reporting to a function area manager | 1.74 | 1.86 | 1.35 | 1.75 | 1.82 | 1.24 |
| Administrative, workshop and shift managers Sales | 1.42 | 1.44 | 1.28 | 1.69 | 1.73 | 1.31 |
| First-grade managers, administrators and production or quality | 1.55 | 1.57 | 1.42 | 3.14 | 4.25 | 1.79 |
| Second-grade managers, administrators and production or quality | 1.82 | 1.86 | 1.29 | 1.53 | 1.59 | 1.25 |
| Administrative assistants, third-grade workers, assistants, labourers. | 1.42 | 1.50 | 1.25 | 1.13 | 1.18 | 0.72 |
| Trainees and probationers | 0.84 | 0.84 | | 1.01 | 1.19 | 0.82 |
| Total | 1.73 | 1.81 | 1.38 | 1.96 | 2.07 | 1.55 |

| | 2020 | | | 2019 | | |
|--------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| PhD | N/I | N/I | | 2,10 | 2,10 | |
| Graduate | 2.46 | 2.99 | 1.60 | 2.32 | 2.69 | 1.74 |
| Higher professional qualification or long working experience | 1.81 | 1.86 | 1.34 | 1.82 | 1.89 | 1.62 |
| Professional training 2 | 1.54 | 1.63 | 1.21 | 1.50 | 1.52 | 1.27 |
| High school or Professional training 1 | 1.41 | 1.44 | 1.23 | 1.31 | 1.37 | 0.95 |
| No qualifications | 1.43 | 1.43 | 0.74 | 1.23 | 1.25 | 1.08 |
| Total | 1.73 | 1.81 | 1.38 | 1.96 | 2.07 | 1.55 |

And by contract type, in 2020

| | 2020 | | |
|-------------------------------------------------------------------------------------------------|-------------|-------------|-------------|
| | Total | Men | Women |
| Permanent full-time | 1.76 | 1.84 | 1.39 |
| Permanent part-time or discontinuous | 1.51 | - | 1.51 |
| Probationers, trainees and apprentices | 0.95 | 1.18 | 0.68 |
| Temporary contract (replacing those on parental or sick leave, departure or political activity) | 1.13 | 1.05 | 1.30 |
| Temporary full-time contracts for time-limited work or services | 1.16 | 1.15 | 1.20 |
| Temporary part-time contracts for time-limited work or services | - | - | - |
| Total | 1.73 | 1.81 | 1.38 |

SENIOR CARE GROUP

The same comparison is also made here. Figures are compared to the collective agreement - 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. In 2020, the comparison was based on hourly pay while the 2019 metrics were based on equivalent daily pay (annualized based on a 365 day year).

| | vs. collective agreement base | | In Group companies | |
|--------------------|-------------------------------|------|--------------------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Men | 1.95 | 1.71 | 1.26 | 1.14 |
| Women | 1.50 | 1.48 | 0.97 | 0.99 |
| Sub-sector average | 1.54 | 1.50 | 1.00 | 1.00 |
| Difference M/W | 0.45 | 0.23 | 0.29 | 0.15 |

By age

| | 2020 | | | 2019 | | |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| Less than 30 years | 1.56 | 1.79 | 1.53 | 1.80 | 1.81 | 1.40 |
| 31 to 40 years | 1.49 | 1.53 | 1.48 | 1.31 | 1.31 | 1.68 |
| 41 to 50 years | 1.66 | 2.58 | 1.57 | 2.20 | 2.21 | 1.45 |
| 51 to 60 years | 1.44 | 2.12 | 1.41 | 1.45 | 1.45 | 1.37 |
| Over 60 | 1.55 | - | 1.55 | 0.00 | - | 1.44 |
| Total | 1.54 | 1.95 | 1.50 | 1.50 | 1.71 | 1.48 |

By professional category

| | 2020 | | | 2019 | | |
|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| General and area managers | 3.90 | 4.30 | 2.83 | 3.43 | 5.15 | 2.28 |
| Doctors, psychologists | 3.12 | 2.90 | 3.13 | 2.83 | 1.74 | 3.01 |
| Nurses, nutritionists and physiotherapists | 2.02 | 2.27 | 2.00 | 2.26 | 2.81 | 2.21 |
| Nursing and geriatric assistants | 1.69 | 1.91 | 1.66 | 1.56 | 1.24 | 1.59 |
| Administrators and technical staff in socio-cultural activities | 1.35 | 1.48 | 1.34 | 1.35 | 1.35 | 1.35 |
| Administrative assistants, cleaners, wardens | 1.25 | 1.29 | 1.25 | 1.22 | 1.21 | 1.22 |
| Trainees and probationers | 3 | 0 | 3 | 4 | 0 | 4 |
| Total | 1.54 | 1.95 | 1.50 | 1.50 | 1.71 | 1.48 |

By qualification

| | 2020 | | | 2019 | | |
|----------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| PhD | - | - | - | 1.21 | 1.21 | - |
| Graduate | 2.20 | 3.11 | 2.09 | 2.34 | 3.01 | 2.26 |
| Higher professional qualification (PT 1, 2 or higher) or long working experience | 1.35 | 1.79 | 1.30 | 1.35 | 1.40 | 1.35 |
| No qualifications | 1.36 | 1.46 | 1.36 | 1.24 | 1.31 | 1.22 |
| Total | 1.54 | 1.95 | 1.50 | 1.50 | 1.71 | 1.48 |

By contract mode

| | 2020 | | |
|-------------------------------------------------------------------------------------------------|-------------|-------------|-------------|
| | Total | Men | Women |
| Permanent full-time | 1.58 | 7.81 | 1.54 |
| Permanent part-time or discontinuous | 1.54 | - | 1.54 |
| Probationers, trainees and apprentices | - | - | - |
| Temporary contract (replacing those on parental or sick leave, departure or political activity) | 1.44 | 2.05 | 1.40 |
| Temporary full-time contracts for time-limited work or services | 1.40 | 1.52 | 1.37 |
| Temporary part-time contracts for time-limited work or services | - | - | - |
| Total | 1.54 | 1.95 | 1.50 |

No breakdown by contract mode is available for the prior year.

WINERY SUPPLIES GROUP

Comparisons are with the post of lab assistant in the Collective agreement for the wine, alcohol, spirits and cider sector 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 | | In Group companies | |
|--------------------|-------------------------------|------|--------------------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Men | 2.00 | 1.62 | 1.02 | 1.01 |
| Women | 1.84 | 1.49 | 0.94 | 0.93 |
| Sub-sector average | 1.96 | 1.62 | 1.00 | 1.00 |
| Difference M/W | 0.15 | 0.13 | 0.08 | 0.08 |

By age

| | 2020 | | | 2019 | | |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| Less than 30 years | 1.57 | 1.64 | 1.25 | 1.22 | 1.22 | - |
| 31 to 40 years | 1.68 | 1.37 | 2.12 | 1.34 | 1.22 | 1.80 |
| 41 to 50 years | 2.12 | 2.19 | 1.84 | 1.91 | 1.99 | 1.40 |
| 51 to 60 years | 1.94 | 2.04 | 1.42 | 1.62 | 1.69 | 1.20 |
| Over 60 | 1.93 | 1.93 | - | 1.00 | 1.00 | - |
| Total | 1.96 | 2.00 | 1.84 | 1.61 | 1.62 | 1.49 |

By professional category

| | 2020 | | | 2019 | | |
|------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| General and area management | 4.03 | 4.03 | - | 4.00 | 4.00 | - |
| Administrative, workshop and shift managers Sales | 2.30 | 2.18 | 2.62 | N/I | 1.94 | N/I |
| First-grade managers, administrators and production or quality | 1.70 | 1.70 | - | 1.58 | 1.74 | - |
| Second-grade managers, administrators and production or quality | 1.43 | 1.44 | 1.22 | 1.30 | 1.30 | 0.96 |
| Administrative assistants, third-grade workers, assistants, labourers. | 1.60 | 1.58 | 1.63 | 1.36 | 1.31 | 1.65 |
| Trainees and probationers | 0.63 | 0.63 | - | 0.00 | - | - |
| Total staff | 1.96 | 2.00 | 1.84 | 1.61 | 1.62 | 1.49 |

By qualification

| | 2020 | | | 2019 | | |
|--------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| Graduate | 2.68 | 3.35 | 2.16 | 2.59 | 3.40 | 1.78 |
| Higher professional qualification or long working experience | 2.06 | 2.07 | 1.51 | 1.80 | 1.83 | 0.96 |
| Professional training 2 | 1.65 | 1.94 | N/I | 1.40 | 1.17 | 1.57 |
| High school or Professional training 1 | 1.35 | 1.37 | 1.22 | 1.29 | 1.31 | 0.96 |
| No qualifications | - | - | - | 1.25 | 1.25 | - |
| Total | 1.96 | 2.00 | 1.84 | 1.61 | 1.62 | 1.49 |

By contract mode

| | 2020 | | |
|-----------------------------------------------------------------------------|-------------|-------------|-------------|
| | Total | Men | Women |
| Permanent full-time | 2.02 | 2.04 | 1.97 |
| Permanent part-time or discontinuous | 1.79 | 2.15 | 1.36 |
| Probationers, trainees and apprentices | 0.63 | 0.63 | - |
| Temporary contract (replacing those on parental, sickness or holiday leave) | - | - | - |
| Temporary full-time contracts for time-limited work or services | 1.16 | 1.04 | 1.43 |
| Temporary part-time contracts for time-limited work or services | 1.96 | 2.00 | 1.84 |
| Total | 1.96 | 2.00 | 1.84 |

No data by contract mode are available for 2019.

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 Navarra.

| | vs. collective agreement base | | In Group companies | |
|--------------------|-------------------------------|------|--------------------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Men | 1.67 | 1.56 | 1.33 | 1.39 |
| Women | 1.11 | 0.99 | 0.88 | 0.88 |
| Sub-sector average | 1.25 | 1.12 | 1.00 | 1.00 |
| Difference M/W | 0.57 | 0.57 | 0.45 | 0.51 |

By worker's age

| | 2020 | | | 2019 | | |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| Less than 30 years | 0.80 | N/I | 0.80 | 0.72 | - | 0.72 |
| 31 to 40 years | 1.18 | 1.17 | 1.18 | 1.07 | 1.13 | 1.05 |
| 41 to 50 years | 1.29 | 1.53 | 1.17 | 1.20 | 1.51 | 1.05 |
| 51 to 60 years | N/I | N/I | 1.17 | N/I | N/I | 1.18 |
| Over 60 | - | - | - | - | - | - |
| Total | 1.25 | 1.67 | 1.11 | 1.12 | 1.56 | 0.99 |

By professional category

| | 2020 | | | 2019 | | |
|-----------------------------------------------------------------|-------|------|-------|-------|------|-------|
| | Total | Men | Women | Total | Men | Women |
| General and area management | N/I | N/I | - | 2.45 | 2.45 | - |
| Administrative, workshop and shift managers Sales | 1.48 | - | 1.48 | 1.60 | - | 1.60 |
| First-grade managers, administrators and production or quality | 1.24 | 1.28 | 1.22 | 1.26 | 1.34 | 1.21 |
| Second-grade managers, administrators and production or quality | 1.06 | 1.00 | 1.07 | 1.04 | 0.98 | 1.04 |

| | 2020 | | | 2019 | | |
|------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| Administrative assistants, third-grade workers, assistants, labourers. | 1.89 | - | 1.89 | 0.92 | - | 0.92 |
| Training or work experience contract | 0.66 | - | 0.66 | 0.61 | - | 0.61 |
| Total staff | 1.25 | 1.67 | 1.11 | 1.12 | 1.56 | 0.99 |

By qualification

| | 2020 | | | 2019 | | |
|--------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| Graduate | 1.36 | 1.67 | 1.19 | 1.25 | 1.56 | 1.07 |
| Higher professional qualification or long working experience | 1.89 | - | 1.89 | - | - | - |
| Professional training 2 | 0.97 | - | 0.97 | 0.91 | - | 0.91 |
| High school or Professional training 1 | 0.99 | - | 0.99 | 0.87 | - | 0.87 |
| Total | 1.25 | 1.67 | 1.11 | 1.12 | 1.56 | 0.99 |

By contract mode

| | 2020 | | | 2019 | | |
|-----------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Men | Women | Total | Men | Women |
| Permanent full-time | 1.38 | 1.87 | 1.20 | 1.36 | 1.72 | 1.20 |
| Permanent part-time or discontinuous | - | - | - | - | - | - |
| Probationers, trainees and apprentices | 0.66 | - | 0.66 | 0.71 | - | 0.71 |
| Temporary contract (replacing those on parental, sickness or holiday leave) | - | - | - | - | - | - |
| Temporary full-time contracts for time-limited work or services | 1.00 | 1.04 | 0.97 | 0.90 | 0.93 | 0.90 |
| Temporary part-time contracts for time-limited work or services | 1.01 | - | 1.01 | 0.96 | - | 0.96 |
| Total | 1.25 | 1.67 | 1.11 | 1.12 | 1.56 | 0.99 |

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 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 in all areas, but, although the Covid pandemic has transformed the situation for all sectors, we focus on the industries where non-Covid risks are higher.

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.

For the care group, the impact of Covid and measures taken to mitigate its effects in 2020 are explained above.

The data on accidents and resulting time off work are presented below.

a) Flour group

| Workplace accidents | 2020 | 2019 |
|--------------------------------------|-------|-------|
| Accidents without time off work | 27 | 32 |
| Accidents resulting in time off work | 25 | 23 |
| Total accidents | 52 | 55 |
| Accident incidence | 0.042 | 0.037 |
| Accident severity | 8.68 | 5.66 |

b) Care group

| Workplace accidents | 2020 | 2019 |
|--------------------------------------|-------|--------|
| Accidents without time off work | 15 | 11 |
| Accidents resulting in time off work | 38 | 27 |
| Total accidents | 53 | 38 |
| Accident incidence | 0.091 | 0.0748 |
| Accident severity | 9.66 | 15.66 |

HOURS OFF WORK AND ABSENTEEISM RATE (FLOUR GROUP)

| | 2020 | | | 2019 | | |
|--------------------------------|---------|---------|---------|---------|---------|---------|
| | Total | Men | Women | Total | Men | Women |
| Accidents | 5,423 | 5,311 | 112 | 3,684 | 3,684 | 0 |
| Common illness | 20,524 | 17,736 | 2,788 | 19,644 | 17,805 | 1,839 |
| Covid ⁽¹⁾ | 1,808 | 1,720 | 88 | 0 | 0 | 0 |
| Maternity | 4,536 | 0 | 4,536 | 4,080 | 0 | 4,080 |
| Paternity | 2,672 | 2,672 | 0 | 3,307 | 3,307 | 0 |
| Childcare | 384 | 384 | 0 | 0 | 0 | 0 |
| Care of the sick | 0 | 0 | 0 | 776 | 552 | 224 |
| Other personal motives | 406 | 278 | 128 | 512 | 384 | 128 |
| Jury service, union work, etc. | 404 | 368 | 36 | 208 | 208 | 0 |
| Total hours lost | 36,157 | 28,469 | 7,688 | 32,211 | 25,940 | 6,271 |
| Total working hours | 624,968 | 521,250 | 103,718 | 651,307 | 517,465 | 133,842 |
| Total hours off work | 30,734 | 23,158 | 7,576 | 28,527 | 22,256 | 6,271 |
| Absenteeism rate | 5.79 | 5.46 | 7.41 | 4.95 | 5.01 | 4.69 |

⁽¹⁾ In cases where Covid has been separately recorded.

Time off includes all hours lost except for those due to accident

HOURS OFF WORK AND ABSENTEEISM RATE (SENIOR CARE GROUP)

| | 2020 | | | 2019 | | |
|--------------------------------|-----------|-----------|------------|-------------|-------|--------|
| | Total | Men | Women | Total | Men | Women |
| Accidents | 4,770 | 0.00 | 4,770.00 | 6,332 | 0 | 6,332 |
| Common illness | 36,427 | 802.27 | 35,624.73 | 23,130 | 878 | 22,252 |
| Covid | 24,202 | 776.72 | 23,425.28 | 0 | 0 | 0 |
| Maternity | 9,807 | 00 | 9,807.00 | 10,577 | 0 | 10,577 |
| Paternity | 0 | 0,00 | 0 | 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. | 00 | 0 | | 3,696 | 3,696 | |
| Total hours lost | 75,206 | 1,578.99 | 73,627.01 | 43,735 | 878 | 42,857 |
| Total working hours | 493,611 | 45,151.58 | 448,459.42 | 404,579,093 | - | - |
| Total hours off work | 70,436.00 | 1,578.99 | 68,857.01 | 43,735 | 878 | 42,857 |
| Absenteeism rate | 15.24 | - | - | 10.81 | - | - |

C) Winery supplies group

The table below includes a comparison between 2019 and 2020, although it is important to note that 2020 figures do not include data for the French subsidiary Tonnellerie de L'Adour

| Workplace accidents | 2020 | 2019 |
|--------------------------------------|-------|-------|
| Accidents without time off work | 1 | 0 |
| Accidents resulting in time off work | 3 | 0 |
| Total accidents | 4 | 10 |
| Accident incidence | 0.039 | 0.114 |
| Accident severity | 8.0 | 15.8 |

d) Auxiliary Financial services group

| Workplace accidents | 2020 | 2019 |
|--------------------------------------|--------|------|
| Accidents without time off work | 0 | 0 |
| Accidents resulting in time off work | 2 | 0 |
| Total accidents | 2 | 0 |
| Accident incidence | 0.0377 | 0 |
| Accident severity | 0.0020 | 0 |

HOURS OFF WORK AND ABSENTEEISM RATE (WINERY SUPPLIES GROUP)

| | 2020 | | | 2019 | | |
|----------------------------------|-------|-------|-------|-------|-------|-------|
| | Total | Men | Women | Total | Men | Women |
| Accidents | 660 | 660 | 0 | 1,347 | 1,347 | 0 |
| Common illness | 1642 | 986 | 656 | 2,424 | 1,684 | 740 |
| Covid | 1201 | 1201 | 0 | 0 | 0 | 0 |
| Maternity | 720 | 0 | 720 | 0 | 0 | 0 |
| Paternity | 528 | 528 | 0 | 2,300 | 2,300 | 0 |
| Childcare | 0 | 0 | 0 | 0 | 0 | 0 |
| Care of the sick | 76 | 76 | 0 | 125 | 93 | 32 |
| Other personal motives | 3 | 3 | 0 | 9 | 9 | 0 |
| Jury service, union work, etc. | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary lay-off ⁽¹⁾ | 17109 | 13739 | 3370 | 0 | 0 | 0 |
| Total hours lost | 4830 | 3454 | 1376 | 6,196 | 5,433 | 772 |
| Absenteeism rate | 6.24 | 5.58 | 8.84 | 7.28 | 7.5 | 6.06 |

⁽¹⁾ See section 6.5 Covid-19

HOURS OFF WORK AND ABSENTEEISM RATE (FINANCIAL SERVICES GROUP)

| | 2020 | | | 2019 | | |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| | Total | Men | Women | Total | Men | Women |
| Accidents | 110 | 37 | 73 | 0 | 0 | 0 |
| Common illness | 644 | 176 | 469 | 550 | 14 | 536 |
| Covid | 801 | 113 | 688 | - | - | - |
| Maternity | 359 | 0 | 359 | 441 | 0 | 441 |
| Paternity | 0 | 0 | 0 | 0 | 0 | 0 |
| Childcare | 0 | 0 | 0 | 216 | 0 | 216 |
| 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 |
| Temporary lay-off | 0 | 0 | 0 | 0 | 0 | 0 |
| Total hours lost | 1,914 | 325 | 1,588 | 1,207 | 14 | 1,193 |
| Total working hours | 54,995 | 14,116 | 40,879 | 63,373 | 16,043 | 47,330 |
| Total hours off work | 1,914 | 325 | 1,588 | 1,207 | 14 | 1,193 |
| Absenteeism rate | 3.48 | 2.31 | 3.89 | 1.9 | 0.08 | 2.5 |



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

In 2020, face-to-face training became extremely difficult and this is the usual format in all Group companies. Training for customers and other stakeholders was also heavily restricted, particularly in the flour sub-group. That said, the following tables summarise training delivered during the year:



Flour Group

| Training | 2020 | | | | | | 2019 | | | | | |
|--------------------------------|---------------|----------|-------------|------------------|-----------|------------|---------------|------------|-------------|------------------|-----------|------------|
| | Hours | | | No. of attendees | | | Hours | | | No. of attendees | | |
| | Men | Women | Total | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Courses taken by employees | | | | | | | | | | | | |
| Administration | 50,5 | 34,5 | 85 | 7 | 12 | 19 | 233 | 161 | 394 | 10 | 15 | 25 |
| Sales | 345 | 42 | 387 | 31 | 3 | 34 | 354 | 42 | 396 | 36 | 6 | 42 |
| Quality | 576.5 | 92 | 668.5 | 78 | 15 | 93 | 176 | 107 | 283 | 18 | 19 | 37 |
| R&D | 186 | 44 | 230 | 20 | 8 | 28 | 90 | 201 | 291 | 11 | 17 | 28 |
| Management | 379 | 144 | 523 | 29 | 4 | 33 | 81 | 29 | 110 | 13 | 5 | 18 |
| Production | 97 | 57 | 154 | 20 | 5 | 25 | 893 | 79 | 972 | 164 | 2 | 166 |
| Total | 1634 | 0 | 1634 | 185 | 47 | 232 | 1827 | 619 | 2446 | 252 | 64 | 316 |
| External training costs | 30,056 | | | | | | 52,624 | | | | | |

Senior care group

In 2020, training was given in all aspects of the pandemic and caring for residents in this environment. However, these costs have not been separated out from other essential operating costs of care and were not separately recorded.

| Training | 2019 | | | |
|--------------------------------------|---------------|-------|------------------|-------|
| | Hours | | No. of attendees | |
| | Men | Women | Men | Women |
| Courses taken by employees | | | | |
| Administration | 12 | 18 | 2 | 3 |
| Sales | - | 6 | - | 1 |
| Face-to-face | 48 | 968 | 7 | 155 |
| Total external training costs | 19,398 | | | |

Winery supplies group

In 2020, there were no structured training activities

| Training | 2019 | | | |
|------------------------------------------------|--------------|-------|------------------|-------|
| | Hours | | No. of attendees | |
| | Men | Women | Men | Women |
| Courses taken by employees | | | | |
| Administration | - | 97 | 0 | 3 |
| Sales | 6 | 6 | 1 | 1 |
| Management | 86 | 0 | 3 | 0 |
| Production | 360 | 56 | 24 | 4 |
| external costs | 4,561 | 0 | 0 | 0 |
| Costs attributed to personal attendance | 9,150 | | | |

Auxiliary financial services group to Caja Rural de Navarra

In 2020, there were no structured training activities

| Training | 2019 | | | |
|----------------------------|-------|-------|------------------|-------|
| | Hours | | No. of attendees | |
| | Men | Women | Men | Women |
| Courses taken by employees | | | | |
| Administration | 314 | 1,538 | 10 | 55 |
| Management | 79 | - | 2 | - |

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.

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.

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.

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.

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.

We want to thank all our employees for their magnificent effort. At every level of the organization they organised, internalised security procedures and worked tirelessly in their respective roles, despite the difficulties they faced every day.

They showed exceptional professionalism and dedication and we want to focus particularly on those working in the care sector due to its nature.

These workers showed generosity and their human qualities. We offer you our most sincere thanks.

At the same time, in the winery supplies sector, the slump in business led to temporary lay-offs of staff and a corresponding fall in income. These companies tried to mitigate the effects of the delays in lay-off pay with advances on future wages, to avoid financial hardship among our employees.

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: *(to the right of this text)*:

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 2020 and 2019.

The subsidiaries located in the Common Tax Territory are consolidated into a single tax group for the purposes of Company Income Tax.

| | 2020 | | | 2019 | | |
|---------------------------------------|----------------|-------|----------------|--------------|---------|--------------|
| | ES | FR | TOTAL | ES | FR | TOTAL |
| Accrued company income tax | 1,311,866.58 | 0 | 1,311,866.58 | 1,364,924.64 | 5707 | 1,370,631.64 |
| Economic activities tax | 307,385.69 | 0 | 307,385.69 | 310,553.40 | 0 | 310,553.40 |
| Property tax | 172,133.75 | 0 | 172,133.75 | 226,826.94 | 0 | 226,826.94 |
| VAT (Reclaimed-due=VAT paid) | - 2,055,235.62 | N/D | - 2,055,235.62 | -345,121.23 | -444365 | -789,486.23 |
| Other taxes and levies (except waste) | 177,898.28 | 31795 | 209,693.28 | 160,463.62 | 31869 | 192,332.62 |

12 ANNEX III

12 AENOR VERIFICATION



