



CORPORATE CULTURE AND BUSINESS ETHICS



Ethical Management System

2021

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1 | MISSION, VISION, AND PURPOSE



The mission and vision of Grupo Cooperativo Cajamar are in alignment with the plural nature of its member entities, the diversity of territories in which it operates, its history and experience, its current reality, its future expectations and its cooperative business model.

A model of retail banking based on the notion of closeness, providing financial support to families and micro, small and medium-sized enterprises, the real and productive economy, and local production systems, especially those based on the agro-food sector and cooperativism.



It is, therefore, a business model that offers financial solutions to the production sector so **that companies can more easily generate employment and fix capital to the territory**, promoting economic and social progress, as well as sustainable local development and local production systems.

Similarly, the mission, vision, and purpose of Grupo Cooperativo Cajamar, through its cooperative foundations, reflect **the principle of shared value creation**, understanding that the development of our entity must go in hand in hand with the development of the society in which it operates.

In other words, the entity must **grow with society**, aligning its interests with each of its stakeholder groups.

MISSION

Contribute **financial solutions to the economic development and social progress** of our members and customers, through a strategy based on the principles of cooperation, the social economy, and sustainable development in the places where we do business.

VISION 2030

To be a market leader in **cooperative banking** and a point of reference for the agri-food sector in Spain, recognised for its strength, commitment, and high ethical standards in relation to its customers, partners, employees and the environment in which it operates, based on a sustainable model.

PURPOSE

To continue to ensure the wellbeing and progress of **PEOPLE** by cooperating to generate **IDEAS** and innovation that contribute to the sustainable connectedness of **TERRITORIES**.

2 | THE ETHICAL MANAGEMENT SYSTEM AND CORPORATE SOCIAL RESPONSIBILITY



The Ethical Management System (EMS) is the set of ethical-social values, principles, and standards, all consistent with each other, which govern the Group's conduct in each and every one of its fields of action, encouraging and strengthening compliance with the legal system, respect for human dignity, and corporate social responsibility.



The Group defines Corporate Social Responsibility (CSR) as the organisation's implicit or explicit response to the specific ethical-social expectations of stakeholders and society as a whole, with regard to its four fundamental areas of performance: cooperative, economic-financial, social, and environmental.

CSR will therefore promote and develop policies, measures, and instruments (standards of conduct and management models) across the organisation, relating to each of the pillars described below, always keeping in mind and ensuring consistency with the other contents of the EMS.

CSR drives the connection between the EMS and society as a whole, voluntarily developing ethical and social aspects that go beyond the legal system and respect for human dignity, aspects it takes as read and worthy of absolute protection.



LEGAL SYSTEM

Nature: Limit and restriction

Role of CSR: Respect and protection



HUMAN DIGNITY

Nature: Limit and restriction

Role of CSR: Respect and protection



ETHICAL-SOCIAL LINKS WITH STAKEHOLDERS

Nature: Opportunity for action and innovation

Role of CSR: Promotion and Development

3 | AN ETHICAL FRAMEWORK FOR MITIGATING RISKS AND CREATING VALUE



The development of **Grupo Cooperativo Cajamar's financial activity within a context of ethics** allows the Group to reduce the impact of incomplete contracts on the organisation, as well as to make more lasting and stable the links with stakeholders, especially with members, customers, and employees.

Similarly, a **stable relational and ethical environment significantly reduces uncertainty**, making the entity's future operating context more predictable.

For this reason, beyond the goods and abstract values the EMS wishes to protect or aspire to, it has very clear objectives for the Group's business performance: to create the most favourable framework to **minimise risks and costs**; and to create a positive framework to **maximise the creation of shared value and cooperative value**.

The minimisation of risks and costs is linked to the reduction of negative social impact, the reduction of social costs resulting from inefficiency, as well as the reduction of negative externalities that may arise from the Group's activity. In turn, maximising the creation of shared value and cooperative value is linked to maximising ethical-social links with stakeholders and society as a whole, creating with its activity value for the group and for society in general.



SHARED VALUE
CREATION



EMS
BUSINESS MODEL



RISKS AND COSTS



4 | CORE ELEMENTS OF THE EMS: VALUES, PRINCIPLES, AND STANDARDS



The concept of ethics implicit in Grupo Cooperativo Cajamar's EMS is associated with two complementary perspectives.

Ethics based on non-negotiable corporate values, inherent, omnipresent and at the heart of its business model and reputational aspirations (ETHICS OF CONVICTION), and ethics based on principles (DIALOGICAL ETHICS), appropriate and adaptable to the surrounding environment and expectations of stakeholders.

We are talking about **rights-based ethics** (ETHICS OF CONVICTION) that provide the material basis for ensuring trust in and the reputation of the entity; and **creative and innovative ethics**, which are deeply dynamic, laying the formal basis for adapting behaviour to the constraints of the environment and the expectations of stakeholders.

The ethics of conviction are a dogmatic/material ethics based on the entity's deeply held convictions, whereas dialogical ethics are a programmatic/formal ethics, resulting from an iterative process of active listening, dialogue, and on-going negotiation with stakeholders.

CORE ELEMENTS OF THE EMS

STANDARDS

Governance and good banking practices

PRINCIPLES

Dialogical-Formal Ethics (Context and Stakeholders)

VALUES

Material Ethics
Ethics of Conviction



5 | VALUES OF GRUPO COOPERATIVO CAJAMAR'S EMS



Values are the core elements of Grupo Cooperativo Cajamar's EMS.

They define basic behavioural criteria that are essential, non-negotiable and non-deferrable for the entity, and lay the foundations for the entity's projection within society in terms of image, mutual trust, socio-economic impact, and reputation.

Transparency

This is related to making stakeholders aware of information that is relevant to them to identify, measure, and mitigate the risks they incur and which arise from the Group's activity. It involves clearly, explicitly, rigorously, and truthfully conveying the objectives, pretensions, and procedures of the entity so that such information is subject to public scrutiny and the general assessment of society.

Integrity

This refers to moral fortitude, honesty, duty, conviction, and scrupulousness as qualities of the Group's conduct. It entails acting decisively so that the entity remains true to its nature, its origins, its convictions, and its vocation, bearing in mind stakeholder expectations.

Diversity

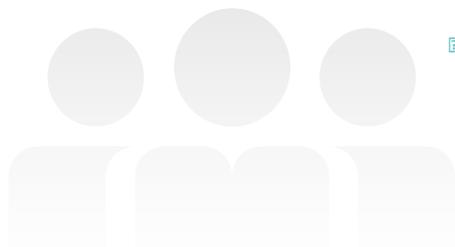
This refers to observing, respecting, and valuing the plurality of interests, perceptions, beliefs, ways of thinking, capacities and sensitivities, both within the organisation and in society as a whole.

Responsibility

This refers to the proper identification, assessment, and assumption of the consequences of the Group's actions, bearing in mind the obligations undertaken and stakeholder expectations.



GROUP VALUES



6 | PRINCIPLES OF GRUPO COOPERATIVO CAJAMAR'S EMS



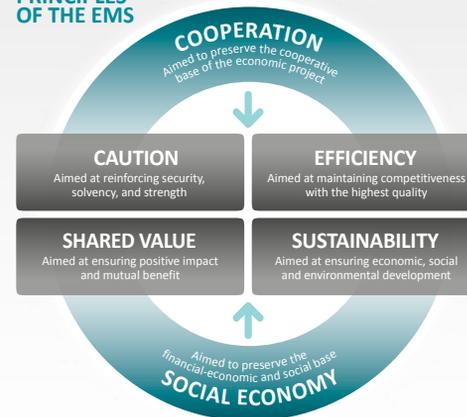
Principles are the elements of the Group's EMS that guide action based on material elements (values) and contextual elements (surrounding environment and stakeholder expectations) that directly affect its behaviour.

They lay the foundation for defining, identifying, and developing good banking practices throughout our sphere of action.

There are two types of principles: those derived from the nature of the entity on the one hand, and those derived from its commitment to stakeholders and society as a whole on the other. The principles derived from its nature are **the principle of cooperation** and **the principle of social economy**.

The principles derived from its commitment are **the principle of caution**, **the principle of efficiency**, **the principle of shared value creation**, and **the principle of sustainability**.

PRINCIPLES OF THE EMS



Cooperation

Pooling of efforts, knowledge and resources by community members (stakeholders) to achieve greater mutual benefit, greater efficiency, and greater equity.

Social Economy

It combines economic-financial, social and environmental performance with the development of the territory and local production systems based on the cooperative model.

Caution

Actions must be opportune, well thought through, fair, adequate, proportional, and moderate to reinforce the security, solvency, and strength of the Entity, as well as the benefits offered to society as a whole.

Efficiency

Optimisation and efficient allocation of resources, achievement of objectives and adaptation of resources to objectives according to the criterion of economic rationality and cost-benefit analysis.

Shared value

Seeking mutual benefit between the entity, stakeholders, and society as a whole.

Sustainability

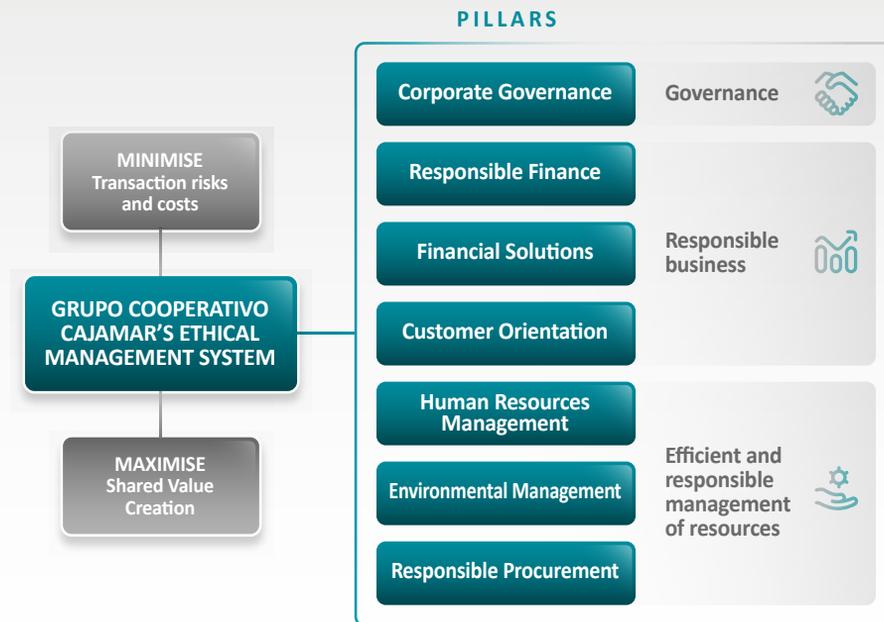
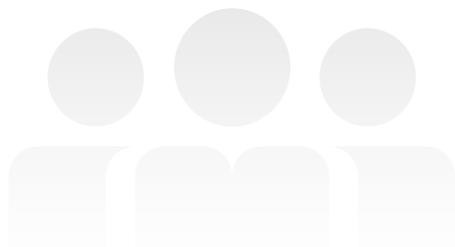
The principle of precaution and the avoidance of passing unnecessary burdens (financial, social, environmental...) onto future generations is applied.

7 | PILLARS OF THE EMS (I)



The pillars of the EMS are the thematic areas, or groups of policies, measures and instruments, through which values, principles, and standards are transferred to the whole Entity.

They can be grouped into the following families: **governance, responsible business, and efficient resource management.**



7 | PILLARS OF THE EMS (II)



Family 1 GOVERNANCE AND COOPERATIVE PRINCIPLES



Corporate governance refers to policies, measures, and instruments that prevent, mitigate, or minimise the possible conflict of interest between executives and directors, on the one hand, and members / shareholders / investors, on the other, bearing in mind **the cooperative principles**:

→ Returns / Profitability

→ Representativeness

→ Internal democracy

→ Participation / accessibility

The Group's institutional and business models will articulate policies, measures and instruments that promote good corporate governance practices, as well as cooperative principles, in accordance with the values and principles of EMS.

→ Member / shareholder / investor protection

→ Autonomy

→ Intercooperative cooperation

CORPORATE GOVERNANCE

Corporate Governance refers to the set of policies, measures, and instruments, both internal (protecting the rights of members/shareholders, composition and function of the board, corporate information, etc.) and external (conduct in capitals markets, in the employment market, etc.), the fundamental aim of which is to protect members, shareholders, and investors, always seeking to minimise agency costs.

7 | PILLARS OF THE EMS (III)



Family 2 RESPONSIBLE BUSINESS



Responsible business refers to the business model based on mutual benefit in business relationships (win-win strategy) and on creating a positive impact in society:

- **Innovative business solutions**
- **Customer service**
- **Customer protection**
- **Customer experience**
- **Solutions for financial inclusion**
- **Solutions for the productive economy and local production systems**
- **Socially responsible investment**
- **Impact investments**
- **Contribution to society**
- **Balance of externalities**

The Group will put policies, measures, and instruments in place that promote responsible business, socially responsible investment, and long-term relationships with its customers and suppliers in accordance with the values and principles of EMS, and ensuring equity and sustainability in the supply chain.

RESPONSIBLE FINANCE

Related to financial activities and investments, which are self-regulated according to ethical, social, and environmental criteria compatible with economic and financial performance and the development of the productive economy and local production systems.

FINANCIAL SOLUTIONS

These refer to the design of innovative and inclusive financial products and services that match the profile and the true needs and expectations of members, customers, and users in terms of savings, investment and financial services in an environment of security and trust.

CUSTOMER FOCUS

Related to the achievement of a stable and lasting relationship with the customer in terms of service, protection, satisfaction and experience, guaranteeing mutual benefit and shared value creation.

7 | PILLARS OF THE EMS (IV)



Family 3

EFFICIENT AND RESPONSIBLE RESOURCE MANAGEMENT



Efficient and sustainable resource management refers to minimising the impact and negative externalities on society and the environment, resulting from the use of tangible and intangible resources:

The Group shall put policies, measures, and instruments in place that promote the sustainable management of resources in accordance with the values and principles of the EMS.

EFFICIENT AND RESPONSIBLE RESOURCE MANAGEMENT

- Economic resources
- Financial resources
- Human resources
- Supply chain
- Social resources
- Knowledge Resources
- Environmental resources

HUMAN RESOURCES MANAGEMENT

Efficient, responsible, and sustainable management of the availability and capacity of employed persons, ensuring the preservation of their dignity, equal opportunities and rights, as well as a good working climate that facilitates the achievement of the Entity's objectives and fosters the creativity, innovation and self-realisation of the people who make up the Entity.

ENVIRONMENTAL MANAGEMENT

Achievement of the entity's economic and financial objectives, minimising the socio-environmental resources used and the negative impact on communities and ecosystems.

RESPONSIBLE PROCUREMENT

Promotion and conveyance of the Entity's principles and values to the whole supply chain, promoting an efficient, responsible and sustainable management of the chain in an environment of equity, co-responsibility, and mutual benefit.

8 | EMS DEPLOYMENT AND PROJECTION CRITERIA



The deployment and projection of EMS throughout the whole of the society is carried out through the following criteria:

- Comply or explain
- Permanent dialogue with stakeholders
- Innovation and proportionality
- Integration of financial and non-financial information (INF)
- Standardisation based on differential elements



	COMMUNICATION	MANAGEMENT	SOCIAL IMPACT	
COMPLY OR EXPLAIN →	✓			
DIALOGUE →	✓	✓	✓	
INNOVATION →	✓	✓	✓	
INF →	✓	✓	✓	
STANDARDISATION →	✓	✓	✓	

9 | GRUPO CAJAMAR'S DIALOGICAL ETHICS: STAKEHOLDERS



The Group's concept of ethics is eminently dialogical. Dialogue is an instrument of communication with stakeholders, but it also contributes to shaping ethical relationships between stakeholders and the Entity.

The Group defines stakeholders as institutions or groups of people, organised or otherwise, which interact with the entity in the performance of its business activity, understanding the latter in its broadest sense. Furthermore, stakeholders are groups of people who have a legitimate, direct or indirect interest in some or several areas of the entity's performance: **cooperative, economic-financial, social and/or environmental.**

By extension, and in the broad sense of the impact of its management, the Group considers the need for permanent and constructive dialogue with local communities and society as a whole.

The Group is aware that the evolution of the business, the regulatory framework and society itself means that stakeholders are not a fixed entity. On the one hand, new stakeholders might emerge that did not exist previously and which are the consequence either of the articulation and organisation of new social movements or the institutional development of our society.

Similarly, we can find stakeholders that have not traditionally interacted with the entity, and that, through the vertical, horizontal, institutional or territorial development of the business, acquire a special relevance and notoriety.

Finally, as an example of complexity when it comes to engaging in permanent and productive dialogue with stakeholders, we should highlight that the boundaries between different stakeholders are becoming increasingly blurred due to the complexity of our society and the level of personal and institutional interrelationships that exist nowadays.

This complexity is both a cause and an effect of the on-going exchange of roles that individuals experience in their daily lives. For example, an employee who is in turn a client and/or member of the entity.

Accordingly, and as a summary of the above paragraph, stakeholder identification and dialogue, which must be permanent and constructive, based on the criterion of shared value creation, must bear in mind the following aspects, resulting from the complexity of societies today:

- **The exchange of social roles of individuals and institutions.**
- **The articulation and organisation of new social movements.**
- **The institutional development of our society.**

10 | THE CONCEPT OF CLOSENESS AS A COMPONENT OF EMS DEPLOYMENT AND PROJECTION

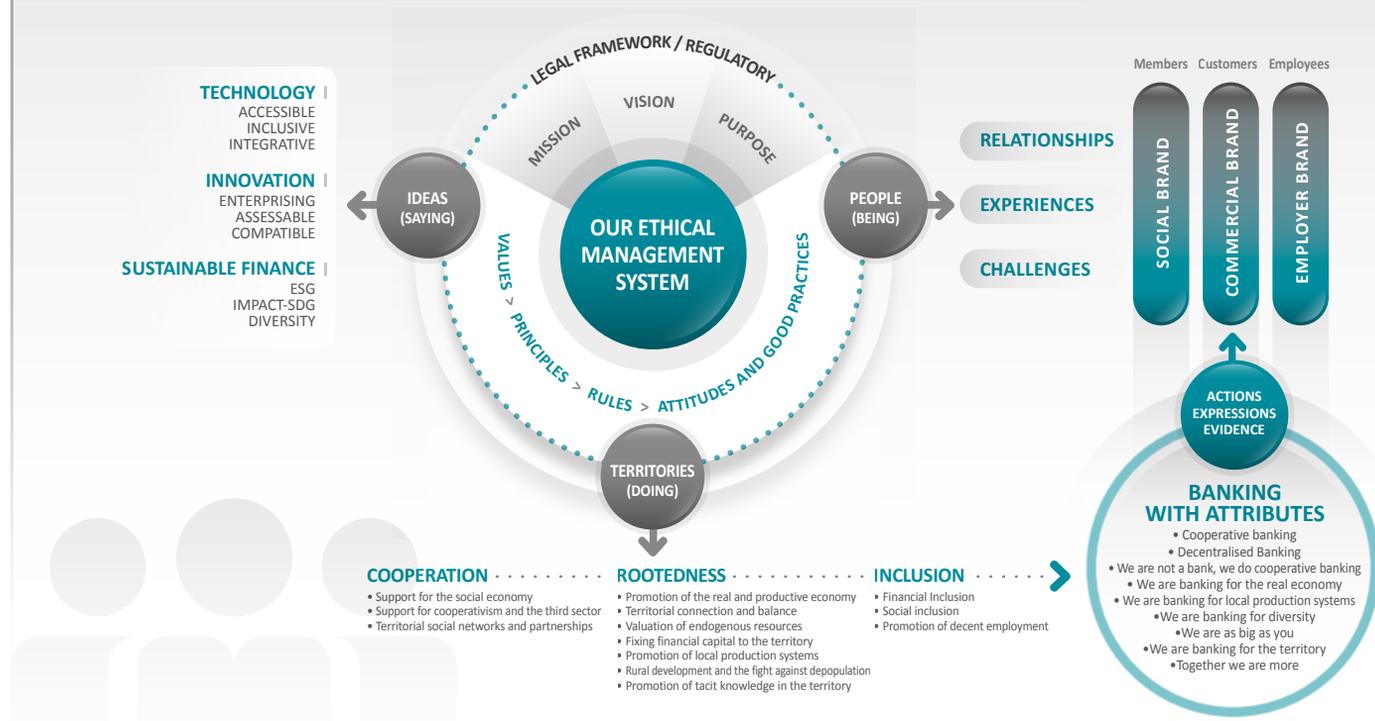


The Ethical Management System is the most complete expression of the Group's corporate culture. It defines both what it is (nature) and what it wants to be (ethics); what it does (mission) and what it wants to do (vision).

The concept of **CLOSENESS**, through its multiple expressions and manifestations, is present transversally throughout the Group's Ethical Management System, in each of its elements, defining an **ETHICS OF CLOSENESS** based on knowledge and mutual benefit between the Entity and its stakeholders (shared value creation).



11 | CORPORATE CULTURE MAP

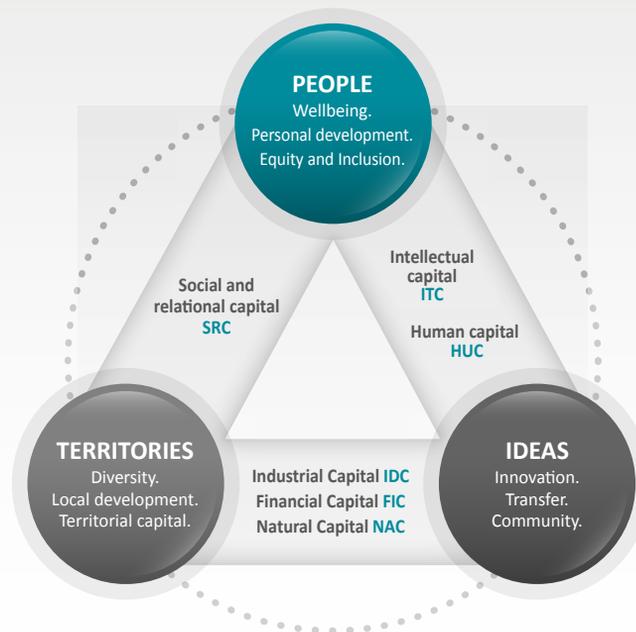


12 | CORPORATE CULTURE, CAPITAL TRANSFORMATION AND SUSTAINABILITY



Grupo Cooperativo Cajamar is structured by means of a genuine system of alliances (Institutional System of Protection: **SIP**) adapted to its cooperative business model, which has demonstrated its ability to continue fixing capital to the territory, promoting the social economy, and improving the competitiveness of local production systems.

In short, creating territorial capital through mutualisation strategies based on people, ideas and territories: the three pillars on which Grupo Cooperativo Cajamar bases its sustainability strategy.



PREMISES AND RESTRICTIONS

$\Delta NAC \geq (\text{absolute})$

Preservation of ecosystems and strong idea of sustainability. Natural capital cannot be offset by any other kind of capital. It must be maintained or grown.

$\Delta HUC \geq \Delta FIC$

Principles of the social economy and putting people before profits.

$\Delta ITC \geq \Delta IDC$

Digitalisation and decarbonisation of the economy. Economics of intangibles.

$\Delta HUC \geq \Delta IDC$

Welfare and employment.

$\Delta IDC \geq \Delta FIC$

Financial Economics at the service of territories and local production systems.

$\Delta (ITC+HUC+IDC+NAC+SRC) \geq 0$

Positive impact on society and the environment, and improvement in capital endowment.



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