



**GRUPO
COOPERATIVO
CAJAMAR**



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GREEN BONDS FRAMEWORK

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1. NATURE OF THIS DOCUMENT

This **Green bonds framework** of **Grupo Cooperativo Cajamar** (“the Group”), which forms part of its Sustainability Policy, is provided solely for declaration and information purposes, and may be amended unilaterally by the Group to bring it into line with its sustainable finance strategy. It is intended to serve as the reference framework for future bond issues with positive environmental dividends or green bonds, understood to mean debt issued by public and private institutions where the net funds raised are used to finance or refinance environmentally sustainable assets or projects.

In no circumstances must it be taken as an invitation to subscribe securities or debentures issued by the Group, since it is not intended to provide advice for evaluating the financial assets issued by Grupo Cooperativo Cajamar. Consequently, it must not form the basis for investment decisions, which in all cases should be based on the information provided in the corresponding prospectus and documentation related with the Group’s specific placements.

Grupo Cooperativo Cajamar may consider future opportunities to update this Green bonds framework to expand the eligible categories, subject to an independent assessment. Any update or amendment shall be published on the Group’s corporate website.

This **Green bonds framework** is in line with the **Green Bonds Principles** (GBP) and considerations of the International Capital Market Association (ICMA), which are voluntary guidelines for transparency, disclosure and integrity in the green bond market.

Within this framework, Grupo Cooperativo Cajamar may issue green bonds with different finance formats: **senior unsecured debt, non-preferred senior debt and covered bonds**.

2. BACKGROUND

Grupo Cooperativo Cajamar is the leading Spanish banking institution with a cooperative approach. It comprises a group of financial institutions whose goal is to support families, micro, small and medium-sized enterprises, and local production systems (LPSs), while also championing the social and solidarity economy. Its mission involves backing efforts to strengthen territories and contribute to true local sustainable development built on three fundamental pillars: people, ideas and territories. It is precisely the Group’s ties with the territories and LPSs, especially farming and fisheries, that has enabled it to put sustainability at the heart of its strategy, boasting a **Sustainability Policy** that covers the programmes in this strategy.

The Group is one of numerous organisations championing sustainable finance and tacking climate change, all as part of an ecological transition founded on the principles of a just transition. Moreover, it has been a signatory of the Principles of the UN Global Compact since 2006, reporting its performance with regard to the 10 principles annually. Grupo Cooperativo Cajamar is also a member of United Nations Environment Programme Finance Initiative (UNEP FI), a founding signatory of the **Principles of Responsible Banking**, has reported its carbon footprint to the Carbon Disclosure Project (CDP) since 2014, and follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) concerning sustainable finance.

Details of its strategy and performance in these areas are available in its [Sustainability Report](#).

3. USE OF FUNDS

Assets eligible for green bond placements shall primarily be in these four major areas that are fundamental to the ecological transition and reaching the Sustainable Development Goals (SDGs). They are chosen based on the environmental needs of the communities we serve and the Group's experience tackling the major challenges sustainable finance currently faces. The Group reserves the right to widen the scope depending on the environmental needs that it identifies as being a priority.

Sustainable farming

Grupo Cooperativo Cajamar is actively involved in financing sustainable farms which have a positive environmental impact, primarily through production systems that make use of ecological farming and integrated production techniques. This enables them to cut waste and greenhouse gas emissions, while producing healthy farm products that are compatible with protecting rural life, biodiversity and ecosystems.

Grupo Cooperativo Cajamar understands and shares the principle of **multifunctionality** in farming, and the role of sustainable farming in the ecological transition and fulfilment of the SDGs. The financing of sustainable farming projects encourages the use of low-carbon techniques and cultural practices that contribute to enhancing soil quality, protecting biodiversity, rebalancing the nitrogen cycle, and making more efficient use of resources including water.

The net funds raised through the placement of the bonds lying within the scope of this **Green bonds framework** shall be earmarked to finance and refinance projects related with ecological farming and integrated production, including ancillary facilities and technical support services. No more than 50% of net funds shall be used to refinance eligible assets over the bond maturity.

As issuer, Grupo Cooperativo Cajamar shall estimate and disclose the land area and production associated with the financing or refinancing projects using the net funds from green bond placements.

Renewable energies

Grupo Cooperativo Cajamar boasts extensive experience financing renewable energy projects, particularly in the farming and fishing industry. The Group's **Sustainability Policy**, strategies related with mitigating climate change and commitment to adhere to the **Principles for Responsible Banking** all involve it promoting the use of clean energy sources.

Eligible green assets shall be those associated with commercially proven wind and solar technologies with a recognised track record. The design concept associated with these assets shall consist of the transformation of wind and/or solar power into electricity using different physical processes that must not involve the use of any other primary energy source. No more than 50% of net funds shall be used to refinance eligible assets over the bond maturity.

Apart from electricity generation technologies, any auxiliary infrastructure for the transmission of this electricity, including substations, shall also be eligible.





As issuer, Grupo Cooperativo Cajamar shall estimate and disclose the CO₂ emissions avoided by the eligible assets financed or refinanced using the net funds from green bond placements. The method used to calculate these emissions shall be based on the **GHG Protocol**. The emissions associated with the weighted mix of technologies of the country where the investment in eligible assets is made shall be used as a comparison for the calculation, using the latest data published by the International Energy Agency (tCO₂/MWh).

Sustainable construction

Grupo Cooperativo Cajamar has an extensive mortgage loan book for financing homes and other real-estate assets. In this regard, the Group is aware that finance is a very important tool for promoting sustainable construction that contributes to energy saving and, consequently, reducing greenhouse gas emissions.

The net funds raised through the placement of the green bonds lying within the scope of this **Green bonds framework** shall be earmarked to finance and refinance the development or acquisition of energy efficient homes. Refurbishments and adaptations to homes that improve their energy efficiency and result in the ratings described in the following paragraph after the revamps shall also be included.

The energy ratings A and B shall be taken as the eligible thresholds for new housing developments and new-build purchases. The energy ratings A, B or C shall be taken as the eligible thresholds for second-hand home purchases. No more than 50% of net funds shall be used to refinance eligible assets over the bond maturity.

As an issuer of green bonds, Grupo Cooperativo Cajamar shall estimate and disclose the energy saving versus the average for the stock of homes in the country where the investment is made (in Spain's case: D-E), and the CO₂ emissions avoided by the eligible assets financed or refinanced using the net funds from green bond placements. The method used to calculate these emissions shall be based on the **GHG Protocol**. The emissions associated with the weighted mix of technologies of the country where the investment in eligible assets is made shall be used as a comparison for the calculation, using the latest data published by the International Energy Agency (tCO₂/MWh).

Sustainable mobility



Sustainable mobility also lies within Grupo Cooperativo Cajamar's **Sustainable Policy**. The Group is aware that financing is a very valuable tool for promoting sustainable mobility that contributes to curbing greenhouse gas emissions and, consequently, tackling climate change.

In this respect, eligible assets shall include the financing or refinancing of purchases of battery electric vehicle (BEV), range-extended electric vehicles (REEV), plug-in hybrid electric vehicles (PHEV) with a minimum range of 40 kilometres, and fuel cell vehicles (**zero emissions** label in Spain). The acquisition of non-plug-on hybrid vehicles (HEV) with a range of less than 40 kilometres, natural gas and compressed natural gas (CNG) powered vehicles, and liquefied natural gas (LNG) powered vehicles (**Eco** label in Spain) shall also be eligible for financing or refinancing. No more than 50% of net funds shall be used to refinance eligible assets over the bond maturity.

As issuer, Grupo Cooperativo Cajamar shall estimate and disclose the CO₂ emissions avoided by the eligible assets financed or refinanced using the net funds from green bond placements. The method used to calculate these emissions shall be based on the **GHG Protocol**. The emissions associated with the weighted mix of mobility technologies used in the country where the investment in eligible assets is made shall be used as a comparison for the calculation.

4. EVALUATION AND SELECTION OF ELIGIBLE ASSETS AND PROJECTS

Grupo Cooperativo Cajamar shall consider potentially eligible loans and projects through the Sustainability Committee. The general divisions of Business, Finance and Investments shall pre-select eligible loans and submit them to this committee for approval.

The Sustainability Committee must monitor the issues and allocation of net funds to be applied, confirm the environmental benefits of the eligible assets, maintain and update the **Green Bonds Framework**, and approve the reports on the issues.

As issuer, Grupo Cooperativo Cajamar shall allocate the net funds raised through green bond placements within three years of their settlement, creating suitable liquidity mechanisms for the funds not allocated during that period so that the investments programme can be fulfilled.

5. DISCLOSURE AND REPORTS

Every year, Grupo Cooperativo Cajamar shall publish how the funds have been used, especially breaking the information down into at least the following sections:

- Funds assigned to eligible green assets;
- Unallocated funds;
- Percentage distribution between financing and refinancing;
- Type of asset;
- Location of asset;
- Environmental benefits; and
- Alignment with SDGs.

All this information shall be anonymised for confidentiality reasons and will cover the eligible assets allocated before 31 December each year.

6. INDEPENDENT VERIFICATION

Disclosures about green bonds shall be independently verified by an external auditor, ensuring compliance with this framework. The auditor's opinion shall be published by the Group.