

Policy on Integration of Sustainability Risks in Customer Financial Services

Contents

1 Purpose	4
2 Scope of Application	4
3 Commitment to Sustainability	4
4 Strategy and Due Diligence	5
5 Provision of Information	5
6 Impact on the Remuneration Structure.....	5
7 Approval, Review and Amendments	6

1 Purpose

This Policy aims to ensure the transparency of the integration of sustainability risks into the investment decision-making process in the portfolio management service and investment advice, (hereinafter the "Policy"), in accordance with Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019.

2 Scope of Application

This Policy applies to Banco Finantia, S.A. (hereinafter the "Bank") and all its subsidiaries (together with the Bank, hereinafter the "Banco Finantia Group") that are engaged in portfolio management and investment advisory activities.

3 Commitment to Sustainability

The Bank aims to adopt a responsible business model, with a commitment to sustainability issues in its environmental, social and governance aspects (hereinafter "ESG", or "Environmental¹, Social² and Governance³"), incorporated into its investment decision-making process for portfolio management and in the investment advisory services provided to customers.

The Bank's Employees are subject to the observance of principles and rules established in the various internal regulations, in order to ensure that their actions are guided by strict standards of integrity, honesty, competence and professional ethics in all relationships they establish, whether internally, with their customers or with any other person or entity with whom they have a relationship. In general terms, these principles include the following:

- > incorporate ESG issues into Banco Finantia's practices and policies;
- > promote respect for and compliance with applicable laws, regulations and guidelines, as well as with the internal rules in force in the Banco Finantia Group;
- > contribute to the promotion of an organisational culture of legal compliance and conformity with the adopted values and principles, as well as to the development of best practices of corporate governance and ethical conduct;
- > implement appropriate decisions and strategies that do not compromise the medium-term sustainability of the institution;
- > ensure that the Employees responsible for the decision-making processes within the scope of portfolio management and investment advice have the capacity to identify and understand risks, particularly in relation to sustainability.

This Policy aims to outline the Bank's approach and position on how it integrates sustainability risks into its investment decision-making process for portfolio management and investment advice to its Customers.

¹ Refers to the environmental impact of companies, as well as the efforts made by them to reduce levels of contamination or carbon emissions (e.g. climate change and waste management).

² Refers to issues concerning the rights, welfare and interests of people and communities (e.g. respect for human rights and exploitation of child labour).

³ Refers to the structure and organisation of companies, their internal management and leadership (for example, remuneration policies, decision-making processes, professional ethics, corruption, bribery and transparency in information disclosure).

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4 Strategy and Due Diligence

The necessary procedures must be adopted to guarantee the commitment to sustainability assumed in this Policy in the investment decision-making process within the scope of the activity developed for portfolio management and investment consultancy.

The Bank uses professional due diligence in its investment strategy to consider sustainability risks and uses best efforts to come to grips with the major negative impacts arising from sustainability investment decisions in portfolio management.

To this end, the Bank uses external sources of information, as well as information provided by the entities in which it intends to make an investment recommendation, in parallel with traditional financial analysis factors so that:

- > It includes in its selection sustainable investments, in particular in economic activities that positively contribute to environmental or social objectives;
- > It ensures that ESG aspects are considered in the analysis and consequent selection process of investments, in order to contribute to the promotion of market sustainability in the medium/long term;
- > Employees who have responsibility for managing portfolios are also responsible for managing their exposure to ESG risks; and
- > It is able to provide information on how ESG criteria are taken into account in the context of investment decisions adopted in portfolio management and investment advice.

To the extent that in this context, and as mentioned above, the Bank relies on information from external ESG sources, including information publicly available or made available by the entities on which it intends to make an investment recommendation, the Bank cannot guarantee that such information is always complete and/or accurate.

5 Provision of Information

The Bank will use its best endeavours to be prepared to provide clear, express and unambiguous information on the incorporation of ESG criteria in the investment strategy developed in its portfolio management and investment advisory activities.

To this end, the Bank provides its Customers with access to all information relating to their investments, whenever possible and at the time of their marketing, normally relying on external suppliers.

6 Impact on the Remuneration Structure

The remuneration policies and practices in force contemplate remuneration structures that promote the fulfilment of objectives and sustainable behaviour without generating risks that may jeopardise the long-term investment interests, as established in the internal regulations published on the Bank's website.

7 Approval, Review and Amendments

This Policy and the strategy adopted with regard to sustainability in the decision-making process for portfolio management and investment advice must be articulated with the applicable internal regulations and legislation.

The Policy shall be subject to periodic review, to be carried out at least every two years and, in any case, whenever relevant changes or situations occur that justify it.

The Policy and its successive revisions shall be approved by the Board of Directors.