



POLICY

ON THE INTEGRATION OF SUSTAINABILITY RISKS

OF

ONE TO ONE ASSET MANAGEMENT, SGEIC, S.A

INTEGRATION OF SUSTAINABILITY RISKS

DOCUMENT REGISTER

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SUSTAINABILITY RISK INTEGRATION POLICY

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1. Introduction

ONE TO ONE ASSET MANAGEMENT, SGEIC, S.A (hereinafter, the "Company") has developed this policy with the aim of establishing a robust framework for integrating sustainability risks into our investment decision-making process, in compliance with the requirements set out in Regulation (EU) 2019/2088 of the European Parliament and of the Council, as well as with other applicable regulations relating to the disclosure of sustainability-related information in the financial services sector. Through this policy we seek to comply with the legal and regulatory requirements on sustainability-related disclosure, while promoting responsible risk management and a positive contribution to sustainable development.

We recognise the importance of sustainability in the financial services sector and are committed to integrating sustainability risks into our investment decision-making process, since we understand that long-term financial performance is intrinsically linked to sustainability.

This policy applies to all aspects of the Company related to investment and the management of financial assets. All members of our investment team will be involved in implementing this policy and are expected to comply with its principles and procedures.

We are committed to transparency and accountability in relation to our sustainability risk integration practices.

2. Policy Objective

The objective of this policy on the integration of sustainability risks into the Company's investment decision-making process is as follows:

- **Compliance with regulatory requirements:** We are committed to complying with the regulations and legal requirements relating to the disclosure of sustainability information in the financial services sector. We will ensure that our policy is aligned with these requirements and that our practices comply with the disclosure and transparency obligations.
- **Improving decision-making:** We seek to improve our investment decision-making process by integrating sustainability risks, considering both financial aspects and sustainability risks across all our investment opportunities, so as to adopt a more robust position for making informed decisions.
- **Building trust and transparency:** We want to strengthen the confidence of our investors and other stakeholders by demonstrating our commitment to sustainability and responsible risk management. We will provide clear and accurate information on our approaches to sustainability risk integration, the results of our assessments and the measures taken to mitigate identified risks.
- **Driving positive change:** By integrating sustainability risks into our investment decisions, we aim to have a positive impact on sustainable development. We seek to invest in companies and projects that adopt sustainable practices, promote innovation in key areas and contribute to the transition towards a low-carbon, inclusive and socially responsible economy.

3. Scope and Application

This policy applies to all investment decision-making processes carried out by the Company, including the selection of financial assets, the management of vehicle portfolios and the evaluation of investment projects.

This policy applies to all aspects of the Company related to investment and the management of financial assets. This includes, but is not limited to:

- **Selection of Financial Assets:** When selecting the assets in which we will invest, we actively consider sustainability risks and their alignment with our investment objectives. We analyse the quality and consistency of information on ESG aspects of financial assets and assess their potential impact on our portfolios.

- **Vehicle Management:** In managing our portfolios, we integrate sustainability risks into our investment strategies. We closely monitor the performance of our investments in both financial and non-financial terms, taking into account relevant ESG factors. This allows us to make informed decisions on whether to retain or reallocate assets based on their sustainable performance.
- **Evaluation of Investment Projects:** When we evaluate specific investment projects, we consider the associated sustainability risks and opportunities. We carry out a thorough analysis of ESG aspects to understand how the project may affect the environment, local communities, human rights and governance, and we use this information to make ethical and responsible investment decisions.

4. General Responsibilities

Within the framework of this policy on the integration of sustainability risks into the investment decision-making process, the following general responsibilities are established:

Board of Directors

- Approval of this policy and ratification of any amendments thereto.
- Ensuring the effective implementation of this policy.
- Providing the resources necessary for the execution and compliance of the policy.

Investment Department

- Responsible for applying and following the principles and procedures of this policy.
- Integrating sustainability risks into the investment decision-making process.
- Using the relevant information available to properly assess investments.

Risk Management

- Monitoring the environmental, social and corporate governance risks of financial instruments.
- Overseeing and ensuring compliance with the policy.
- Assessing the effectiveness of the integration of sustainability risks into the investment decision-making process.
- Ensuring that appropriate measures are taken to correct any identified non-compliance.

Control Unit

- Prior review, before approval by the Board of Directors, of this policy following its preparation and/or update.
- Periodic review of internal procedures and controls.

Other operational areas

- Ensuring that the Company's employees involved in providing the investment services referred to in the preceding section, and where applicable the exclusion criteria, are aware of this policy.
- Promoting, assessing and approving proposed ESG objectives and their implementation within the Company.
- Following the processes relating to the integration of ESG into the investment decision-making processes.
- Analysing and deciding on investor expectations received through the channels developed to gather their ESG preferences.
- Gathering and deciding on the expectations of the Company's staff with the aim of consolidating an organisational culture geared towards the development and improvement of sustainability.
- Ensuring that appropriate analyses and assessments of sustainability risks are carried out.

- Reviewing reports and results, and providing recommendations for continuously improving the integration of sustainability risks into the investment decision-making process.

All parties involved in implementing this policy are responsible for reporting any concerns or identified non-compliance and for cooperating in the continuous improvement of practices related to the integration of sustainability risks.

By assigning these responsibilities, we seek to ensure that all aspects of the Company comply with the requirements of Regulation (EU) 2019/2088 and other applicable regulations, and that a culture of sustainability is promoted within our SEIC (venture capital management company).

5. Adverse Impacts

5.1 Transparency of Adverse Sustainability Impacts at Company Level

Given its size — fewer than 500 employees — and the nature and scale of the activities carried out by the Company, as well as the robustness of the procedures for integrating sustainability risks into investment decisions, the Company declares that it does not take into account the principal adverse impacts of investment decisions on sustainability factors.

Nevertheless, the consideration of the adverse impacts of investment decisions on sustainability factors may be developed further as the level of maturity of ESG risk management allows for the establishment of robust methodologies for this purpose.

5.2 Transparency of Adverse Sustainability Impacts with Respect to Managed Vehicles

With regard to the transparency of adverse sustainability impacts in respect of the managed vehicles, in accordance with Article 7 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, where the principal adverse impacts are taken into account, on an individual basis for each vehicle, a clear and reasoned explanation of how the financial product takes into account the principal adverse impacts on sustainability factors will be included in its legal documentation.

6. Identification and Assessment of Sustainability Risks

6.1 Definition of Sustainability Risk

In the context of this policy, we understand sustainability risk as the possibility that environmental, social or governance (ESG) factors could negatively affect the financial return, reputation and business continuity of the Company, as well as its ability to meet long-term investment objectives.

Environmental Risk:

- Includes the negative impacts associated with climate change, pollution, inadequate management of natural resources, environmental degradation, water scarcity and other relevant environmental factors.
- May also encompass risks arising from the transition to a low-carbon economy, such as the imposition of carbon taxes, stricter environmental regulation or shifts in consumer preferences towards more sustainable products.

Social Risk:

- Includes the negative impacts related to human rights, poor labour practices, lack of occupational health and safety, violations of labour rights, discrimination, inequality, social conflicts and other relevant social aspects.

- May also encompass risks associated with the impact of companies' operations on local communities, such as lack of social acceptance, loss of the social licence to operate, or deterioration of relationships with stakeholders.

Governance Risk:

- Includes the negative impacts arising from poor corporate governance practices, such as lack of transparency, corruption, conflicts of interest, poor risk management, lack of diversity on the board of directors, and inadequate remuneration of executives.
- May also encompass risks associated with the lack of a robust governance structure and non-compliance with applicable regulations and standards.

The proper management of sustainability risks involves identifying, assessing and mitigating these risks throughout the entire investment process. This may include integrating ESG criteria into investment analysis, ongoing monitoring of portfolios, engagement with investee companies, the adoption of responsible investment approaches, and transparent disclosure of information related to sustainability risks.

By proactively recognising and addressing sustainability risks, we seek to protect the interests of our investors, contribute to the long-term sustainability of financial markets, and promote economically, socially and environmentally responsible development.

6.2 Risk Identification

To ensure adequate identification of sustainability risks, we implement a systematic process for gathering relevant information. This may include reviewing public reports and data, consulting specialised sources, monitoring trends and events related to sustainability, and collaborating with subject-matter experts.

During the identification process, we consider the environmental, social and governance (ESG) aspects that may have a material impact on our investments. Examples of sustainability risks include climate change, scarcity of natural resources, human rights issues, corruption and poor corporate governance.

6.3 Risk Assessment

Once identified, sustainability risks are assessed in terms of their likelihood of occurrence and their potential impact on our investments. We use appropriate tools and methodologies to carry out this assessment accurately and consistently.

Risk assessment may involve the use of specific sustainability-related indicators and metrics, such as carbon emissions, environmental impact indicators, companies' sustainability ratings, or human rights indices. In addition, we take into account the geographic, sectoral and temporal context to better understand the relevance of the risks identified.

During the assessment, we also consider the possible interaction between different sustainability risks and how they may jointly affect our investments. This allows us to obtain a comprehensive view of the risks and opportunities related to sustainability.

6.4 Monitoring and Updating

The identification and assessment of sustainability risks is not a static process. We recognise the need to stay up to date on changes in the sustainability landscape and any new risks that may arise. We will therefore establish mechanisms for the ongoing monitoring and updating of our risk assessment, regularly reviewing relevant information and adapting our investment strategies accordingly.

In addition, we will encourage the active participation of investment team members in identifying and assessing sustainability risks, promoting training and awareness of ESG aspects in the decision-making process.

By integrating the identification and assessment of sustainability risks into our investment decision-making process, we will be better placed to manage the financial and non-financial impacts related to sustainability, and to generate a sustainable long-term return for our investors.

7. Integration of Sustainability Risks into the Investment Decision-Making Process

At the Company we consider the effective integration of sustainability risks into our investment decision-making process to be of vital importance. To achieve this, we will implement the following practices:

7.1 Relevant Information

We gather and use relevant, high-quality information on the ESG aspects of the investments under consideration. This involves having access to reliable sources of information, such as companies' sustainability reports, environmental and social data, regulatory reports and independent research studies.

The information gathered covers a broad range of sustainability factors, such as carbon emissions, water management, labour practices, diversity and inclusion, responsible supply chains, and corporate governance. This information gives us a comprehensive view of the risks and opportunities associated with our investments.

7.2 Analysis and Assessment

The information gathered is incorporated into our investment analysis and assessment process. We use appropriate tools and models to assess, both quantitatively and qualitatively, sustainability risks and their potential impact on our investments.

In addition to traditional financial aspects, we consider sustainability risks to be a fundamental factor in assessing the viability and performance of our investments. This enables us to holistically assess risks and opportunities, and to make informed decisions backed by solid data.

7.3 Investment Decisions

The sustainability risks identified and assessed are effectively taken into account in our investment decision-making process. This means that investments presenting unacceptable risks, or that fail to meet certain minimum criteria established, may be excluded from our portfolio.

Our integration of sustainability risks also allows us to identify investment opportunities that are aligned with our investment policy and that offer a solid long-term financial return. We seek investments that meet the minimum standards established for the integration of sustainability risks and that are aligned with our investment policy.

In summary, the integration of sustainability risks into our investment decision-making process helps us make informed, conscious and responsible decisions, taking into account both financial aspects and sustainability risks. This enables us to generate sustainable value for our investors and to contribute to a more sustainable and equitable future.

7.4 Sustainability Factors Analysed in Decision-Making

At the Company we consider a broad range of sustainability factors when making investment decisions. These factors help us assess the risks and opportunities associated with environmental, social and governance (ESG) aspects. The main sustainability factors we analyse are set out below:

Environmental impact:

- Measurement of greenhouse gas emissions and their contribution to climate change.
- Assessment of the consumption of natural resources, such as water, energy and raw materials.
- Analysis of waste management and impacts on biodiversity and ecosystems.

- Life-cycle analysis: assessing the environmental impact of a product or service at every stage of its life cycle, from the extraction of raw materials to final disposal.
- Carbon footprint: measuring the greenhouse gas emissions generated by a company or an investment and setting reduction targets.
- Energy efficiency assessment: analysing energy consumption and assessing the measures adopted to improve energy efficiency.

Social impact:

- Assessment of labour practices, including working conditions, wages, benefits and safety.
- Analysis of diversity and inclusion policies, gender equality and respect for human rights.
- Consideration of relationships with local communities and commitment to sustainable development.
- Supply chain assessment: analysing suppliers' practices in terms of labour rights, working conditions, health and safety, and risk management.
- Impact on local communities: assessing how a company's operations affect local communities in terms of employment, economic development, access to basic services and respect for human rights.
- Stakeholder engagement: assessing the involvement of relevant stakeholder groups, such as employees, customers, suppliers and communities, in the company's decision-making and management.

Governance impact:

- Consideration of financial and non-financial disclosure, as well as regulatory compliance.
- Analysis of corporate governance structure: assessing the composition of the board of directors, the independence of its members, the existence of specialised committees, and transparency in decision-making.
- Risk management and regulatory compliance: assessing the company's ability to identify, assess and manage risks, and to comply with relevant regulations and standards.
- Business ethics and anti-corruption: assessing the company's policies and practices regarding business ethics, the fight against corruption, and responsible business conduct.

8. Disclosure of Information

We comply with the disclosure requirements set out in Regulation (EU) 2019/2088 and other applicable regulations, by preparing and disclosing sustainability reports that contain relevant information on ESG risks and our sustainability integration policies in the investment decision-making process.

We are committed to providing transparent and adequate access to information on our approaches, policies and results in relation to the integration of sustainability risks into our investment decisions. This includes disclosure of our investment selection criteria, our ESG risk assessment, and any other relevant data.

We maintain clear and effective communication with our investors regarding sustainability risks and how we address them in our investment decisions. We provide periodic, up-to-date information that enables them to understand and assess the impact of sustainability on their investments.

9. Remuneration Policy

In accordance with Article 5 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, the Company does not envisage including environmental, social and governance (ESG) factors among the performance evaluation criteria for executives and employees when determining variable remuneration.

10. Evaluation and Continuous Improvement

We regularly review and evaluate the effectiveness of our policy on the integration of sustainability risks into the investment decision-making process. We take into account best practices, regulatory changes and advances in the understanding of sustainability risks in order to continuously improve our policy and practices.

11. Compliance and Responsibility

All members of the Company are responsible for complying with this policy and for contributing to the effective integration of sustainability risks into the investment decision-making process. The Risk Management Department is responsible for overseeing and ensuring compliance with this policy.

Should any non-compliance or deviation from this policy be identified, appropriate measures will be taken to correct the situation and prevent future breaches.

12. Validity and Updating

This policy on the integration of sustainability risks into the investment decision-making process enters into force upon its approval and will be subject to periodic review to ensure that it remains up to date and adapted to changes in the regulatory and sustainability landscape.

13. Applicable Regulations

This policy has been prepared taking into account, among others, the following applicable regulations:

- DIRECTIVE (EU) 2017/828 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.
- DIRECTIVE 2014/95/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
- Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation that has to be complied with in relation to information relating to the "do no significant harm" principle, and specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, as well as the content and presentation of information relating to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites, and in periodic reports.

In addition to these specific regulations, other applicable rules and regulations in the financial and investment field must be taken into account, as well as best practices and international standards related to sustainability and risk management. These may include, among others:

- Global Reporting Initiative (GRI) Standards: these standards provide guidance for the disclosure of sustainability-related information.
- Principles for Responsible Banking (PRB): these principles establish a framework for integrating ESG aspects into banking practices.
- United Nations Principles for Responsible Investment (PRI): these principles provide a global framework for integrating ESG aspects into investment practices.

This policy has been developed taking into account these regulatory frameworks and recognised best practices to ensure compliance with legal obligations, transparency, and the responsible management of sustainability risks in our investment decisions.