

# ESG Annual Report 2021



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# CEO's letter

A long-exposure photograph of a city at night, showing light trails from traffic and buildings, with a blue color cast. The image is used as a background for the text.

## CEO's letter



**2021 will be a year to remember in the history of Allfunds due to the major milestones achieved and the fulfilment of the objectives set**

The most important achievement was undoubtedly the company's IPO on Euronext Amsterdam, which reinforces our growth and expansion strategy. Allfunds' IPO raised €2.16 billion, thus becoming one of the ten most successful public offerings of the year in Europe.

Ever since the company was founded in 2000, Allfunds has played a leading role in digitalising asset management, thus becoming a leading B2B wealthtech company worldwide within the fund industry. Thanks to our efforts and commitment, Allfunds has ended the year with nearly €1.5 trillion in assets under administration, offering more than 10.000 funds to over 800 institutional clients.

Since we became part of the United Nations Global Compact, we have strongly supported this initiative, renewing our membership every year

because we firmly believe in its 10 principles related to human rights, labour rights, the environment and the fight against corruption. To affirm our long-term commitment to society and the environment, and to further advance ESG initiatives, we are adapting our business model and governance structure to mitigate new and existing risks, while working to improve to deliver value to all our stakeholders, keeping a constant dialogue with them in terms of good faith and transparency.

Our 6 strategic ESG axes are integrated into the basis of our activity. Although there is still much to do and improve, we are constantly searching for new opportunities in line with the sustainability expectations of our stakeholders. We are therefore making this a key area for our business in 2022. Responsible investment is becoming

increasingly more significant. At Allfunds we are making a great effort to live up to expectations, adapting to new regulations and market demands so our clients to receive the best service.

We are excited for what 2022 has in store. I am sure it will be another successful year and that we will be able to face any new challenge with the passion and excellence that define us. I cannot conclude this letter without thanking the whole Allfunds team for their commitment and hard work in 2021. They certainly are the driving force behind Allfunds and the reason that Allfunds has become a leading global B2B wealthtech company within the fund industry.

Thanks.

**JUAN ALCARAZ**

Allfunds CEO

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# About Allfunds

- ▶ Our business
- ▶ Purpose and values
- ▶ Business history
- ▶ Global presence
- ▶ Business evolution 2021
- ▶ Awards and certifications
- ▶ Main trends

## Our business



Allfunds is the world's leading B2B wealthtech company within the fund industry. It offers comprehensive solutions to both managers and distributors.

We have created and continue to develop an ecosystem that encompasses the whole value chain in fund distribution and its investment cycle, with solutions that include trading and execution, data and analytics, ESG filters (Environmental, Social and Governance) and portfolio management tools. Allfunds is a platform that provides a comprehensive service for the entire fund industry.

We offer our clients, in a digital environment, access to exclusive solutions that enable them to overcome the challenges of an ever-changing market that requires agility, flexibility, simplification and efficiency:

- › **Fund distribution and execution services:** Allfunds allows to operate with a wide universe of investment funds through an integrated and centralised platform. Its order confirmation service consists of a secure transactional process, thus minimising operational risk.
- › **Digital & Data Analytics:** The Allfunds platform provides tools to support the

investment decision and fund selection process, optimise portfolios, assess real market flow data, execute transactions, track performance and provide regulatory support through Allfunds legal and regulatory documentation and reports.

- › **ESG:** Tools are made available on the platform through a specific ESG tab to address the growing demand for sustainable investments and support clients in their investment decisions related to these types of products and strategies.
- › **Blockchain:** We have long recognised blockchain innovations

with the potential to disrupt the asset management value chain by eliminating risk, aligning and accelerating processes while potentially disintermediating certain players within the industry.

- › **Investment and Outsourcing Solutions:** Launched in 2021, under the 'Allfunds Investment Solutions' brand, this is a B2B outsourcing and sub-advisory platform designed for banks, asset managers and institutional investors. Allfunds' team of local experts supports investment management teams to select funds, from building portfolios to fully implementing them, including sub-advisory services.



## Our business

Allfunds in figures (\*data at the end of 2021)

**861 employees**  
at 31<sup>st</sup> december 2021

Presence in  
**16 offices**  
in  
**four continents**

Operations in  
**62 different countries**

**831**  
clients  
(+85 new in 2021)

Over  
**2.000 fund managers**  
(+169 new fund houses in 2021)  
offering more than  
**100.000 funds**  
for trading

Transactions in  
**25 different currencies**  
and availability of  
**30 different fund**  
addresses

**768 million**  
settled per year,  
with a total of  
**29.5 million**  
transactions executed per year

Currently over  
**125,000 accounts**  
have been opened with fund  
managers/administrators

Close to  
**€1,5 trillion**  
in assets under administration



## Purpose and values / Purpose

Allfunds is a leading global provider of comprehensive solutions for the investment fund industry.

Allfunds is a leading global provider of comprehensive solutions for the investment fund industry. We have achieved this position thanks to our deep commitment to quality and our exceptional human capital that always strives to offer the best service to our clients and provide value to all our stakeholders.

- › For our **clients**. We want to thrive as the most trusted and lead partner in wealthtech environments in the fund industry. We will continue to enrich our service range by developing state-of-the-art digital tools, as part of a secure and seamless user experience across the Allfunds ecosystem.
- › For our **shareholders**. We are committed to achieving quality growth and sustainable profitability over time, always through responsible business practices. We want to become actively engaged in encouraging an ethical, responsible and competitive environment within the financial services sector.
- › For our **employees**. We believe that the talent of people is key to being able to offer the superior quality service

that defines us. We encourage all our collaborators to grow both personally and professionally, expanding their capabilities, and offering development opportunities for their careers to progress positively based on meritocracy. Our team stands out for representing our values through its attitude, commitment and performance. Its members are the main actors of a stimulating culture that contributes to achieving ambitious goals.

- › We are committed to **environmental, social and governance principles** that we apply in our daily activities and in our business development strategy. In order to lead and further the progress of these policies, we seek to integrate the highest criteria applicable to our business activity and take into account the demands of our stakeholders.

## Purpose and values / Values



### All for excellence

We combine all our experience and professionalism with the passion we put into everything we do, for our clients, employees and partners to know that they have access to the best means, the best services, the best technology and the best professionals.



### All for transparency

We want to achieve a balance between the interests of our clients, employees and shareholders, while making a difference by adopting a transparent and responsible attitude towards people and society.



### All for autonomy

We work to continuously improve our tools and services and make them accessible to our customers, for them to be free to make decisions and choose whatever they want, at the time and according to the conditions they deem fit.



### All for inspiration

People are our driving force and helping them achieve their goals is our greatest motivation. This is why we try to adapt to their needs and desires, to support them along the way and inspire them to achieve their dreams.



## Business history

Allfunds was established in 2000. Today, we offer one of the largest fund distribution networks in the world and access to one of the world's largest group of investment funds and exchange-traded funds (ETFs).

2000

- › Allfunds launches the first fund distribution platform

2003

- › International expansion begins: Milan

2009

- › Expansion to Latam: Santiago

2011

- › Enter UAE – first fund platform to meet Sharia law

2014

- › Creation of the Fondo Solidario

2016

- › Expansion to Asia: Singapore

2017

- › Hellman & Friedman, GIC become majority shareholders
- › Launch of API's and ETF's services

2018

- › Acquisition of Finamatrix
- › First CSR report released

2019

- › Acquisition of Credit Suisse InvestLab
- › Allfunds Acquires Nasdaq's Nordic Fund Market.
- › Allfunds acquires FE Fundinfo Research
- › Deal with BNP Paribas

2020

- › New offices in Hong Kong, Paris, Warsaw and Miami
- › Launch of AllSolutions: sub-advisory business and Allfunds Blockchain
- › Transaction with BNP closed amplifying assets to over €1 trillion.

2021

- › Allfunds becomes a listed company on Euronext Amsterdam
- › Allfunds Blockchain launches a transfer solution: FAST, partners with ConsenSys and enters Regulatory sandbox project
- › Expansion to mainland China: approval to operate a WOFE
- › Agreement with Interactive Brokers and iCapital
- › Launch of Connect mobile app and expansion of ESG screening tools

## Global presence

We have 16 offices around the world: Brazil, Chile, Colombia, France, Hong Kong, Italy, Luxembourg, United States, Poland, Singapore, Spain, Sweden, Switzerland, United Arab Emirates and United Kingdom. In addition, we offer our services to distributors in 62 countries.



## Business evolution 2021

2021 has been a landmark year for Allfunds, marked by the successful IPO on Euronext Amsterdam, and by the strong financial performance and growth in key markets. Allfunds still plays an important role in providing groundbreaking solutions and is a market leader in the fund distribution sector.

Ever since our IPO on 23 April 2021, we have incorporated new clients, reinforcing our product range, as well as new managers while, at the same time, we have continued to attract and retain leading talent in the sector.

Allfunds market position grows stronger year after year, supported by its innovative approach to customer service and its continuous investment in proprietary technologies and solutions. The company continues to deliver a strong operating performance consistent with the attractive growth components defined in the IPO.

The creation of a sustainable business model is still one of our priorities. In 2021, we have reinforced our commitment in this regard and incorporated ESG (environmental, social, ethical and good governance) criteria into our strategy,

actively encouraging the participation of stakeholders, in line with the most relevant international standards in terms of ESG, such as the Global Compact and the Principles for Responsible Investment (PRI).

Allfunds network of international partners continues to be one of our strategic differentiators. Throughout 2021, collaborations have been activated with leading service suppliers worldwide, to attract new clients, generate efficiencies and revenue synergies for our clients and their end customers, and support future value creation within Allfunds. One of these strategic collaborations provides our global network of distributors with access to private market investment opportunities.

We have sought opportunities to expand the international presence of the organisation in key global markets by appointing managers to lead growth initiatives abroad. We have also hired strategic executives throughout the year in France, Hong Kong and Iberia.

Attracting and retaining leadership talent is a critical step in achieving the company's growth objectives and reinforcing the overall service we provide our clients in key regions. Furthermore,

the Council has authorised us to operate a WOFE (Wholly Owned Foreign Enterprise) in Shanghai, which will allow us to sell digital capabilities in mainland China, further strengthening our global expansion.



## Awards and certifications

Our unique digital ecosystem of powerful tools and services helps our clients increase sales, drive efficiency, and deliver exceptional service. Proof of this are the awards we received during 2021.



Award

### Systems in the city Awards 2021

#### Best Fund Distribution Network.

It acknowledges our commitment as a systems supplier within the regulated financial sector.



Award

### Schroders UK Platform Awards 2021

#### Best Institutional Platform.

The award recognises the best intermediary platform that provides fund services to wealth managers, financial institutions and/or pension fund trustees.



Award

### Excellence IFR – 2021

#### EMEA IPO Winner at the 2021 Awards.

The award is given to the most successful IPO of the year and to subsequent sustainable growth. This is the most important award in equity capital markets.



Certification

### ISO 14001:2015

We have achieved the Environmental Management System certification based on the **international** standard **ISO 14001:2015**, at our headquarters in Madrid. This demonstrates the company's environmental commitment and intention to extend the certification to the other key sites worldwide.

## Main trends / Market trends

### Greater wealth and savings

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Wealth growth has proven its resilience to overcome crises, since global personal financial wealth has nearly tripled over the past twenty years and is expected to continue to rise in the years to come. According to market data, even though

in 2020 growth remained stable due to the crisis of the COVID-19 pandemic, the global wealth management market is expected to continue growing at 3% per year, reaching a total market share of 125 billion Euro by 2024.

### Outsourcing and preference for open architecture

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Our clients, who are both fund managers and fund distributors, have started to opt for lower-cost operating models by outsourcing more activities (back-office, portfolio and analytic tools, regulatory and legal services, etc.) to fund platforms.

Thanks to increased outsourcing levels and greater confidence in levels of open architecture, our clients are not only capable of dealing with a greater regulatory pressure but can also adapt to increased demand for performance and diversification from investors.

Similarly, end investors continue to generate greater demand for access to open architecture fund products

as they seek range, options and the best performance at the lowest cost. Regulation has also driven this change. The constant change from closed, captive models to an open and guided architecture strategy is giving rise to a greater need for more sophisticated wealth options and platform outsourcing solutions, including advisory and planning capabilities to deliver value to end investors. It also gives distributors greater transparency and profitability, especially in the case of smaller distributors that do not have the capacity to develop these tools at an internal level.



### Preference for passive investment instead of active investment

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The industry has experienced a change in consumer preferences towards passive funds, and exchange traded funds (ETFs) have put pressure on fund management fees.

Passive funds are Undertakings for Collective Investment (UCIs) in which the asset portfolio reflects the components of a specific index or a similar set of assets and are not actively managed by a manager. The amount of assets under administration on the Group's platform attributable to passive asset classes and ETFs remains relatively low compared to the total assets under management on the Group's platform. Nevertheless, it may increase in the future and therefore put downward pressure on the value of the management fees accepted in the market. Fund platforms have been and may continue to be affected by the abovementioned trends.

## Main trends / Market trends

### ESG approach

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Managers are experiencing increased pressure from investors to include more ESG criteria in their investments, thus resulting in more work and additional costs that must be accounted for and reported in terms of ESG criteria. On the contrary, the demand from end investors to decarbonise their investment portfolio has allowed asset managers to market active and passive 'green funds' which usually have higher management fees given the greater willingness of investors to opt for ESG funds, thus generating an income-earning opportunity.



### Consolidation within the sector

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The fund platform industry in Europe, which was highly fragmented, has been consolidating over the past three years with fewer players accounting for a larger market share.

We anticipate that this trend of mergers and consolidations will continue in the fund platform services sector in Europe. As part of our strategy, we expect to remain focused on selected potential opportunities that allow us to compete more effectively and help us enhance, complete or expand our product and service ranges, reinforce our value proposition for our clients, and expand our global footprint to reach new markets.

### Increased regulation

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Our clients face ongoing regulatory pressure to increase transparency, especially concerning the fees charged to investors and/or received from third parties. The increase in costs inherent to regulatory compliance has also put more pressure on bank efficiency ratio. Moreover, with greater transparency concerning fees, investor demand is shifting away from captive or closed-architecture funds, which have higher

costs, to open-architecture funds, with lower costs. This also puts pressure on distributors' earnings, since the margins they make with open-architecture funds are lower. Given the lower profit margins and in the light of investor demand, distributors are increasing their outsourcing levels in various areas of their activities to reduce the costs of external suppliers.

Largely due to regulatory changes that encourage greater transparency for end investors, the asset management sector has changed and continues to move away from higher margin rates based on negotiated rebates. Likewise, certain jurisdictions, such as the United Kingdom or Switzerland, have established prohibitions or limits on such rebates. The vast majority of Allfunds' activity

has already moved away from rates based on negotiated rebates, as a result of the implementation of MiFID II in the European Economic Area.

## Main trends / Technology trends

Technology is disrupting the wealth industry mainly in terms of how services and products are being grouped and offered.

Value chain functions used to be clearly defined, but this is no longer the case due to new technologies and data (e.g., blockchain).

This opening of the value chain has led to greater competition in all services and products. However, since Allfunds operates across the entire value

chain and continues to develop our offering (e.g., sub-advisory, blockchain), technological disruption is an opportunity rather than a threat.

Our strategy is focused on staying at the forefront of the development of the sector, creating new high-tech products and services while improving our offer. We have long been anticipating changing client needs and adapting to emerging technology trends (Allfunds Connect, Allfunds Blockchain and the sub-advisory platform).

To support our focus on technology innovation, we've added more than 70 new full-time employees (or equivalent) to the digital team over the past three years, including 40 software developers.

### Blockchain

We have long been aware that blockchain innovations can disrupt the global asset management value chain by, among other things, reducing risk, simplifying and accelerating processes, while potentially eliminating the intermediation of some industry players.

In order to capitalise on the opportunities of blockchain technologies, in 2018 we started the development of our Allfunds Blockchain offer. As of December 2021, the Group is not generating revenues from Allfunds Blockchain, although it has recently announced in 2022 the launch of the first investment fund tokenised with Allfunds Blockchain technology with Renta4, a Spanish private bank. Moreover, it has begun to monetise through FAST, a groundbreaking technology aimed at generating efficiencies in the transfer of investment funds.



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# Our ESG strategy

- ▶ **Our approach**
- ▶ **Contribution to the Global Compact and the SDGs**
- ▶ **Governance model**
- ▶ **Commitment to our stakeholders**
- ▶ **Our challenges**



## Our approach



This year we have given a major boost to our ESG strategy at Allfunds, in line with our ongoing approach and commitment to the good governance, social and environmental dimensions of the activities we carry out. This is reflected in the fifth edition of our ESG Report, through which we inform all our stakeholders of our efforts to become a benchmark in this regard in our sector.

The company's IPO on Euronext Amsterdam should be emphasised. Thanks to it, we have voluntarily adhered to the Dutch Code of Good Governance, on principles and best practices focused on encouraging good governance within listed companies.

Accordingly, we also reinforced our commitment in terms of ESG and to our investors. Hence, we are already working on a new ESG strategy in the short-medium term and have incorporated the new position of ESG Senior Global Manager within the company, to encourage ESG criteria within Allfunds at all levels while working on a responsible business model aimed at delivering value to all our stakeholders.

We develop our social commitment mainly through the Allfunds Solidarity Fund, which allows us to carry out actions to maximise the impact of our contributions to society. We are able to contribute to important social challenges such as life and health care, childhood protection and the promotion of culture and education.







Concerning environmental matters, we are integrating and adapting our business model and governance structure to mitigate climate and environmental

risks. In this regard, our objective is to reduce the direct or indirect impact of our business, thus limiting exposure to these risks. We are also gradually incorporating environmental, social and governance (ESG) aspects into our risk management framework.

Our approach and action in ESG matters have been structured and defined according to six lines of action. The specific initiatives and actions deployed by each of these axes show Allfunds' commitment to covering and responding to the needs and concerns of our stakeholders.

These six strategic axes are: Ethics and Governance, Talent Management, Digitalisation

## Our approach

|                   | Strategic pillar   | Commitment  |
|-------------------|--|---|
| ORGANISATION      |  <b>01 Ethics and Governance</b>         | 'We act with integrity and transparency, in line with the highest legal standards and regulations in force across all the levels of the organisation' |
|                   |  <b>02 Talent Management</b>             | 'We seek to encourage the personal and professional development of our employees in a diverse and safe work environment'                              |
| ACTIVITY-BUSINESS |  <b>03 Digitalisation and Innovation</b> | 'We are committed to groundbreaking digital technologies to offer our customers more agile, efficient and secure products and services'               |
|                   |  <b>04 Responsible Investment</b>       | 'We encourage and integrate ESG criteria in investment services for capital markets to be more sustainable'   |
| ENVIRONMENT       |  <b>05 Social Commitment</b>           | 'We contribute to a positive change in the communities where we operate'  |
|                   |  <b>06 Environmental Protection</b>    | 'We work to operate more efficiently and respectfully towards the environment'  |

## Contribution to the Global Compact and the SDGs

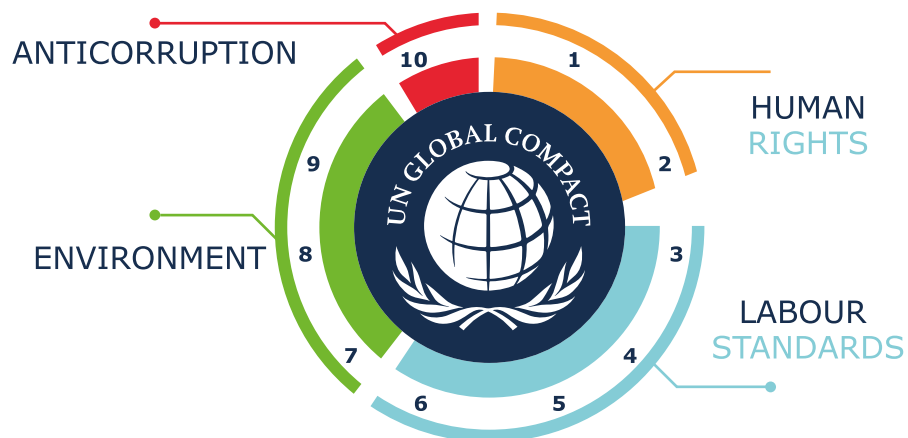
We annually renew our adherence to the Global Compact because we firmly believe in its 10 principles, which constitute the basis for the development of our ESG strategy. It offers specific answers to the global problems that the United Nations intends to mitigate with its 2030 Agenda, and its 17 Goals of Sustainable Development that contextualise it.

To comply with the Ten Principles of the Global Compact, we have:

- › Our **six strategic ESG axes**.
- › The **General Code of Conduct**, to integrate ESG strategies into our corporate governance both globally and transversally.
- › The **Corporate Social Responsibility Policy**, which outlines our social, environmental and good governance commitments.

These documents are supplemented by internal policies and regulations that are integrated within Allfunds, as well as the actions we carry out in terms of ESG.

### Global Compact Principles



| Global Compact Principles | Our internal rules, policies and actions in terms of ESG matters  |
|---------------------------|---|
| Human Rights              | <ul style="list-style-type: none"> <li>› Compliance System</li> <li>› Supplier Code of Conduct</li> <li>› Whistleblowing Channel</li> </ul>   |
| Labour Standards          | <ul style="list-style-type: none"> <li>› Training and Development Policy</li> <li>› Diversity and Inclusion Policy</li> <li>› Health, Safety and Global Welfare Policy</li> <li>› Digital Disconnection Policy</li> <li>› Remuneration Policy</li> <li>› Recruitment Policy</li> <li>› Human Capital Management Strategic Roadmap</li> </ul>  |
| Environment               | <ul style="list-style-type: none"> <li>› Environmental Management System according to the ISO 14001 standard</li> <li>› Environmental and Climate Change Management Policy</li> <li>› Calculation of the carbon footprint and emissions reduction plan</li> <li>› Allfunds Environmental - Awareness campaigns, environmental actions, and news on the environment.</li> </ul>                        |
| Anti-Corruption           | <ul style="list-style-type: none"> <li>› Anti-Corruption and Gifts and Invitations Policy</li> <li>› Criminal Risk Prevention and Standard Compliance Policy</li> <li>› Manual for the Prevention of Money Laundering and Terrorist Financing</li> <li>› Code of Conduct in the Securities Markets</li> <li>› Conflict of Interest Management Policy</li> <li>› Insider Information Policy</li> </ul> |

## Contribution to the Global Compact and the SDGs

Given the nature of the company's sustainable business, the activity it carries out and the projects and alliances we encourage or in which we take part, through the Solidarity Fund, and as part of our ESG strategy, Allfunds contributes directly to the following SDGs:

| SDG  | Actions and activities  |
|--|---|
|  <p><b>1</b> NO POVERTY</p>                   | <ul style="list-style-type: none"> <li>› Investments in communities where we operate and support NGOs and associations, through the Allfunds Solidarity Fund. <b>8 initiatives carried out in 2021, amounting to €41,660.</b></li> <li>› All wages are above the minimum local wage.</li> </ul>   |
|  <p><b>2</b> ZERO HUNGER</p>                  | <ul style="list-style-type: none"> <li>› Collaboration with NGOs and associations, through our Allfunds Solidarity Fund. <b>1 initiative carried out in 2021, amounting to €1,891.</b></li> <li>› Charity and food collection campaigns and markets.</li> </ul>   |
|  <p><b>3</b> GOOD HEALTH AND WELL-BEING</p> | <ul style="list-style-type: none"> <li>› Investments in communities where we operate and support NGOs and associations, through the Allfunds Solidarity Fund. <b>27 initiatives carried out in 2021, amounting to €73.536.</b></li> <li>› Health, Safety and Global Welfare Policy.</li> <li>› Training and initiatives on mental health</li> </ul> |
|  <p><b>4</b> QUALITY EDUCATION</p>          | <ul style="list-style-type: none"> <li>› Investments in communities where we operate and support NGOs and associations, through the Allfunds Solidarity Fund. <b>11 initiatives carried out in 2021, amounting to €73,624.</b></li> </ul>   |

| SDG   | Actions and activities   |
|---|--|
|  <p><b>5</b> GENDER EQUALITY</p>                 | <ul style="list-style-type: none"> <li>› Diversity and Inclusion Policy.</li> <li>› Levelling process for all positions to ensure consistency, fairness and competitiveness of remuneration and benefits.</li> <li>› Equality Plan and Equality Committee.</li> </ul>  |
|  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> | <ul style="list-style-type: none"> <li>› All wages are above the minimum local wage.</li> <li>› 89% of contracts are open-ended.</li> <li>› Work-life balance measures.</li> <li>› Social benefits.</li> </ul>   |
|  <p><b>10</b> REDUCED INEQUALITIES</p>           | <ul style="list-style-type: none"> <li>› Collaboration with NGOs and associations, through our Allfunds Solidarity Fund. <b>1 initiative carried out in 2021, amounting to €2,125.</b></li> <li>› Collaboration agreement with the Prodis Foundation, which is engaged in the labour inclusion of young people with intellectual disabilities.</li> </ul>                      |
|  <p><b>13</b> CLIMATE ACTION</p>               | <ul style="list-style-type: none"> <li>› Environmental Management System according to the ISO 14001 standard</li> <li>› Environmental and Climate Change Management Policy</li> <li>› Calculation of the carbon footprint and emissions reduction plan</li> <li>› Allfunds Environmental - Awareness campaigns, environmental actions, and news on the environment.</li> </ul> |
|  <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>   | <ul style="list-style-type: none"> <li>› Collaborating with suppliers, customers, NGOs and associations both locally and in the countries where we operate through the Solidarity Fund, as well as with Allfunds' stakeholders.</li> </ul>   |

## Governance model

| Governing Body                              | ESG responsibilities   |
|---|--|
| Annual General Shareholders' Meeting        | <ul style="list-style-type: none"><li>› Approval of non-financial information reporting</li><li>› Approval of remuneration and appointment of directors according to ESG/Diversity objectives</li></ul>  |
| Board of Directors                          | <ul style="list-style-type: none"><li>› Oversight of ESG topics and strategy with the support of Board Committees</li><li>› Approval of corporate governance framework</li><li>› Approval of Annual Report that includes non-financial information (ESG key data and stakeholders engagement)</li></ul>  |
| Risk and Audit Board Committee              | <p>Oversight of:</p> <ul style="list-style-type: none"><li>› regulatory compliance, ethics, and whistleblower hotlines</li><li>› financial and non-financial information's elaboration and reporting processes</li></ul>   |
| Remuneration & Appointments Board Committee | <p>Oversight of:</p> <ul style="list-style-type: none"><li>› Remuneration<ul style="list-style-type: none"><li>◦ Human capital, including employee engagement, retention, recruitment, succession planning, talent development, corporate culture, diversity, equity and inclusion (DE&amp;I), health and safety, pay equity, benefit and compensation programs, etc.</li><li>◦ ESG factors, goals, and metrics in variable compensation</li></ul></li><li>› Appointments<ul style="list-style-type: none"><li>◦ Eassessment of ESG knowledge, skills and experience in board recruitment</li><li>◦ Reflection of ESG expertise and education in board skills matrix</li><li>◦ Board self-assessment process incorporating ESG factors</li><li>◦ Board diversity</li></ul></li></ul> |



## Governance model

### Governing Body

#### Executive Committee

- › Approval and monitoring of the progress of Allfunds' ESG strategy (with reporting and recommendations to the Board) and ESG matters of interest for key stakeholders
- › Approval of corporate policies and internal rules related to ESG
- › Setting and supervising the engagement with stakeholders

#### ESG Management Committee (Former CSR Committee)

- › Developing and Implementing the Company's general strategy with respect to ESG Matters
- › Overseeing the Company's reporting and disclosure with respect to ESG/Non-Financial matters
- › Overseeing internal and external communications regarding the Company's position or approach to ESG matters
- › Considering current and emerging ESG matters that may affect the business, operations, performance or reputation of the Company or are otherwise pertinent to the Company and its stakeholders
- › Making recommendations on how the Company's policies, practices and disclosures can adjust to or address current and future trends
- › Promoting systems/procedures in place, as deemed necessary and appropriate, to monitor ESG Matters
- › Evaluating ESG commitments and performance periodically
- › Reviewing proposals and other significant stakeholder concerns relating to ESG Matters



## Governance model

### Governing Body

Communication, Marketing, ESG department

### ESG responsibilities

#### Monitor ESG performance of the Group

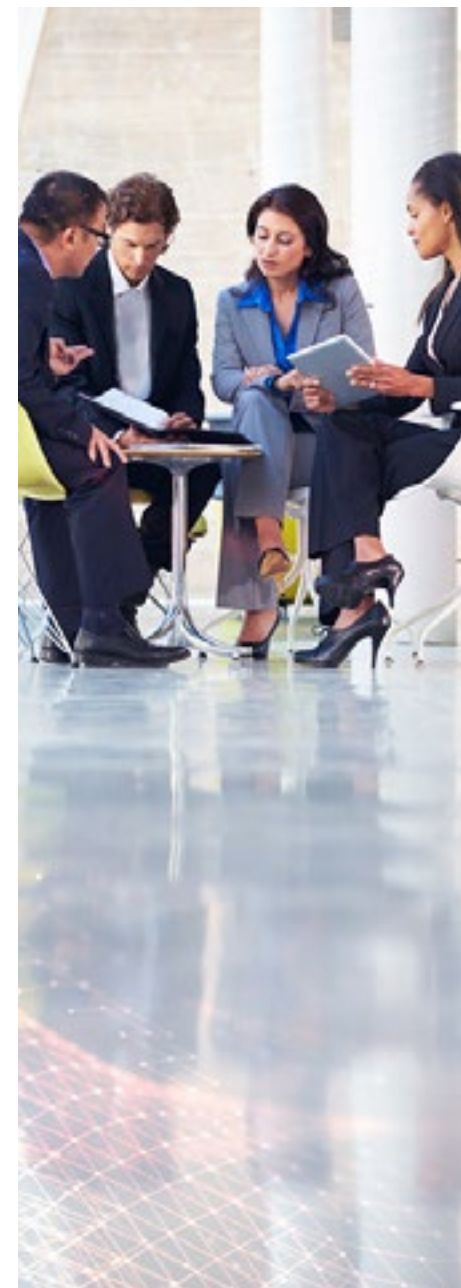
- › Coordinating the ESG Management Committee integrated by responsible of key departments
- › Driving, together with the ESG Management Committee, the strategy to make Allfunds a leading company in sustainability
- › Implementing specific projects and initiatives across departments and markets
- › Monitoring the strategy progress and the effectiveness of implementation the appropriate ESG management system (Policies, Process, Procedures and Guides)
- › Adapting the company to the new ESG trends and changes in laws, regulations and corporate directives

#### Report data on ESG

- › Building and updating an ESG dashboard (KPIs)
- › Reporting ESG dashboard and progress to the ESG Management Committee on a regular basis
- › Coordinating the preparation of ESG related annual reports and documents
- › Attending to the requests of ESG rating agencies, investors, analysts or shareholders on this topic

#### Communicate and position the company on ESG issues

- › Maintaining effective and clear transversal ESG communication of Allfunds to relevant stakeholders
- › Internal communication strategy to raise awareness and align the employees to the ESG goals of the Group



## Commitment to our stakeholders

# Employees

### Stakeholder

---

- > Direct employees (full time and part time)
- > External employees (trainees, interns, subcontractors, temporary agencies)

### Expectations

---

- > Stable employment and fair compensation
- > Professional development and the correct undertaking of their work through training activities
- > Equal opportunities and treatment
- > Work life-balance
- > Safe and healthy work environment

### Value creation proposition

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- > Attractive compensation package that guarantees non-discrimination and recognises experience, level of responsibility and an
- > Training and Development to upskill employees and foster individual development, to leverage and expand competencies and roles creating opportunities for growth within the organization

- > Performance management process and feedback culture
- > Definition of Allfunds' Talent and Talent Identification process
- > Diversity and Inclusion working environment in which all people are treated with respect, dignity and equal conditions
- > Work-life balance. Flexible working hours and digital disconnection measures are in place to improve the quality of life of its employees and their families
- > Global Health, Safety and Wellbeing Policy that aims to ensure adequate resources, equipment and training for employees' health and safety work practices and activities according to applicable local legislations

### Engagement action

---

- > Launch of Human Capital Strategic Roadmap.
- > LTIP implementation and review of variable remuneration system
- > Internal Mentoring Program (expert managers as mentors / high potential employees as mentees)
- > Leadership Programs to reinforce Allfunds' leadership style mostly in middle management and new managers



- > Implementation of a learning platform that offers a great variety of training that employees can deploy "à la carte" with autonomy
- > Introduction of the gamification methodology in order to better engage employees in the learning paths
- > Talent management: offering internal development opportunities within the organization and acknowledging them through our intranet (vacancies covered internally and promotions)

### Active dialogue

---

- > Allfunds intranet with CEO Corner
- > Continuous feedback model
- > Face-to-face meetings
- > Video/audio conferences
- > Allfunds website
- > Event and conferences
- > Collaborative tools
- > Social Media
- > Surveys

- > Newsletters
- > Whistleblowing channel

### Target

---

- > Retention plan for high potentials
- > Succession plans
- > HiPo Development Programme
- > Engagement Survey
- > Employee Experience (employee value proposition / employee journey)
- > Classification model of internal roles per level and type of contribution, that provide value to Allfunds



## Commitment to our stakeholders

# Clients

### Stakeholder

---

- > Fund houses
- > Distributors

### Expectations

---

- > Excellent service (transparency and traceability)
- > Cybersecurity and data protection
- > Support on Compliance & Regulatory framework
- > Drive efficiency
- > Improve sales
- > Integration of ESG criteria in investments

### Value creation proposition

---

- > Provide Fund Houses with a better understanding of common clients' distribution activities
- > Connect businesses with international markets through digital solutions, increasing control and reducing risks thanks to a global network
- > Continuously working to innovate and develop digital solutions adapted to clients needs

- > Contribution to the 'democratisation' of investment opportunities by providing access to premium products
- > Information Security System that supports against possible threats, reducing the damage caused by incidents, ensuring the continuity of its services, and preserving the basic components of its security (confidentiality, integrity, availability, traceability and resilience)
- > Transform the WealthTech world, empowering them with a unique combination of scale, experience and a digital mindset

### Engagement action

---

- > Net Promoter Scoring survey on Connect, addressed to both Fund Houses and Distributors
- > Net Promoter Scoring survey on Telemetrics, only addressed to Fund Houses
- > Webinars with subsequent satisfaction surveys
- > Drawing on data from personal interactions at an operational level
- > Digital events



### Active dialogue

---

- > Connect platform
- > Face-to-face meetings
- > Video/Audio meetings
- > Webinars-digital events
- > Events and conferences
- > Emails
- > Surveys
- > Advertising
- > Customer service

### Target

---

- > Expand the existing Connect functionalities with new modules - such as CID (Allfunds CRM tool), ESG Fund Indicators, enhanced reporting - with the goal of improving the access to data
- > Keep on working on aligning our services to our customer's needs, providing the required digital tools in order to facilitate the onboarding process to our Clients and Fund Houses (CID), improving reporting through Telemetrics and increasing efficiency via Nextportfolio

## Commitment to our stakeholders

# Investor Community

### Stakeholder

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- > Shareholders
- > Investors
- > Rating agencies
- > Analysts
- > Proxy advisors

### Expectations

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- > Accesible and transparent information
- > Deliver on Allfunds investment case
- > Good financial performance with a return on their investment
- > Creation of long-term value

### Value creation proposition

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- > Long-term sustainable returns through attractive EBITDA margin and share price appreciation
- > Progressive dividend policy

### Engagement action

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- > Proceso de salida a bolsa: presentación IPO process: analyst presentation, deep dive meetings, pilot fishing and management IPO roadshow
- > Results presentation for 1H 2021 and 3Q trading update
- > Management roadshow on the back of 1H 2021 results
- > Attendance to investor conferences throughout the year (1-o-1 meetings, group calls, fireside chats, etc)
- > Ongoing dialogue through IR department: mailing, 1-o-1 meetings, telephone, email correspondence, etc.
- > I Shareholders Annual General Meeting in London

### Active dialogue

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- > Allfunds website - Investor section
- > Reports and conference calls on the semi-annual and annual financial results
- > Trading update and conference calls on each quarter
- > Investor Relations communication area: mailing list, telephone and email
- > Full flexibility for 1-o-1 meetings and ad-hoc calls
- > Investor conferences, sales force meetings and fireside chats
- > Roadshows during the year on the back of results

### Target

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- > Achievement of strategic goals and results
- > Adjusted EBITDA 73% - 76%
- > Dividend policy with pay-out ratio of 20%-40% of adjusted net income



## Commitment to our stakeholders

# Regulators

### Stakeholder

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- > Public Authorities and Supervisors
- > Policymakers and Legislators
- > Industry forums and working groups

### Expectations

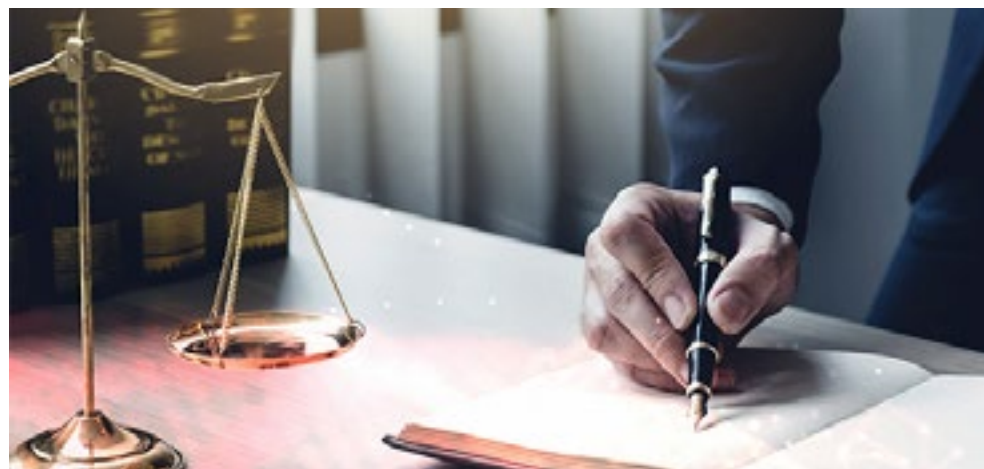
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- > Compliance with applicable regulations and best standards
- > Constructive relationships with regulators and responsiveness to authorities' requests
- > Quality, transparency and timeliness in reporting
- > Robustness of internal governance systems and documentation
- > Tone from the top culture of integrity and accountability
- > Proactive follow-up of regulatory agenda and contribution to industry policy-making
- > Payment of applicable taxes and social security contributions

### Value creation proposition

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- > Allfunds' governance framework reflects applicable regulations and best standards and seeks to ensure excellence, robustness and prudence in business management
- > Allfunds governing bodies monitor and foster strong regulatory relationships at all levels of the organisation and across all business areas
- > Regulatory Compliance Monitoring System aims to ensure compliance with regulations and internal policies
- > Internal Audit function provides the Board of Directors and Senior Management with a reliable and independent assessment of the effectiveness of controls designed to mitigate the significant risks affecting the business
- > This Risk Management System contributes to identify, measure, control, mitigate and communicate Allfunds' financial and non-financial risks, including legal and regulatory
- > Allfunds participates in public and private industry forums and working groups that support the development of appropriate regulatory frameworks
- > Tax strategy is in line with the principles of integrity, transparency and prudence, and fosters a relationship with the tax



authorities based on trust, good faith, professionalism, collaboration, loyalty and reciprocity

### Engagement action

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- > Revised governance framework adapted to new condition of listed parent company
- > Adherence to the Dutch Corporate Governance Code
- > Close interaction with supervisors and agile and transparent response to regular routine inspections conducted by several authorities
- > Special supervisory milestones: IPO prospectus authorised by AFM, merger of Sweden and Luxembourg subsidiaries
- > Participation in Spanish Regulatory Sandbox project for the Tokenisation and Custody of Investment Funds

### Active dialogue

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- > Allfunds website
- > Allfunds periodic public reportings
- > Regulators' official and informal communication channels
- > Face-to-face and virtual meetings
- > Webinars
- > Events and conferences

### Target

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- > Use the Annual Report and the website as primary forms of disclosure
- > Review and enhance the intuitiveness of the website's map
- > Achieve the Alexander-Hampton and Parker Review diversity targets
- > Closely monitor and adapt to climate-related regulatory initiatives

## Commitment to our stakeholders

# Business Partners

### Stakeholder

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- > Strategic Business & Technological Partners
- > General Suppliers
- > Advisors & Consultants

### Expectations

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- > Mutually beneficial and impactful partnerships
- > Reciprocal and balanced agreements
- > Loyalty and long-term relationships
- > Ongoing communications and cultivated trust
- > Flexible and innovative mindset
- > Respect for laws and regulations
- > Fulfilment of obligations and on-time payments

### Value creation proposition

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- > The Group core values of excellence, accountability, empowerment and inspiration drive all relationships with partners
- > Allfunds' partnerships are aimed at transforming the WealthTech industry and thus to enhance the entire distribution chain for the benefit of all parties
- > The Group gives public recognition to partners and their contributions
- > The Group promotes respect and protection of human and labour rights
- > Allfunds' Code of Conduct seeks to guarantee that suppliers are chosen with transparency and equal treatment and based on objective, weighted and ethical criteria

### Engagement action

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- > Revised Outsourcing Policy and Supplier Selection Procedure
- > Average payment term to suppliers of 27.9 days
- > Several partnerships announced (Consensys)

### Active dialogue

---

- > Face-to-face and virtual meetings
- > Webinars
- > Events and conferences
- > Emails
- > Surveys
- > Full flexibility for 1-o-1 meetings and ad-hoc calls
- > Investor conferences, sales force meetings and fireside chats
- > Roadshows during the year on the back of results

### Target

---

- > Follow-up on, and prepare for the enactment of, the proposed EU Directive on corporate sustainability due diligence



## Commitment to our stakeholders

# Society

### Stakeholder

---

- > Non-Governmental Organisations (NGOs)
- > Media
- > Opinion leaders
- > Civil society
- > Environment

### Expectations

---

- > Contributing to the sustainable development of local communities and vulnerable groups in the countries where Allfunds operates and in developing countries
- > Clear and transparent communication
- > Protect the environment: preventive approach, risk management, responsible use of natural resources and waste

### Value creation proposition

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- > Charity Fund Investment Policy and supervised by the Charity Fund Committee, which guarantees objectivity and maximisation of the impact of the investments made. Focused on:
  - Crowdfunding platform
  - Raising awareness among employees and other stakeholders within the company's scope of influence and control
  - Ensure equal opportunity of access to the Charity Fund and report transparently on the results and positive impacts on society
  - Give Allfunds employees the opportunity to propose social projects to which they are locally committed
- > Communication Protocol and Marketing and Communication Department to ensure clarity and consistency in corporate communication across the organisation and establishing quality checks for external communications
- > Climate Change Management and Environmental Policy to ensure well-defined principles, criteria, rules and procedures that fortify the prevention and reduction of the environmental impact of Allfunds' business



### Engagement action

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- > Events and campaigns to raise funds and in-kind donations to support of social projects
- > Creation of a global volunteer program
- > Launch of Solidarity Fund's crowdfunding platform
- > Recycling of unused technological material
- > Environmental awareness campaigns
- > Global recycling and Plastic-free project

### Active dialogue

---

- > Allfunds website
- > Face to face meetings
- > Video/audio meetings
- > Events and conferences
- > Emails
- > Surveys
- > Advertising

### Target

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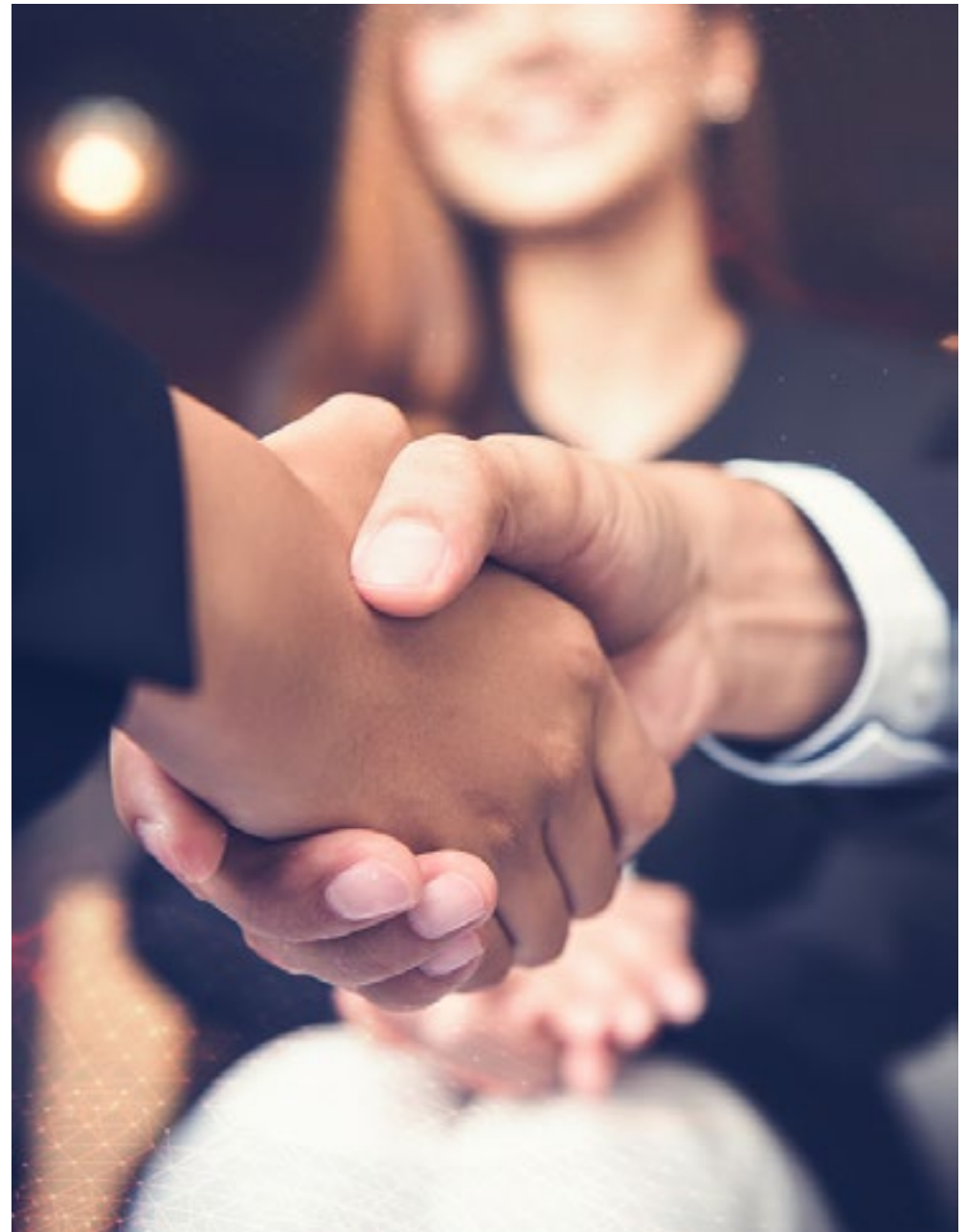
- > Annual fundraising events
- > Expansion of the volunteer program in all countries where Allfunds has a presence
- > Creation of a Global Marketing protocol
- > Increase in environmental awareness campaigns
- > Extension of ISO 14001 certification in the UK, Italy, Luxembourg and Poland Allfunds Offices

## Our challenges

In 2022, we are going to carry out a materiality analysis in line with Allfunds' reality. Even though this will allow us to design an ESG strategy in the short-medium term (2 years), we have set some challenges based on our 6 strategic lines for 2022, which we define as follows:

# 1. Ethics and Governance

- 1 We designed the Remuneration Policy for Directors, which will be submitted to the approval of shareholders at the General Shareholders' Meeting of 2022.
- 2 Implementation of the ISO 37301 'Compliance Management Systems' (mapping of processes and procedures of the Regulatory Compliance Unit).
- 3 Updated maintenance of the Compliance Monitoring Program in terms of ESG, incorporating the new obligations that will enter into force in 2022/2023.
- 4 Controlling and identifying environmental risks in accordance with the guidelines issued by the Bank of Spain in the Supervisory Expectations document on risks arising from climate change and environmental deterioration.
- 5 Appointment of a new independent Chairman of the Board



## 2. Talent Management

- 1 Talent: Creation of a Human Capital Strategic Roadmap which encourages practices to develop the Organisation through Talent. This roadmap boosts the ways to expand the capacities of the teams and manage their performance by way of an adaptable structure and organisation. Our corporate values (Excellence, Responsibility, Inspiration and Empowerment) are those embedded in all the elements and activities that bring Allfunds' strategy to life.
- 2 Health and safety: Occupational and environmental risk prevention audits are being completed by the external company Bureau Veritas, in most of the company's offices, aimed at detecting any potential risk or deficiency and at looking for opportunities for improvement.

Once all the audits have been carried out, an action plan will be designed, due to the urgency and importance of the risks identified, which is expected to be prepared throughout the 2022-2023 period, implementing the measures that are required in each case. The Company intends to prepare a Work Accident Investigation Policy in 2022.
- 3 Training sessions at Allfunds offices on mental health, focused on how to develop resources to face the changing demands of the environment.



## Our challenges

# 3. Digitalisation and Innovation

- 1 Blockchain: Launch of the first investment fund tokenised with Allfunds Blockchain technology.
- 2 Implementation of FAST, an Allfunds Blockchain initiative to achieve the digital transformation of the fund industry, to get rid of the use of faxes to request and confirm Stock Transfers from certain markets with international Transfer Agents.
- 3 Digitalisation of the non-financial information control system.



# 4. Social Commitment

- 1 Performing a materiality analysis of the Sustainable Development Goals to determine which SDGs are most linked to Allfunds' activity: Defining the scope of the SDG goals and selection of KPIs
- 2 Measuring the impact of social projects
- 3 Promoting educational volunteering at a global level in the communities in which we operate
- 4 Defining a new global fiscal policy
- 5 Improving the efficiency of supplier approval and control processes



## Our challenges

# 5. Responsible investment

Adaptation to the new EU regulations to incorporate ESG criteria in investment funds: Implementation on the Allfunds platform of the European ESG Template (EET v1.0) and updating of the European MiFID Template (EMT v4.0).

1

The EET is the official FinDatEx data exchange template for ESG data. It refers to ESG data as defined in the applicable EU regulations (SFDR, Taxonomy Regulation, IDD, MiFID).

2

Participation in forums and membership in associations that promote responsible investment: Spainsif.



# 6. Environmental Protection

1

We have achieved the Environmental Management System certification based on the international standard **ISO 14001:2015**, at the headquarters in London, Milan, Luxembourg and Warsaw.

2

Verification and certification of the carbon footprint at Allfunds headquarters (Madrid), and registration of this calculation in the Carbon Footprint registry of the Spanish Ministry for the Ecological Transition and the Demographic Challenge

3

Internal training plan to raise environmental awareness, expanding the number of campaigns to promote measures on the efficient use of energy resources and promote the good use of resources in general and improve recycling

4

Calculation of scope 3 CO<sub>2</sub> emissions for the entire group

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# Strategic pillars

- ▶ **Ethics and Governance**
- ▶ **Talent Management**
- ▶ **Digitalisation and Innovation**
- ▶ **Responsible investment**
- ▶ **Social Commitment**
- ▶ **Environmental Protection**

# Ethics and Governance



**We act with integrity and transparency,  
complying with the highest legal  
standards and applicable regulations  
across all levels of the organisation**



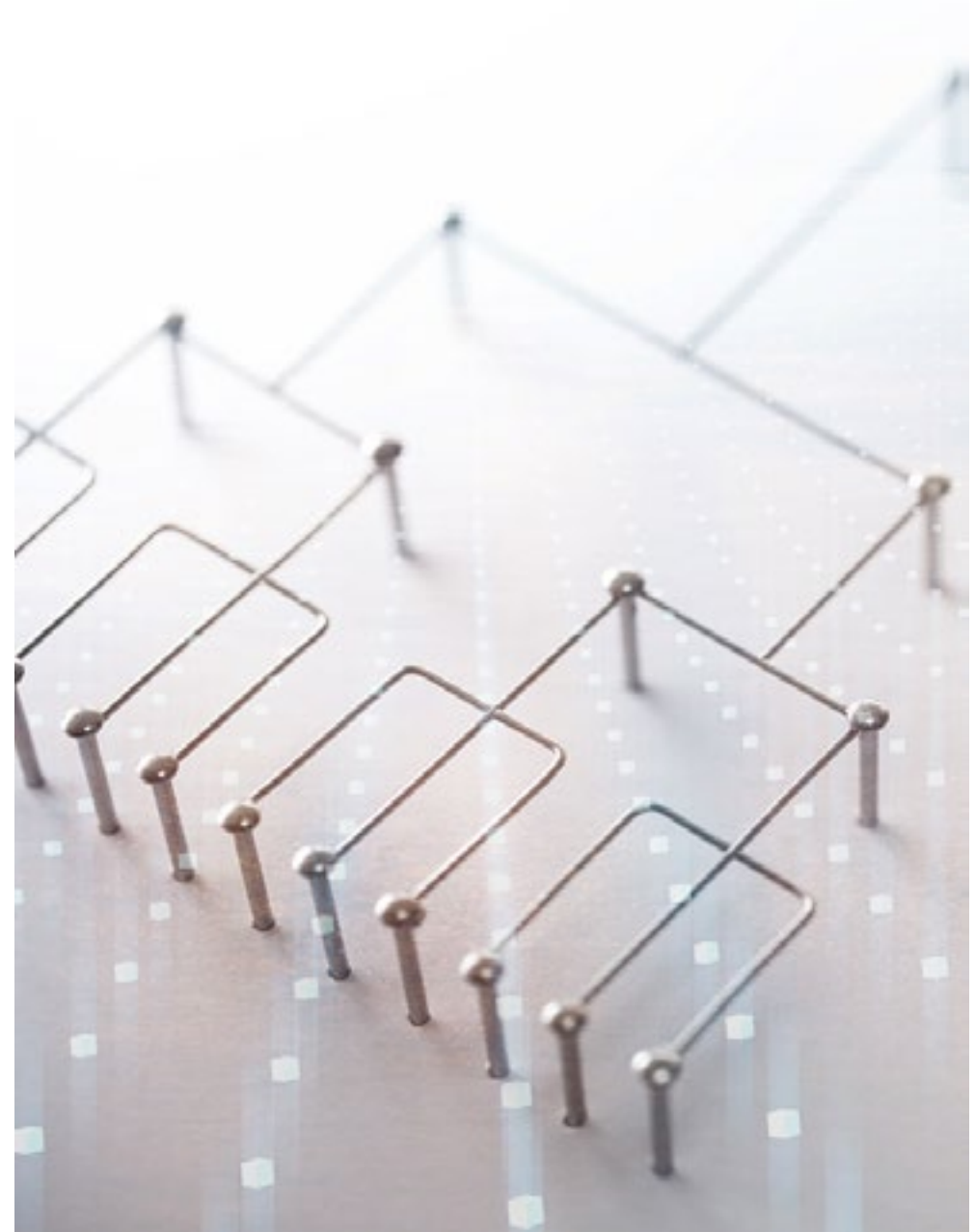
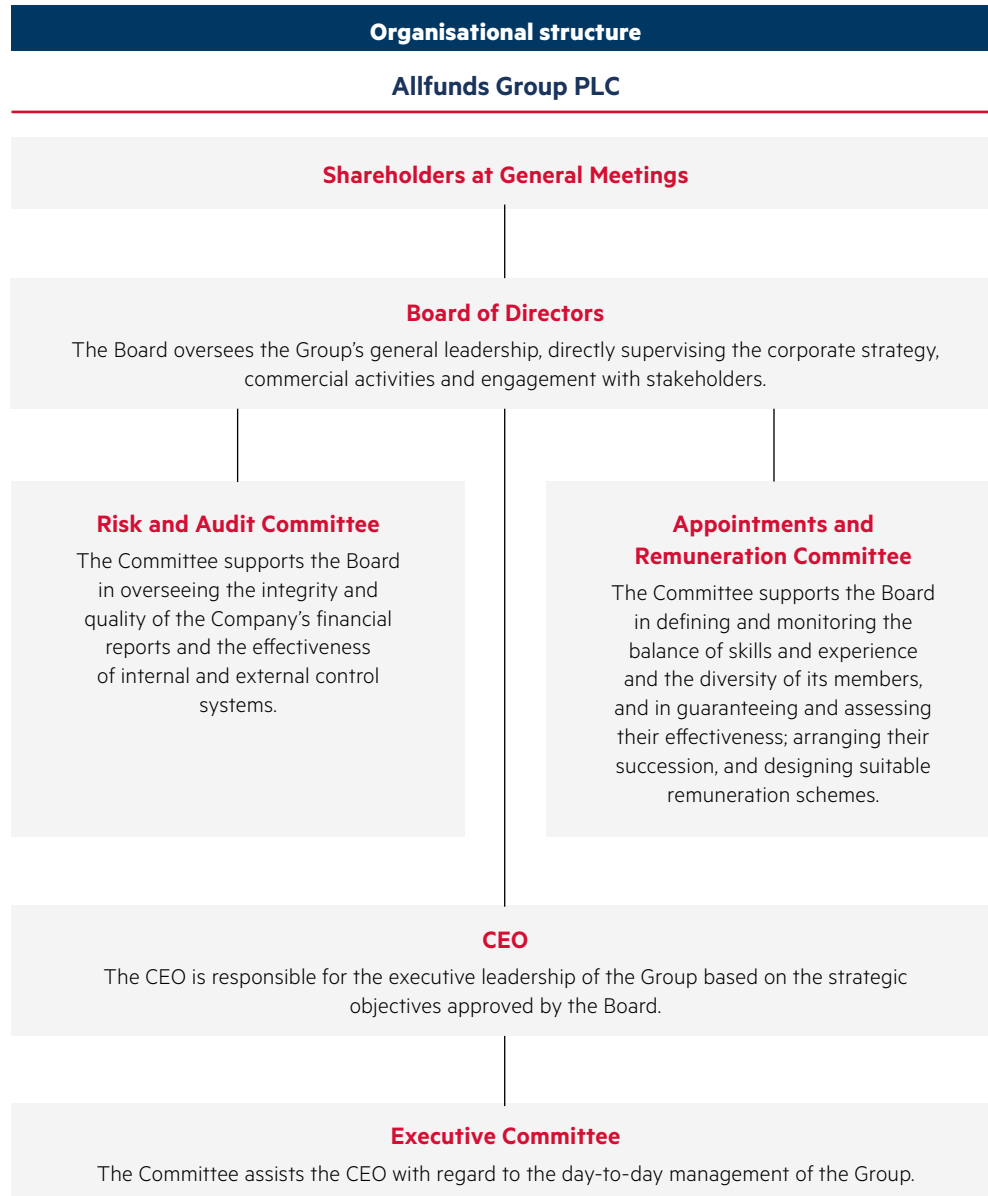
## **Governance System**

Allfunds Group plc (Allfunds Group) is the group's parent company. It is a UK-based company listed on Euronext Amsterdam.

Allfunds is the sole shareholder of Allfunds Bank, a Spanish company that holds a banking license and operates as a regulated financial institution. The governance and internal rules of both institutions are consistent and integrated and aligned by way of an appropriate and efficient flow of information.

Allfunds Group decided after its IPO to voluntarily adhere to the [Dutch Code](#) of Good Governance. At the end of 2021, the Group met 92% of the recommendations that apply thereto.

## Governance System



## Governance System / The Board of Directors

The Board of Directors is the representative, administrative, supervisory and management body of the company. It is governed by the **Regulations of the Board of Directors**, which are available on our [website](#).

The Board of Directors consists of 14 members. 12 of them are non-executive directors, and the other two hold the positions of CEO and CFO, respectively. Six of the non-executive directors represent the main shareholders, and the other six are independent directors, in order to reach balance in decision-making within the top governance body. Each director is entitled to one vote in decision-making.

The composition of the **Board of Directors** in 2021 was as shown below:

| BOARD                             |
|-----------------------------------|
| <b>Chairman</b>                   |
| Mr Blake Kleinman                 |
| <b>Directors</b>                  |
| Ms Leonora Olivia Saurel de Sola  |
| Mr Christopher Reid               |
| Mr Johannes Korp                  |
| Mr Fabian Shey                    |
| Mr Alessandro Gioffreda           |
| Mr Jayaprakasa Rangaswami         |
| Ms Lisa Dolly                     |
| Mr David Pérez Renovales          |
| Mr Delfín Ruela                   |
| Ms Sofía Isabel Delgado           |
| Ms Ursula Schliessler             |
| Mr Juan Alcaraz (CEO)             |
| Mr Amaury Dauge (CFO)             |
| <b>Non-board Member Secretary</b> |
| Ms Marta Oñoro Carrascal          |

The profiles of the members of the Board of Directors may be checked on our [website](#), and in our 2021 Annual Report.

The Board of Directors is supported by two consultative committees: the **Appointments and Remuneration Committee** and the **Risk and Audit Committee**.

| APPOINTMENTS AND REMUNERATION COMMITTEE  |
|--|
| <b>2021 Composition</b>  |
| <p><b>Chairwoman:</b> Ms Lisa Dolly (independent)</p> <p>Ms. Leonora Olivia Saurel de Sola</p> <p>Mr JP Rangaswami (independent)</p>   |
| <b>Duties</b>  |
| <p>Identifying candidates for director positions and evaluating their performance, as well as the structure and composition of the Board of Directors.</p> <p>Proposing to the Board of Directors decisions relating to remuneration and evaluating remuneration policies.</p> |

| RISK AND AUDIT COMMITTEE   |
|--|
| <b>2021 Composition</b>  |
| <p><b>Chairman:</b> Mr David Pérez Renovales</p> <p>Mr Johannes Korp</p> <p>Ms Ursula Schliessler</p>                        |
| <b>Duties</b>  |
| <p>Supervising all types of risks, supervising, and confirming the credit rating of customers and reporting obligations.</p> |

The Board of Directors relies on the executive directors and the Executive Committee to implement its decisions and oversee Allfunds' daily management.

## Governance System / The Board of Directors / Diversity Policy of the Board of Directors

During 2021, we have prepared the Diversity Policy of the Board of Directors, aimed at making sure that diversity and inclusion are encouraged at top level.

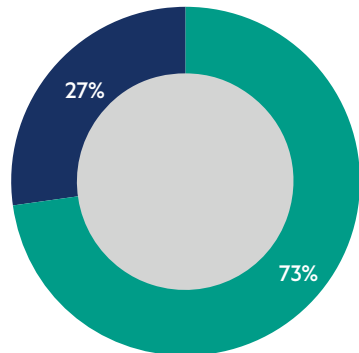
The Policy sets out two specific diversity targets to be achieved by 2025:

- › Reaching a 33% share of female directors pursuant to the Hampton-Alexander report on the increase in the number of women in management positions in FTSE 350 companies.
- › Having at least one director from a minority ethnic background, according to the Parker report on ethnic diversity within UK boards.

Pursuant to this policy, the Board of Directors recognises the benefits of diversity in the broadest terms, including, but not limited to, educational and professional background, gender, age, international background, and ethnic diversity.

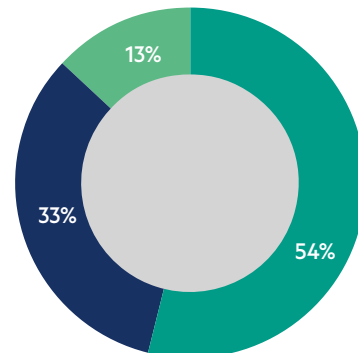
In terms of diversity, the profile of the Board of Directors at the end of 2021 is as follows:

Gender balance



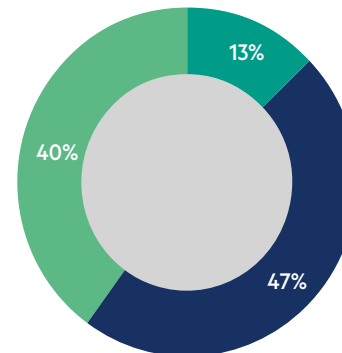
● Male  
● Female

Age diversity



● 50 or less  
● 51 to 60  
● More than 60

Level of independence



● Executive  
● Non-executive  
● Independent



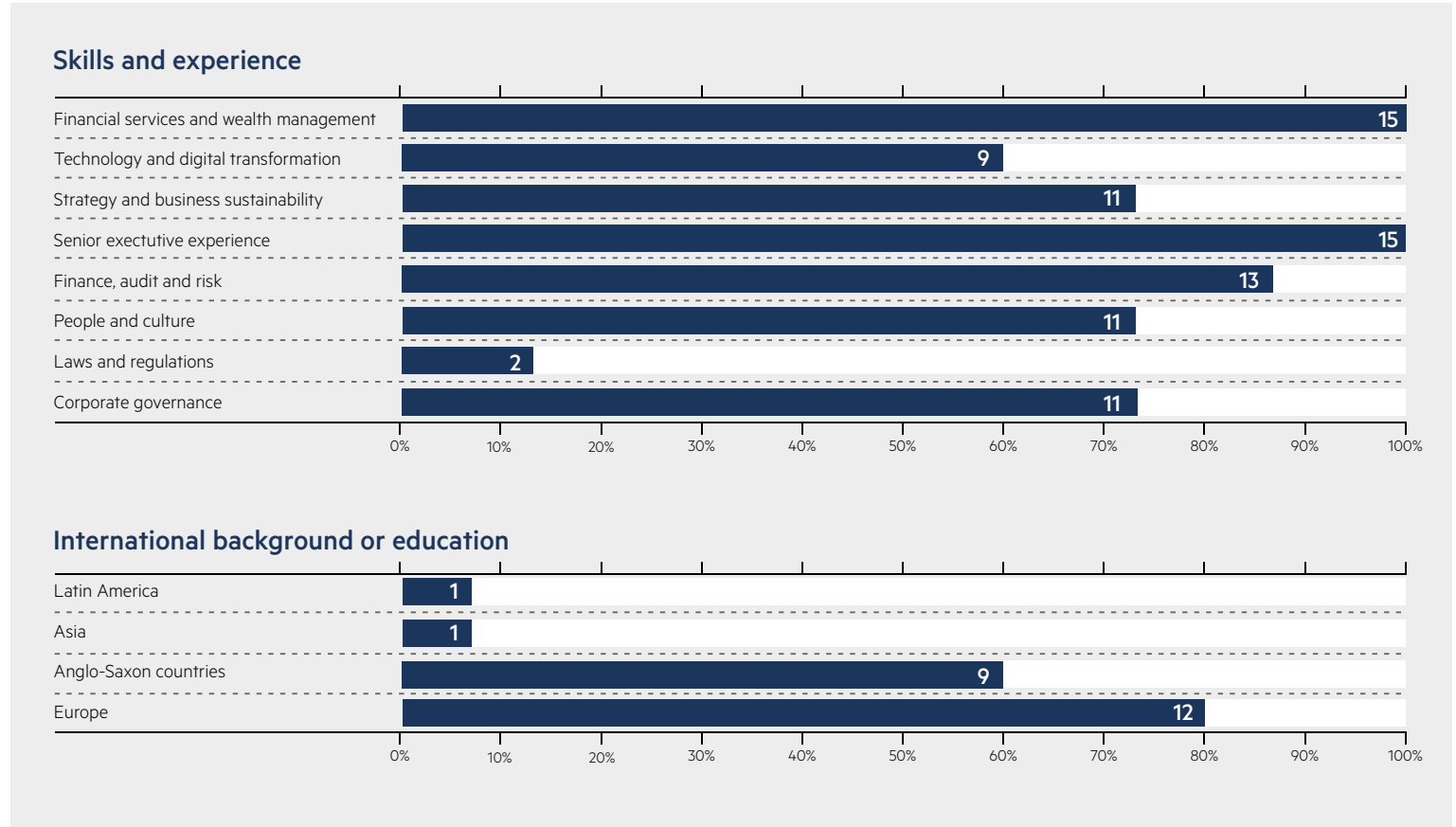
## Governance System / The Board of Directors / Diversity Policy of the Board of Directors

It should be noted that the percentage of women on the Board of Directors at the end of 2021 was 28.6%, i.e. 2% higher than in 2020. There is complete parity among the independent directors, 50% of which are women.

In terms of generational diversity, 54% of the directors were 50 years old or younger, 33% of them were between 51 and 60 years old, and 13% of them were in the over-60 age range.

Regarding the origin of the members of the Board, only three of them are Spanish, while the other members are British, French, Austrian, Swiss, Italian, Dutch, German or American.

All members of the Board of Directors have solid knowledge, skills and experience and meet the suitability requirements for the performance of their positions.



## Governance System / The Board of Directors / ESG matters

ESG issues were discussed at the meetings of the Board during 2021, where the main key areas were related to:

### Good governance and leadership

- › The corporate governance framework was approved, reviewed, and adapted to the new condition of listed company (revision of the articles of association, the regulations of the Board of Directors, the Insider Information Policy, the Communications Policy and the Policy on Bilateral Contacts with Shareholders, etc.).
- › The composition of the Board of Directors was aligned with the best governance practices. Furthermore, several policies were approved, in particular the Diversity Policy of the Board of Directors, the Profile of Non-Executive Directors and the Retirement Policy.
- › The effectiveness of the Board of Directors was assessed and an action plan was defined for 2022, including the launch of a development plan.
- › Voluntary adherence to the Dutch Corporate Governance Code.

### Corporate purpose and strategy

- › The progress of the strategic pillars and objectives for 2021, including integrations and commercial expansion, and discussion of the 2022-2023 value creation plan were monitored.

### People and culture

- › We reviewed the General Code of Conduct, reflecting our approach in terms of ESG matters.
- › We defined a Strategic Human Capital Plan, focused on developing and retaining talent, and began to develop succession plans.
- › We reformulated our variable remuneration scheme, including the approval of a long-term incentive plan for employees with key talent.
- › We designed the Remuneration Policy for Directors, which will be submitted to the approval of shareholders at the General Shareholders' Meeting of 2022.



The section 'Corporate Governance' of the Annual Report 2021 includes more details about the:

- › Roles and responsibilities of the governing bodies
- › Meetings of the Board and its Committees and attendance of directors
- › Appointment, re-election and dismissal of director
- › Training and development of directors
- › Succession plans
- › Assessment of the performance of the Board and its Committees



## Governance System / Committees / Executive Committee

The **Executive Committee** is the highest body assisting Allfunds' CEO. It has the following basic responsibilities:

- › Assessing and deciding on matters submitted directly to it by the Board of Directors.
- › Assessing and deciding on matters which, before being approved by the Board CEO, are submitted to it by the CEO.
- › Assessing and deciding on matters submitted thereto by the CEO, on its own accord. All the members of the Committee are authorised to submit matters to the Committee for assessment and approval.
- › Approving the rules of conduct and internal regulations of the Company, which do not require the approval of the Board of Directors.

The Committee is composed of the company's senior management. However, its meetings may be attended by other Allfunds employees, with the right to speak but not to vote, as requested by the Chairman of the Committee. The Committee holds meetings on a monthly basis and as often as they are called by its Chairman.

| EXECUTIVE COMMITTEE                         |
|---|
| Chief Executive Officer (CEO)               |
| Mr Juan Alcaraz                             |
| Chief Commercial Officer & Trading Services |
| Mr Gianluca Renzini                         |
| Chief of Fund Groups                        |
| Mr Borja Largo                              |
| Chief Financial Officer                     |
| Mr Amaury Dauge                             |
| Chief Technology Officer                    |
| Mr Mariano Blanchard                        |
| Chief People Officer                        |
| Mr Jorge Calviño                            |
| Chief Strategy Officer                      |
| Mr Juan de Palacios                         |
| General Counsel                             |
| Ms Marta Oñoro Carrascal                    |

In addition, the Company has a number of committees to assist in the overall management of day-to-day activities. These **committees** have undergone some changes during 2021, as shown below:



## Governance System / Committees / Control and Operating Committees

| STRATEGIC PRODUCT PORTFOLIO COMMITTEE   |
|---|
| Duties  |
| Reviewing and approving new products and services.  |
| Frequency   |
| Quarterly or on demand  |
| CUSTOMER ACCEPTANCE COMMITTEE   |
| Duties  |
| Approving new countries and customers from a legal, compliance and risk profile perspective. Ensuring that these entities comply with Allfunds' requirements and principles in relation to its policy for the Prevention of Money Laundering and Terrorist Financing. |
| Frequency   |
| Monthly   |

## Governance System / Committees / Control and Operating Committees

### RISK AND AUDIT COMMITTEE

#### Duties

Ensuring that the entity's risk exposure is within the tolerance established by the Board of Directors.

Adapting, on an ongoing basis, risk management procedures to the applicable regulations and to the growing sophistication of the financial market and aligning them with the capital requirements in force at any given time. Monitoring all types of risks.

Adjusting valuation methodologies to best market practices and to Allfunds' needs.

#### Frequency

Monthly

### TECHNOLOGY COMMITTEE

#### Duties

Evaluating the technological and operational processes relating to Allfunds' activity, as well as updating on innovation projects.

Proposing any changes that may be necessary, always seeking continuous improvement of the service.

#### Frequency

Monthly



## Governance System / Committees / Preparatory committees of the Executive Committee

### COMMERCIAL COMMITTEE

#### Duties

Implementing the business policies and strategy defined by the Board of Directors and General Management.

Making sure that the commercial teams fully adhere to these policies and strategy.

Initially approving customers in accordance with the commercial parameters defined by the Board of Directors and the CEO from time to time.

#### Frequency

Monthly

### INVESTMENT SOLUTIONS COMMITTEE

#### Duties

Reviewing and approving all activities related to the search of investment initiatives and opportunities.

#### Frequency

Monthly

### INTEGRATION COMMITTEE

#### Duties

Coordinating and implementing Allfunds acquisitions and transformational, analysing all related risks.

#### Frequency

Fortnightly

### OPERATIONS COMMITTEE

#### Duties

Reviewing procedures and operational issues and updating the projects of the operations team.

#### Frequency

Monthly

## Governance System / Committees / Other Internal Committees

### BUSINESS CONTINUITY/INFORMATION SECURITY COMMITTEE

#### Duties

Reviewing business continuity plans and procedures and their implementation.

#### Frequency

Half-yearly / On request

### CRISIS MANAGEMENT COMMITTEE

#### Duties

In a crisis situation, assessing the situation and establishing the necessary measures to solve the problem and to set the information policy.

#### Frequency

On request

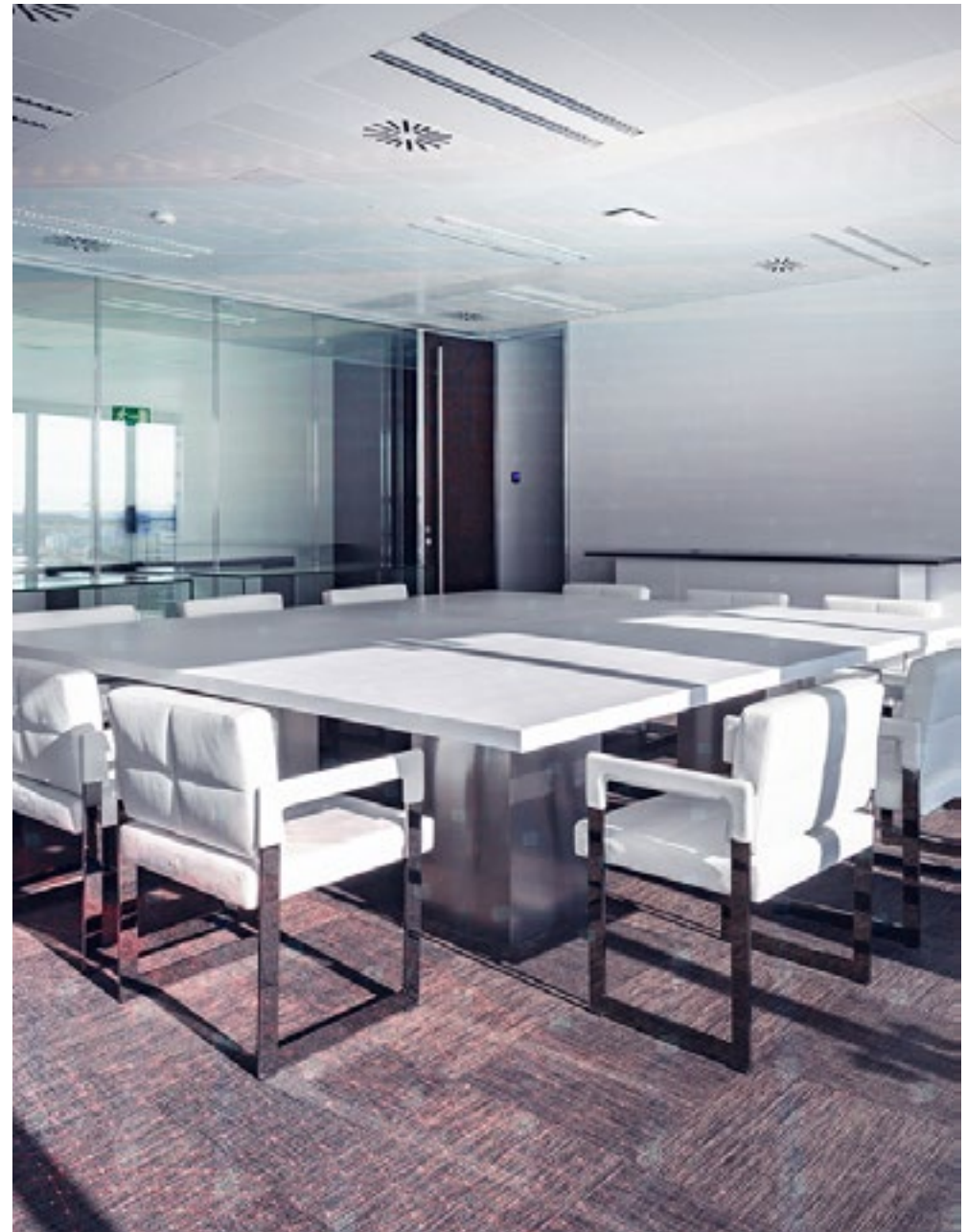
### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### Duties

Guiding the fulfilment of social responsibility objectives. Evaluating social responsibility commitments. Communicating the results of social responsibility activities to the different stakeholders.

#### Frequency

Half-yearly



## Standards of conduct

Principles of conduct, good corporate governance and professional ethics are the pillars behind our activities.

This is set out in our General Code of Conduct, a fundamental tool of the Allfunds compliance system, and other internal company procedures. This document embodies the values that must inspire the principles and commitments that guide the behaviour of our organisation within the market and towards stakeholders, within the context of a socially responsible organisation, oriented both towards the creation of long-term value and the management of social and environmental risks.



## General Code of Conduct

Our values are set out and developed in the company's **General Code of Conduct**, which recognises customers and employees as our main stakeholders and distinguishes the values that guide the organisation in its relations with them.



### Counterparts relations values

- > Client and service knowledge

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- > Trust and transparency

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- > Honesty and independence

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- > Environmental, social and corporate governance factors

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### Employee relations values

- > Equal opportunities and non-discrimination

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- > Respect for people

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- > Teamwork

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- > Management style based on mutual respect and communication

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- > Work-life balance

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- > Occupational risk prevention

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- > Environmental protection

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- > Collective rights

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## Standards of conduct / General Code of Conduct



The aim of the General Code of Conduct is to ensure **professional, ethical and responsible behaviour** by Allfunds and all its employees, as a basic element of our corporate culture on which we base the personal and professional training and development of our employees. The Code defines the principles and values that should govern Allfunds' relations with our stakeholders. The Code is made available to all stakeholders through our [website](#).

It is applicable to the members of the governing bodies and all employees of the Allfunds Group, regardless of their employment relationship and notwithstanding the fact that certain people are also subject to other codes of conduct specific to the activity or business in which they perform their duties.

The people subject to this code have the obligation to know and comply with it, as well as to collaborate to facilitate its compliance within Allfunds, contributing to the creation of a culture of compliance. Moreover, all Allfunds employees must comply with the legislation in force in each of the countries where Allfunds carries out its activities.

As a guide for ethical behaviour, the Code establishes **General Ethical Principles, General Guidelines of Conduct and Guidelines of Conduct for Some Specific Situations**. Hence, the code comprehensively expresses the principles and values that should govern Allfunds' relationships with its stakeholders.

1. Compliance with regulations and ethical behaviour
2. Accountability, professionalism, appropriate risk management
3. Respect for free competition
4. Commitment to Allfunds
5. Digital disconnection
6. Non-competition
7. Management of conflicts of interest of everyone involved
8. Control of information and confidentiality (general duty of confidentiality, personal data protection)
9. Prudent management of external relations and collaborations with authorities (disclosure of information, relation with authorities, political and membership activities)
10. Transparency and rigour in the provision of financial services
11. Money laundering and terrorist financing prevention measures
12. Conduct in the securities markets
13. Group assets
14. Accounting obligations and disclosure of mandatory information
15. Anti-corruption measures
16. Fiscal obligations
17. IT systems and information technology
18. Intellectual and industrial property rights
19. Retention of documents

## Standards of conduct / General Code of Conduct

The **Human Resources** area and the **Regulatory Compliance Unit** make sure that all those subject to the rules of the General Code of Conduct are duly informed of their duty to observe the Code.

The Regulatory Compliance Unit also reports on a regular basis to the Board of Directors through the **Risk and Audit Committee** on the monitoring and compliance with the rules by those subject to the General Code of Conduct.

We make consultation and/or complaint channels available to staff, which are managed through the Regulatory Compliance Unit, in cases where it is detected or suspected that the General Code of Conduct and the applicable regulations are being breached through:

- › The e-mail [regulatorycompliance@allfunds.com](mailto:regulatorycompliance@allfunds.com)
- › The Whistleblowing Channel, available on the Allfunds Corporate Intranet.

It should also be noted that, together with the General Code of Conduct, we have a **Code of Conduct in the Securities Markets**, which sets forth the rules of conduct that everyone working at Allfunds must comply with in the securities market. This code has been supplemented since Allfunds Group plc went public with the **Insider Information Policy**, which establishes the guidelines for action, based on market abuse regulations, for own account trading by employees and managers holding shares in the Entity. Compliance with the abovementioned is monitored by the Regulatory Compliance Unit, which reports incidents to the Risk and Audit Committee.



## Standards of conduct / Respect for human rights

We respect human rights and recognise their importance and universality.

We make sure that human rights are respected in all operational contexts and work to establish collaborative frameworks that never allow human rights violations to occur.

To go a step further in human rights due diligence and the prevention of risks of human rights abuses, we have signed up to the UN **Global Compact's Ten Principles**. These principles include the areas of labour standards, the environment, the fight against corruption, and human rights.

Our commitments to human rights are described within our Corporate Social Responsibility Policy:



### Commitments to human rights

- > Contributing to the effective implementation of fundamental rights in the workplace in each and every one of the countries where we operate. These rights include:
  - Elimination of all types of forced or compulsory labour.
  - Effective abolition of child labour.
  - Freedom of association and collective bargaining.
  - Responsible hiring, guaranteeing good working conditions and a fair salary.
  - Defining safe working conditions to protect the health of employees, and eliminating, preventing and managing occupational risks.
  - Equal opportunities and access to promotions and career development, training and any other social advantage provided by the company.
  - Human growth and development, reconciling work and personal and family life.
- > Respecting and encouraging the rights established in the Universal Declaration of Human Rights across the supply chain and extending our commitment through our Supplier Selection Procedure and Supplier Code of Conduct.
- > Ensuring that our suppliers do not contribute to modern slavery under any circumstances such as human trafficking, forced labour, forced marriage, descent-based slavery, and domestic slavery.



We also have a **Protocol for Prevention and Action against Workplace, Sexual or Gender-based Harassment**, which establishes a series of measures and actions in situations that could constitute harassment, respecting in all cases the privacy of the persons involved, confidentiality, objectivity and neutrality throughout the process.

We also receive reports of harassment through the Whistleblowing Channel. These reports are handled with due confidentiality and without any reprisals against the whistleblower if he/she has identified him/herself. The Regulatory Compliance Unit is responsible for handling the complaints received.

During 2021, there were no reports of human rights abuses and therefore no measures to mitigate, manage and redress potential abuses were necessary.



## Standards of conduct / CSR Committee and Policy

We have a **Corporate Social Responsibility Committee**, which is made up of representatives from Allfunds' main departments and managers, to integrate corporate social responsibility globally and transversally throughout the organisation. The Committee is thus a multidisciplinary team made up of people with different backgrounds and professional experiences and representing all Allfunds stakeholders.

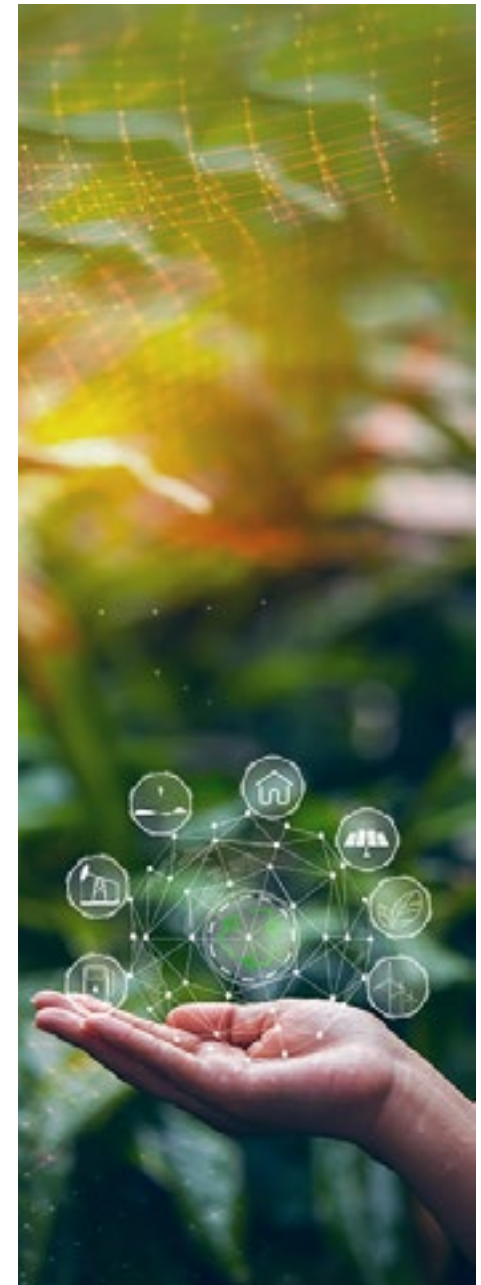
The main objective of the CSR Committee is to promote the development of social responsibility at Allfunds, ensuring that the resources are provided to meet the requirements of our Corporate Social Responsibility Plan and to fulfil the commitments of our Social Responsibility Policy.

By way of this policy, we integrate **ESG, environmental, social and good governance strategies** into our corporate governance. It was revised in April 2021 and is inspired by the best practices contained in international conventions and protocols, codes of conduct and internationally applicable guidelines on social responsibility (ISO 26000), including the **Ten Principles of the United Nations Global Compact**,

and the regulations applicable in each of the countries in which the company operates. Hence, we establish general principles of action and our position and commitments in seven areas:

- › Ethics and good governance.
- › Respect for human rights.
- › Active listening to stakeholders.
- › Vocation and creation of value.
- › Environmental protection.
- › Social commitment.
- › Monitoring and compliance.

Compliance with the Policy is ensured through internal governance processes led by the Board of Directors and the management team, as well as through the **CSR Committee**, which oversees the Policy together with the **Risk and Audit Committee**. It is available for all stakeholders on our [website](#).





## Standards of conduct / Preventing and managing conflicts of interest

The prevention and management of conflicts of interest is addressed in the General Code of Conduct and developed in the **Conflict-of-Interest Policy**, as well as in the Internal Code of Conduct in the Securities Markets.

This policy seeks to identify actual or potential conflicts of interest and to manage them appropriately, in particular by preventing them from adversely affecting the interests of our customers.

Specifically, the goal of the Conflict-of-Interest Policy is to implement all reasonable mechanisms to detect and prevent, or manage, any conflicts of interest that may arise:

1. In the provision of investment and ancillary services to customers, (i) between Allfunds and customers, (ii) between officers, employees and any person directly or indirectly linked to Allfunds by control, and customers, or (iii) between different Allfunds customers, where this may result in an impairment of a customer's interests.

2. Those occurring (iv) between Allfunds Group institutions; (v) between business units; and (vi) between Allfunds and third parties.
3. Situations or relationships between employees and/or managers of Allfunds and Allfunds itself (vii) due to conflicting economic interests, or (viii) due to personal or profes

In order to prevent and deal with these types of circumstances, this document provides guidance on the identification of potential conflicts of interest, establishes procedures and measures for their prevention and management and determines how conflicts of interest that cannot be avoided should be communicated to customers.

The Conflict-of-Interest Policy includes an Annex on Inducements which sets out the measures taken by Allfunds in relation to the receipt of inducements related to the provision of investment and ancillary services to clients, in accordance with the regulations in force and ensuring that the organisation acts at all times with honesty, impartiality and professionalism.



This policy applies to all persons associated with Allfunds, including managers, employees and any persons directly or indirectly linked to the company by control, and the measures envisaged apply to all customers of Allfunds.

The Conflict-of-Interest Policy is supplemented by the Registry of Conflicts of Interest, which includes both the potential conflicts detected and those that could not be avoided, in which case, according to the policy, they are reported to customers in a timely manner.

With regard to the detection and management of potential conflicts in the governance of the company during 2021, there have been no notifications in this regard.

## Standards of conduct / Data Protection Office

The Company has appointed a Data Protection Officer integrated within the Compliance department, who performs preventive and responsible duties, overseeing and coordinating the Group's data protection policy. The DPO's duties covers both the internal environment of the company and its external relationships. The DPO acts as the liaison between the Data Controller, the Data Subject and the Control Authorities.

The purpose of the Data Protection Office consists in guaranteeing and protecting, within the framework of personal data processing, fundamental rights and freedoms of individuals. In this regard, and in compliance with the applicable regulations on data protection, Allfunds keeps an updated record of personal data processing activities together with the corresponding impact assessments, where applicable, available to the competent authorities in terms of data protection.



## Standards of conduct / Other standards

Along with the Corporate Social Responsibility Policy and the Global Conflict of Interest Policy, the following internal policies and procedures are worth mentioning, as a reference in the development of the principles and guidelines established in our General Code of Conduct.

- › **Regulatory Compliance Policy.** Regulatory compliance by Allfunds is a task for all employees of the Group. Regulatory compliance must therefore be part of the organisation's culture.
- › **Conflict of Interest Management Policy and Inducements Annex.** This sets out the criteria and prevention and management measures to assess and mitigate or prevent actual and potential conflicts between the interests of Allfunds and clients or the private interests of employees and managers and the interests of clients.
- › **Anti-Bribery and Gifts and Entertainment Policy.** This sets out the criteria to be followed by employees, managers and members of the management body in any of their professional relationships with Allfunds, to ensure compliance with anti-bribery regulations and to promote ethical criteria and values, especially in the area of gifts, invitations, commissions, remuneration, income, advantages, discounts or benefits.
- › **Criminal Risk Prevention and Compliance Policy.** It seeks to prevent and avoid the criminal and reputational risk that may arise from the commission of any unlawful, criminal or any other act contrary to the ethical values of the Entity. The policy demonstrates the firm commitment of Allfunds and the Board of Directors to combat such acts. Based on this policy, a Criminal Compliance Model or Corporate Defence model has been created.
- › **Manual for the Prevention of Money Laundering and Terrorist Financing.** This defines the measures implemented in the organisation to manage and prevent the risk of money laundering and terrorist financing.
- › **Privacy Policy.** This establishes a single framework for defining privacy and the protection of personal data, in which the company undertakes to protect and process all personal data, always guaranteeing compliance with the different regulations and laws applicable in this area.

(Continue)

- › **Asset Protection Policy.** It establishes the appropriate controls aimed at guaranteeing the safeguarding of client property rights when safeguarding their assets.
- › **Order and Best Execution Policy.** This defines the measures adopted for the correct management of client orders and those required to obtain the best possible result in the execution of orders, depending on the financial instrument in question.
- › The **Honourability Procedure** sets out the procedures for the selection and assessment of the suitability of members of the company in key positions.
- › The **Outsourcing Policy** sets out the guidelines for acting in case of outsourcing of services or functions taking into account the regulatory context, as well as the practices for governance and management that should be the basis for the relationship with the providers of these services to ensure that the delegation or outsourcing of functions or services is not carried out in a way that can undermine the effectiveness of the internal control function.
- › The **Product Governance Policy** has been implemented and reinforced in 2021 through the Procedure for the approval of new products and services. These documents include the criteria for launching new products or services, including ESG factors.
- › The **Supplier Selection Procedure** establishes the guidelines to be followed and requirements that must be met by the third party entities with which Allfunds signs service provision agreements, including most notably: (i) ethical and corporate culture criteria in line with current regulations, (ii) protection and privacy of information, (iii) environmental and social practices, (iv) prevention of money laundering, and (v) corporate social responsibility in line with the United Nations Global Compact Principles



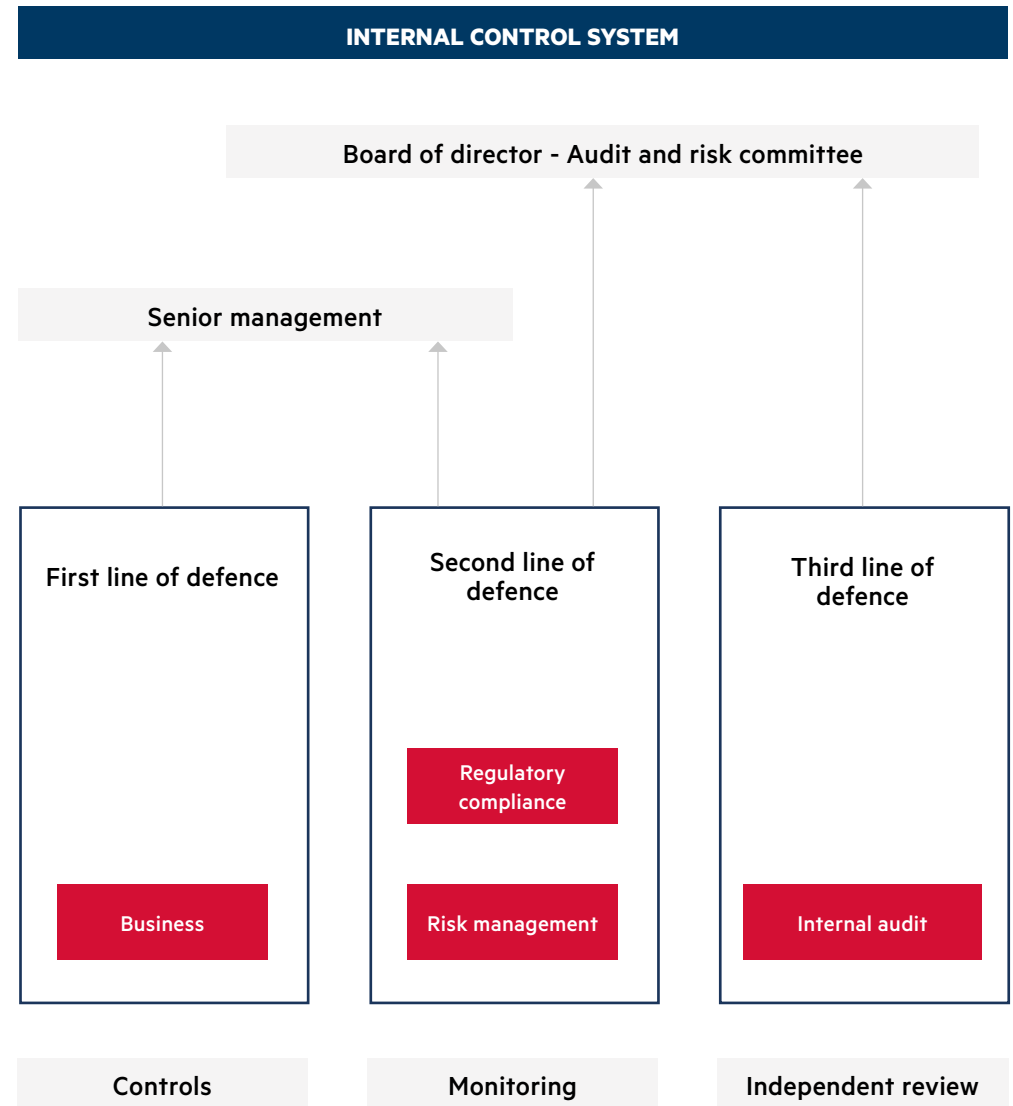
All these policies and tools, related to the established standards of conduct, have been approved by the Board of Directors and are reviewed and updated on a regular basis (normally every year), are available on the corporate intranet and are notified to new hires who join Allfunds. Moreover, the staff receives mandatory training on an annual basis on the General Code of Conduct and Corporate Defence.

Furthermore, Allfunds' welcome protocol for new hires requires reading all significant company policies.

In addition to the above, we have a **Client Complaint's Handling Procedure** published on the website. In this section of the website complaints can also be submitted and will be handled by the Regulatory Compliance unit as a customer service.

## Internal Control System

Beyond setting and monitoring of appropriate standards of conduct, compliance with policies and regulatory compliance defended by the compliance system, Allfunds develops internal control mechanisms that respond both to the regulations in force for financial institutions and to the company's interest in achieving the greatest excellence in terms of management. Allfunds' internal control system is based on three lines of defence as follows:





## Internal Control System / Internal Audit

Allfunds has an Internal Audit Unit located in Madrid and Milan covering all offices and activities of the Allfunds Group.

The responsibility of the Internal Audit team is to provide the Board of Directors and Senior Management with a reliable and independent assessment of the effectiveness of controls designed to mitigate the significant risks affecting the business, the proper functioning of governance, risk management and the controls in place to mitigate the risks to which the Group is exposed.

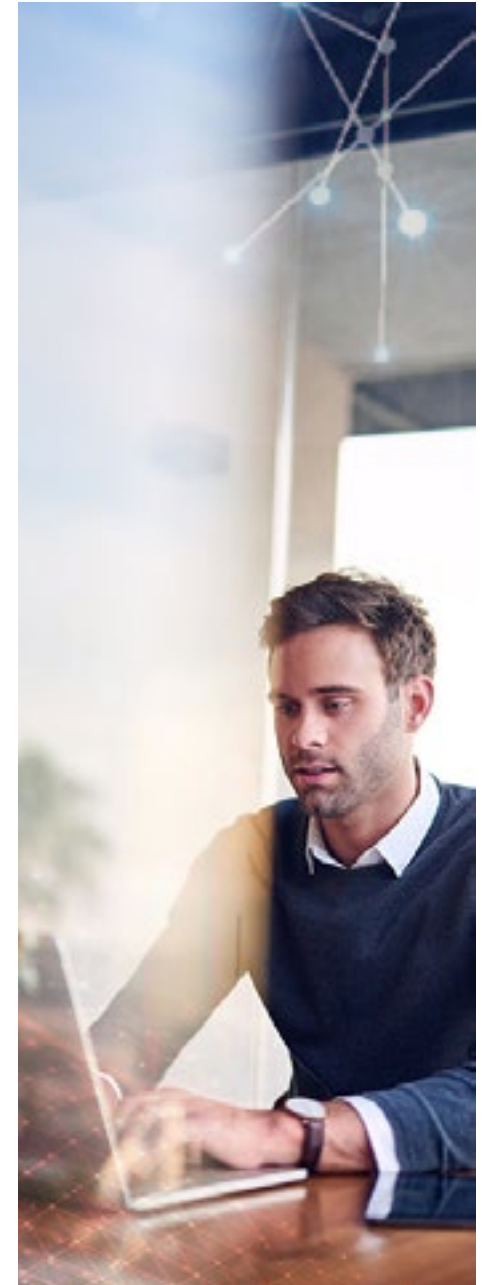
The Global Head of Internal Audit reports to the Chairman of the Risk and Audit Committee and the Chief Executive Officer of the Allfunds Group and is independent from other business

units and functions. The Global Head of Internal Audit and all the members of the department act within the parameters of the General Code of Conduct and other Allfunds' policies and ethical standards.

During 2021, Internal Audit conducted a total of 21 reviews covering the most important activities of the Allfunds Group. From a CSR perspective, the most relevant were the following:

- › Audit on the annual Capital and Liquidity reports and the Prudential Relevance Report, in which compliance with the minimum levels of capital and liquidity with which the Allfunds Group must comply is checked.
- › Audit on the Prevention of Money Laundering Terrorist Financing in those jurisdictions with a higher level of risk for the Allfunds Group. These audits are aimed at verifying compliance with the regulations in force, as well as assessing existing processes to identify improvement actions.

For each of the reviews carried out, Internal Audit issues audit observations that include an action plan, an action plan manager and an implementation schedule. Internal Audit makes sure all observations are closed.



## Internal Control System / Internal Control of Financial Reporting

The Allfunds Board of Directors is the body responsible for financial information and for the existence of an adequate system of internal control over financial reporting. However, the CEO of Allfunds supervises the design of the financial reporting control systems.

The **Finance Department** is responsible for ensuring the quality, transparency and timeliness of individual and consolidated financial reporting, which includes making sure that it is based on appropriate accounting methods.

However, the implementation of control measures over Allfunds' financial information is not only the responsibility of this department, but also of Allfunds' **Management Control** area and of each of the Group's subsidiaries, as well as of the other areas involved in or having an impact on the quality and reliability of the financial information used as a basis for the preparation of Allfunds' financial statements.

These control systems are articulated in procedures designed to ensure the proper recording, valuation, presentation and disclosure of material transactions.

The **Chart of Accounts** details the typology of these transactions and establishes procedures such as documenting all critical processes and activities, assessing from

an accounting point of view any event with an impact on the financial statements, performing second-level controls, applying a specific internal control scheme in the processes of preparing financial information or managing access to applications and systems in accordance with a system of profiles adapted to the functions carried out in each position.

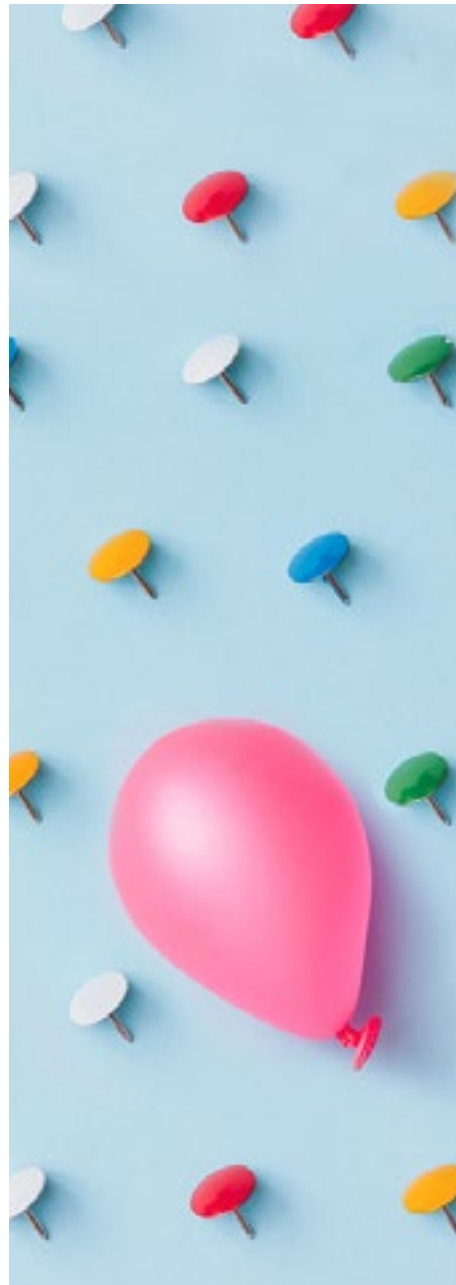
Finally, Allfunds develops processes to identify risks of error in financial information. The **Financial Information Risk Map** includes these specific risks and the Finance area reviews, at least once a year, whether there have been any changes in the risks identified in the preparation of the consolidated financial statements.



## Risk Management System

The Board of Directors is in charge of defining the risk strategy, the risk appetite and the risk policy, as well as any substantial modification thereto.

The CEO and the senior management team are responsible for implementing the Board's guidelines by way of a segregated and clear organisational model, qualitative principles, indicators and thresholds and limits on the risks established by the Board.



## Risk Management

Risk management consists in identifying and measuring direct and indirect risks, as well as potential and emerging risks, defining the Group's appetite for the risks detected and deciding whether to accept, avoid, mitigate or transfer them.

Risk management also implies the ability to acquire resilience, obtain a competitive advantage and identify new business opportunities, and create a modus operandi when assessing and avoiding the risks identified within the Group.

We have a general risk management and control model adapted to our business model, organisation, the countries where we operate and our corporate governance system. Thanks to this model, we operate within the framework of the risk control and management policies and strategies defined by the corporate bodies, and we are able to adapt to a constantly changing economic and regulatory environment, focusing this management on a global level, in line with the circumstances in which we operate at all times.

The model is updated at least once a year and is fully applied within the Group. It comprises the following basic elements: risk management framework, risk

management strategy and objective, risk appetite framework and risk reporting.

We encourage the development of a risk culture that ensures the systematic application of this model across the Group and ensures that the risk function is understood and internalised within all the levels of our organisation.

## Risk Management System / Risk Management Framework

Our risk management framework is based on three lines of defence: business, risk management and internal audit. This framework is designed to ensure effective and independent supervision of the Group's activities, in line with the global risk strategy defined by the Board of Directors of Allfunds Bank.





## **Risk Management System / Risk management strategy and objective**

The prudence applied by the Group in risk management is a basic pillar in all our activities and the services we offer.

In turn, the Group's organisational structure represents a system where delegations have been clearly defined for the purposes of risk management. The general principles that guide the definition, supervision and management of risks are as follows:

- › The risks assumed must be compatible with the Group's assets and be based on the target solvency level.
- › The willingness to have a 'low risk' profile by:
  - maintaining the distribution activity, avoiding incorporating equity positions in the balance sheet that generate risks that the Group does not wish to assume;
  - pursuing a high degree of diversification of structural risks, defining limits to the concentrations of clients, sectors, markets and/or geographies that may pose a threat to the objectives in terms of solvency, liquidity and recurrence of results; and
  - paying continued attention to risk identification and supervision tasks, for all areas to have dynamic and appropriate systems that lead to the optimal management and control of the risks assumed;
- › The existence of control and supervision procedures for all the risks incurred by the Group in the performance of its activity;
- › The existence of solid mechanisms to manage and mitigate operational and reputational risks;
- › The independence of the risk function with respect to the business areas; and
- › The involvement of the organisation in the risk management philosophy.



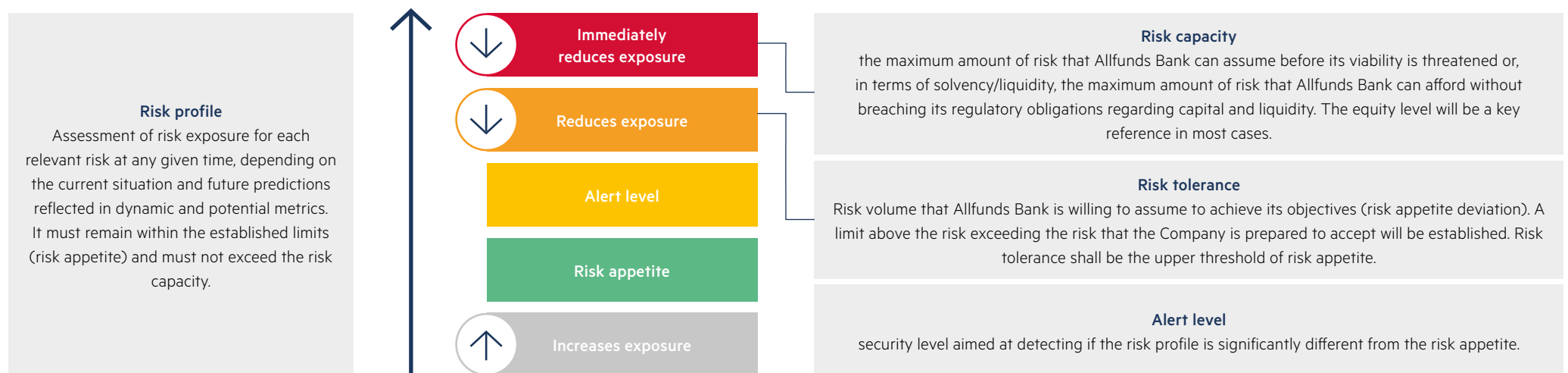
## Risk Management System / Risk Appetite Framework

The **Risk Appetite Framework ('RAF')** is the group-level corporate management framework. It consists of the process of determining risk appetite (the type and volume of risks to be voluntarily assumed in order to achieve the business strategy) within the Group's risk capacity, to comply with the management strategies established by senior management according to the Group's management principles, along with the internal control system that underpins the process.

The RAF is mainly aimed at reinforcing profitability and improving risk management, while encouraging greater transparency in the process of determining and discussing the global risk-taking policy in the allocation of capital and the maximisation of profits, etc., by defining, notifying and overseeing the risk appetite, optimising and streamlining the allocation of management resources, and consolidating the supervision system using the RAF as the Group's universal language.

The risk strategy is approved on an annual basis by the Board of Directors and, in particular, approves the risk strategy and, in particular, the RAF, to encourage good internal governance, establish limits and objectives and implement supervision and surveillance mechanisms for the various types of risks. The last update was carried out in December 2021, and the Board has determined that the Group's risk appetite is low. This risk appetite level establishes the basis for the development of calculation and control methodologies for the risks incurred by the Group and these are implemented by way of its risk unit.

The Board reviews and discusses potential corrective actions to be applied in the event any of the risk tolerance levels is exceeded. We have detected and implemented a set of key risk indicators to monitor our performance against risk appetite. The report on key risk indicators, in all risk areas, is submitted to the Board on a quarterly basis, informing on deviations and potential breaches of risk tolerance levels and, where required, discussing actions to mitigate them.



## Risk Management System / Presenting risk information

Reports on risk control and supervision contribute to the effective and ongoing supervision of the risks incurred by the Group in its daily activities.

The format and nature of the information included in these types of reports help us control the operational limits defined for each counterparty and the operational aspects related to our trading activity.

The main reports required for the risk unit to meet its duties include, among others, situation reports related to the limits of exposure to the risk of liquidation of executions, situation reports on overdraft limits, situation reports related to market risk and liquidity, statistical reports and stress test results.

The situation reports on market and liquidity risk show the limits for liquidity risks (cumulative liquidity gap) and market risks (defined as an equity percentage). These reports are prepared on a daily basis.

Risk resiliency reports are prepared where necessary. They simulate the impact of risk scenarios that help reinforce and enhance risk decision planning. This type of analysis is mainly applied to liquidity risk.



## Main risks and uncertainties

The main financial risk management areas are as follows:

- › Credit/counterparty risk (execution settlement risk and overdraft settlement risk)
- › Market risk
- › Interest rate risk
- › Foreign exchange rate risk
- › Liquidity risk
- › Concentration risk

The non-financial risk management areas are as follows:

- › Operational risk
- › Information and communication technology (ICT) risk, including cybersecurity
- › Third-party risk (outsourcing)
- › Regulatory compliance risk
- › Reputational risk
- › Conduct risk
- › Legal risk
- › Environmental risk
- › Money laundering and terrorist financing risk

Of all the risk management areas, we consider solvency risk, credit risk,

counterparty risk, liquidity risk, settlement risk, market risk, interest rate risk, operational risk (including reputational risk) and ICT as the main risks.

We are gradually incorporating environmental, social and governance (ESG) aspects into its risk management framework.

In terms of climate and environmental risks, our objective is to reduce the direct or indirect impact of our activities and thus limit exposure to these risks. It should be noted that the Group does not carry out credit activities, is not engaged in issuing financial instruments and does not provide portfolio management services. Hence, its exposure to these risks according to the Task Force on Climate Related Financial Disclosures (TCFD) is considered to be limited, but the company is working to reinforce control and monitoring measures within our sphere of influence.

*(Continue)*

## Risk Management System / Main risks and uncertainties

### Operational risk

The risk of losses caused by deficiencies or failures in internal processes, human resources or systems, or arising from external circumstances.

Operational risk is inherent to all activities, processes and systems and is generated by all business and support areas.

All employees are responsible for the management and control of the operational risks generated in their own areas.



### ICT risk

Risk associated with insufficient or defective hardware and software of technical infrastructures that may compromise the availability, integrity, accessibility and security of infrastructures and data (including cybersecurity).



### Credit and counterparty risk (including execution and overdraft settlement risk)

Credit risk quantifies the losses resulting from the potential default by customers or counterparties of their financial obligations. The Group experiences credit risk through execution settlement risk and overdraft settlement risk. The risk of execution settlement arises in the clearing process, throughout the subscription and redemption processes, due to the potential default of the Distributor that issued the order (subscription) or of the fund management company (redemption). Group policies establish that this type of risk must be limited and monitored on an ongoing basis.

Overdraft settlement risk is a subcategory of credit risk that arises when Distributors open cash accounts for settlement purposes. Negative balances in these accounts are handled and managed through the Group's credit exposure and are claimed immediately once they are identified.

## Risk Management System / Main risks and uncertainties

### Liquidity risk

Liquidity risk is the possibility of incurring losses in case there is not enough cash, or the liquid resources are insufficient to meet the obligations assumed. The Group is exposed to liquidity risk in two different contexts:

- › Operating liquidity: related to the Group's capacity to settle operations and afford liability obligations at reasonable costs. Operating liquidity comprises the sources and destinations of funds, both in the short and in the long term.
- › Settlement liquidity risk is considered as a subcategory of execution settlement risk. This type of liquidity risk may arise in the event of a default during a settlement (either during the subscription or redemption of UCIs). Risk mitigation and actions carried out in 2021 described in the section 'Allfunds, leader in transformation'.

### Regulatory compliance risk

Regulatory risk encompasses financial and other losses that the Group may suffer as a result of negligence and/or non-compliance with the legislation and regulations in force. Regulatory compliance risk is defined as the risk of legal or regulatory sanctions, financial loss or loss of reputation that the Group may suffer as a result of a breach of the integrity, experience and professionalism requirements established by legislation, regulations, codes of conduct, good management practices and internal policies.

### Risks related to the environment and climate change

Allfunds identifies the environmental aspects and impacts associated with the services it provides based on the company's environmental assessment procedure. They are all related to the management and maintenance of the offices, which does not have a significant impact on the environment.

#### For more information

[Annual Report 2021 -Risk management](#)



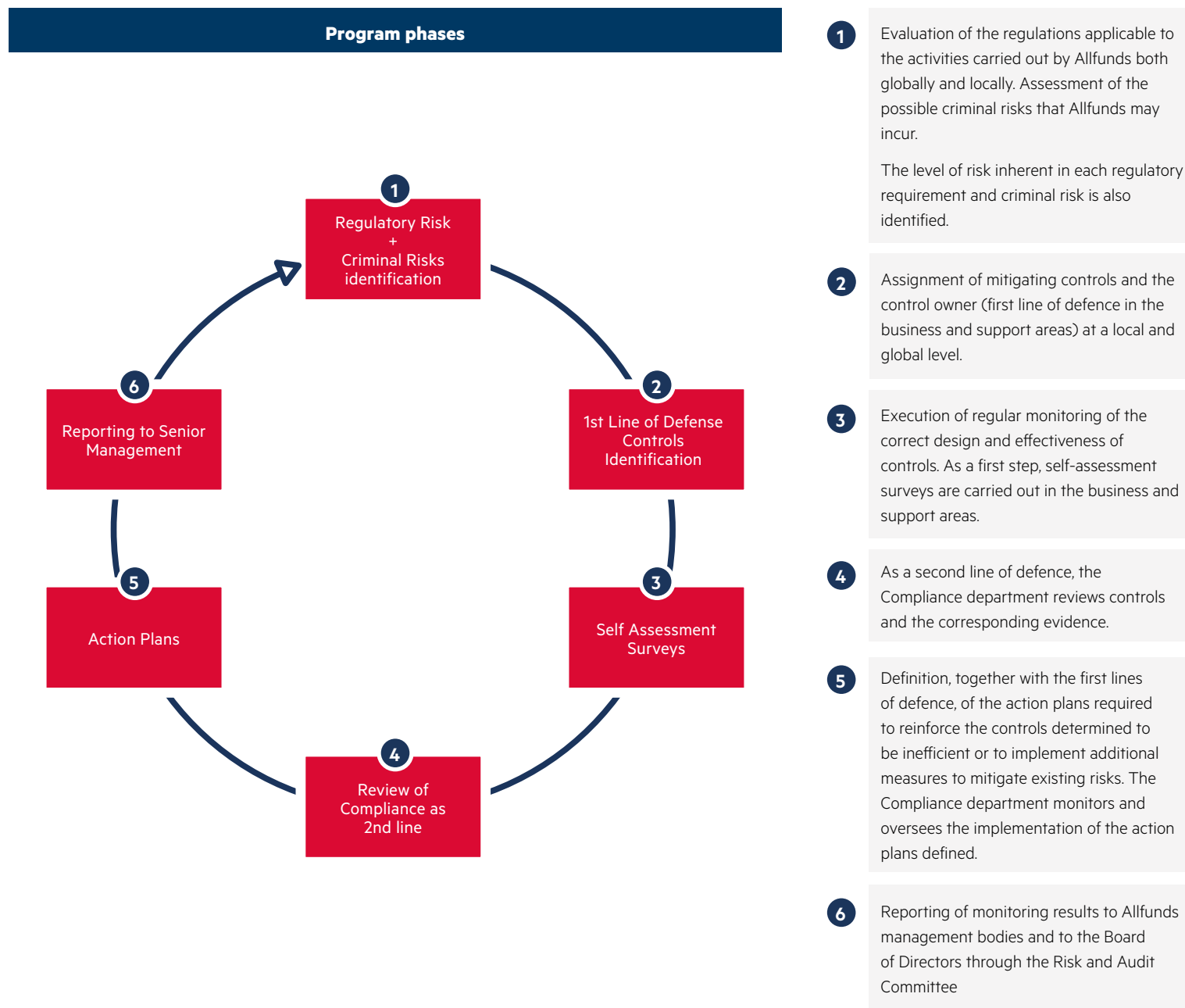
## Compliance Monitoring Program

This is based on the analysis of regulatory and conduct risks with the aim of ensuring **compliance with regulations and internal policies**, in accordance with the provisions of various standards and the guidelines of the European Banking Authority and the European Securities and Markets Authority. The results are regularly presented to the Board's Risk and Audit Committee.

The program aims to ensure that the internal policies, procedures, standards, codes of conduct applicable to Allfunds' business, organisation and control measures remain effective and adequate to prevent, detect, mitigate and minimise the risk of non-compliance that could result in sanctions and/or material, financial or reputational loss. The Compliance program seeks to encourage behaviour in accordance with regulations and ethical values, applying a comprehensive vision to prevent, identify and mitigate possible regulation breaches.

In 2021, we have incorporated two new branches, Paris and Warsaw, and the subsidiary in Hong Kong.

The program phases are as follows:

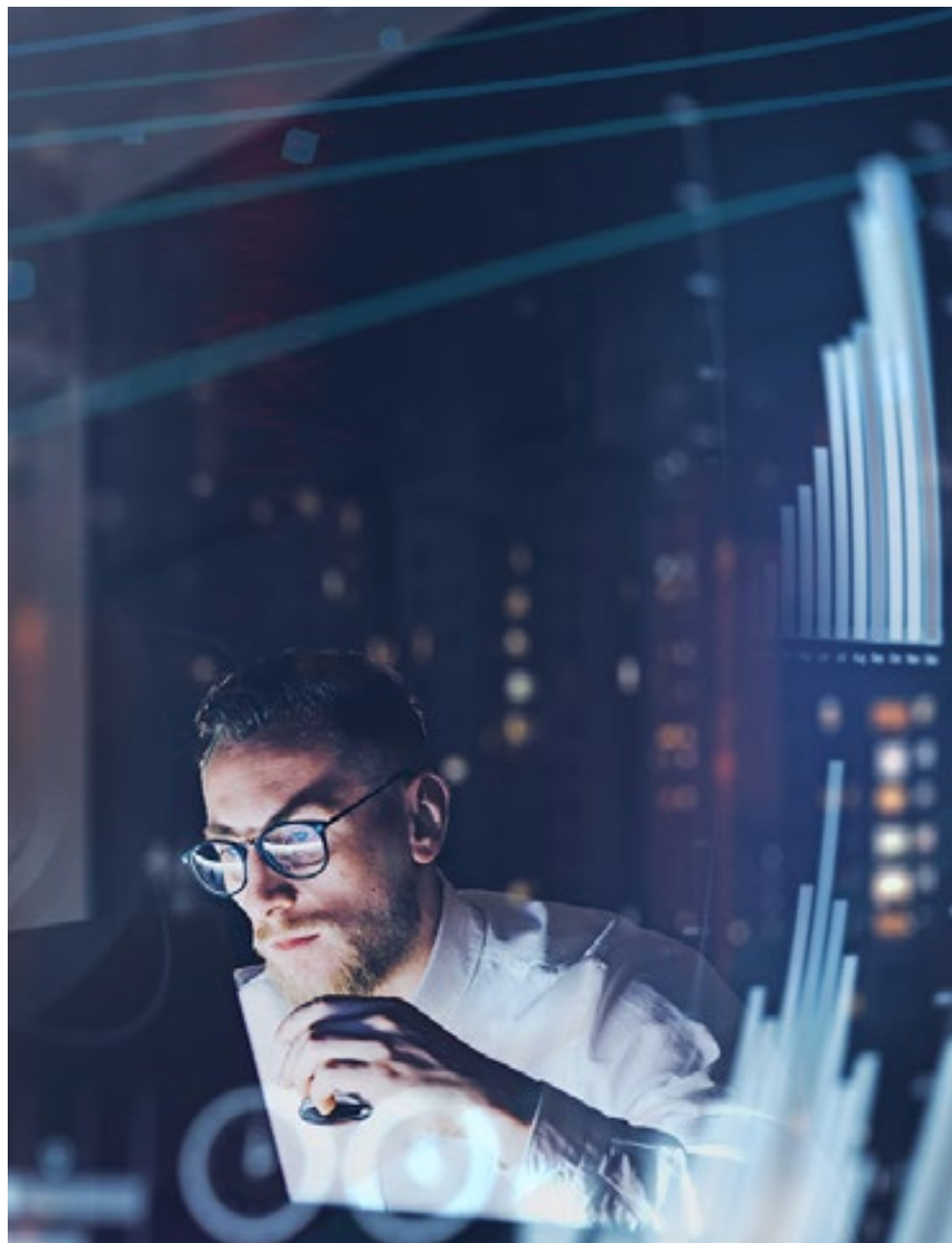




## Compliance Monitoring Program

As an overall result of the review carried out at the end of financial year 2021, **the average residual compliance risk is considered to be moderate with satisfactory controls.**

Over 2021, the program has been reinforced with the inclusion of controls related to new applicable regulations or changes in the regulations in force. Issues related to Computer Security and Environmental, Social and Governance risks stand out. Moreover, as a result of the IPO of Allfunds Group plc, the parent company of Allfunds Bank, S.A.U., on Euronext Amsterdam, controls relating to market abuse regulations have also been reinforced.



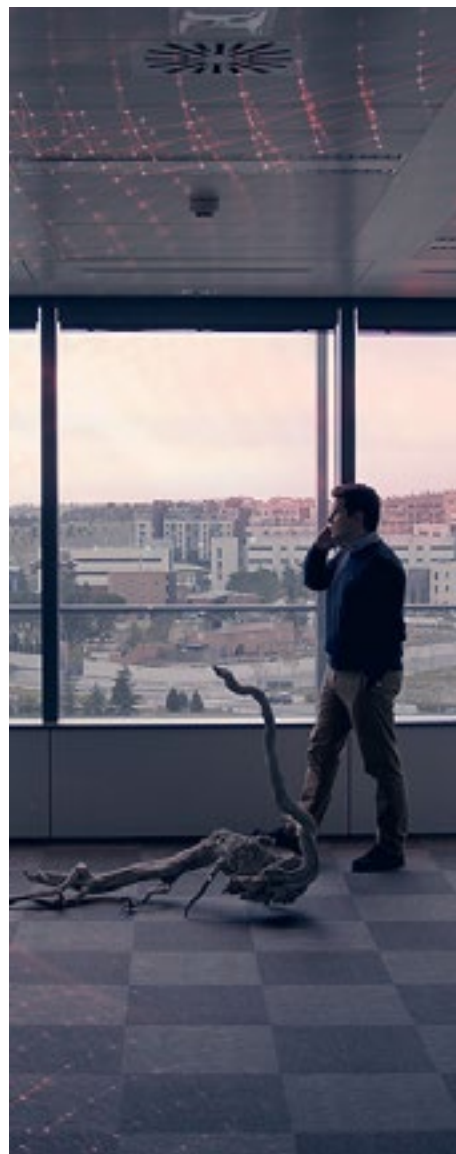
## Compliance Monitoring Program / Money Laundering and Terrorist Financing Prevention

We have a Manual for the Prevention of Money Laundering and Terrorist Financing, which outlines the guidelines for action and due diligence measures implemented across the Group, based on Spanish and European Union regulations on the matter, which are managed and coordinated by the AML/CFT Unit within the Compliance department.

The areas on which the model is based are:

1. Measures at the beginning of any business relationship with new customers, through the pertinent due diligence and analysis of such entities. Also, prior to starting commercial activities in each geography, a country analysis is carried out.

New customers are approved by the Customer Acceptance Committee, chaired by the CEO and attended by the Compliance department (AML/CFT Unit and local Compliance Officers), the Risk Management department, and the Legal and Sales departments. The committee discusses the analyses carried out on each customer by both the AML/FT Unit and the Risk Management department,



as well as the business reasons. The Committee is also in charge of approving new countries to establish customer relationships.

Furthermore, a due diligence of each entity is carried out by the AML/CFT Unit at the beginning of the commercial relationship with fund managers. If signs of significant reputational risk are detected with any manager, the issue is escalated to the Customer Acceptance Committee for approval or rejection.

2. Customer monitoring measures. In this regard, Allfunds has established the following tools: daily screening of customer data against international sanctions and embargo lists, regular customer due diligence analyses, daily screening of money flows, controls and alerts based on customer transactions and on-site visits and reviews to higher risk customers or in higher risk geographies.

Moreover, based on the regulations in force, which were reinforced in 2021 pursuant to the new guidelines of the European Banking Authority on risk factors for money laundering and terrorist financing, a global assessment of Allfunds' exposure to this risk is carried out on an annual basis.

The assessment analyses (1) the factors related to the risks of clients, geographical and by products, services and distribution channels, and (2) the effectiveness of the controls in place. In the evaluation corresponding to the end of 2021, it was considered **that the inherent risk was moderate**, mainly due to the geographical location of some clients, **that controls were satisfactory and therefore that the residual risk of money laundering remained low.**





## Compliance Monitoring Program / Criminal Risk Prevention Model

In accordance with the provisions of the Spanish Criminal Code and Circular 1/2016, on the Criminal Liability of Legal Entities, of the State Attorney General's Office, companies must have robust criminal risk prevention models adapted to their activity.

As a consequence of this and in line with our compliance culture, we have a **Criminal Compliance Model** developed through the **Criminal Risk Prevention and Compliance Policy** and its implementation manual.

This policy informs all Allfunds' managers and employees, as well as third parties who have dealings with the organisation,

of a clear message of opposition to the commission of any unlawful act of a criminal or any other nature, and of Allfunds' commitment to combat such acts and to prevent any possible deterioration of the corporate image and reputational value. This message is reinforced through specific training plans for employees on the guidelines of conduct and the criminal risk prevention model, on an annual basis.

The Board of Directors has designated the Head of Compliance, supported by the Regulatory Compliance Unit, as the Supervisory and Control Body, to implement Allfunds' Criminal Risk Prevention Model, as well as its subsequent monitoring and to manage potential breaches.

Likewise, there are other bodies that foster an adequate control environment of criminal risks, such as (i) the Board committees, the Risk and Audit Committee and the Remuneration and Appointments Committee, (ii) the Risk and Audit Committee through which the Head of Compliance reports to management on the conclusions of the Corporate Defence model and (iii) the Customer Acceptance Committee and the AML/CFT Internal Compliance Committee.

Finally, as indicated above, the Criminal Risk Prevention program is integrated into the Compliance Monitoring program. This reinforces the entity's control environment and the efficient implementation of the compliance program adapted to the activities and services provided by the Allfunds Group with a global approach.

As a global result of the review carried out corresponding to the end of the financial year 2021, we can indicate that **the controls implemented to prevent and mitigate criminal risks have generally worked satisfactorily.**



# Talent Management



We seek to encourage the personal and professional development of our employees in a diverse and safe work environment

For Allfunds, human capital is at the heart of the company's strategy and results, as well as part of our ESG strategy.

Strengthening the skills and evolution of our employees is key to sustained business growth. Hence, the organisation creates an appropriate environment to facilitate the learning of new skills or reinforce the strengths of each individual.

Programs such as Mentoring, Coaching (on-demand development), digital training platforms and classroom training are some of the initiatives available to Allfunds collaborators.

Our collaborators have a responsibility to develop their own potential and get the most out of our development measures.

Thus, at Allfunds we understand talent as the ability and willingness to contribute beyond what could be expected from our collaborators, with a clear will and ease to learn and incorporate different knowledge and/or assume more responsibility.

During 2021, we have structured the **Human Capital Management Strategic Roadmap** as follows:





We are currently working on the four pillars (Capacity, Structure, Meritocracy and Culture) as the backbone of Allfunds’ Human Capital management, which facilitates the right ecosystem to achieve the ongoing challenges and expected results.

Thanks to this roadmap, we expect to consolidate a high-performance culture focused on continuous improvement, achievement of objectives and customer service. Achieving this in a context of strong internal growth and geographic expansion means giving maximum importance to the ability to attract and retain the best talent.

Moreover, the nature of the activity carried out by the company means that our collaborators must be permanently ready to offer support to emerging business requirements, which is only

possible with a solid human capital management policy that encourages our **excellence, transparency, autonomy and inspiration** values.

We have a number of management tools and measures in place that have an impact on the people who work in the organisation, which are based on principles such as equality, non-discrimination and respect for diversity and which are aimed at strengthening its ability to attract and retain talent:

- › **Remuneration Policy.** Its objective is to create a culture of high performance focused on continuous improvement, achievement of objectives and customer service, where employees are rewarded and recognised for their achievements, efforts, performance, involvement and commitment, together with the appropriate management of risks, measured through competencies

(knowledge, skills and attitudes) and setting targets which allow for the appropriate attraction, management and retention of talent.

- › **Training and Development Policy.** Sets out how to manage learning and development in a coherent and fair manner. Includes talent and knowledge management.
- › **Recruitment Policy.** It is aimed at widening the pool of qualified candidates from which to build a workforce that is representative of the community in a transparent manner and ensuring the equality and professional treatment of male and female candidates.
- › **Diversity and Inclusion Policy.** Created during 2021 and approved in February 2021. This sets out Allfunds’ commitments to respecting the principle of equal opportunities for women and men, as well as non-discrimination on the basis of any other reason.
- › **Digital Disconnection Policy.** With approval date September 2021, it is aimed at encouraging and promoting an appropriate and rational use of technology and technological devices, guaranteeing the right to digital disconnection of all Allfunds employees.

- › **Health, Safety and Global Welfare Policy.** It is aimed at creating a safe and healthy environment.
- › **Return-to-Office Policy.** It includes health and safety measures against Covid-19 to guarantee a safe work environment.
- › 2-hour **flexible working** for both start and finish time.
- › **Protocol for the Prevention of and Action against Harassment at Work, Sexual Harassment and Sex-based Harassment.**
- › **Work-life balance measures and other social benefits.** The motivation and job satisfaction of people working at Allfunds is achieved thanks to measures aimed at facilitating work-life balance, among other things.

Developing **smooth internal communication** is another key aspect of our talent management model. Some of the main tools that contribute to this are the CEO Corner of the corporate intranet, satisfaction surveys, events, conferences, the Human Resources mailbox or the Whistleblowing Channel.

## Team profile

At 31 December 2021, our staff was made up of 861 employees, representing an increase in employment generation of 3.23% during 2021.

### Breakdown of employees by country

|                      | 2020       | 2021       |
|----------------------|------------|------------|
| Brazil               | 1          | 1          |
| Chile                | 3          | 4          |
| Colombia             | 3          | 2          |
| United Arab Emirates | 3          | 3          |
| Spain                | 370        | 406        |
| United States        | 0          | 1          |
| France               | 10         | 12         |
| Hong Kong            | 3          | 3          |
| Italy                | 137        | 129        |
| Luxembourg           | 37         | 28         |
| Poland               | 179        | 182        |
| United Kingdom       | 45         | 47         |
| Singapore            | 14         | 13         |
| Sweden               | 6          | 7          |
| Switzerland          | 23         | 23         |
| <b>TOTAL</b>         | <b>834</b> | <b>861</b> |

### Employees by age group and gender – Data as of 31/12/2021

|                  | Women      |            | Men        |            | TOTAL      |             |
|------------------|------------|------------|------------|------------|------------|-------------|
|                  | Number     | %          | Number     | %          | Number     | %           |
| Age: ≤30 years   | 105        | 12         | 130        | 15         | 235        | 27          |
| Age: 31-50 years | 266        | 31         | 287        | 33         | 553        | 64          |
| Age: >50 years   | 24         | 3          | 49         | 6          | 73         | 9           |
| <b>TOTAL</b>     | <b>395</b> | <b>46%</b> | <b>466</b> | <b>54%</b> | <b>861</b> | <b>100%</b> |



### Employees by type of contract, gender, and age – Data as of 31/12/2021

|                  | Employees with permanent contract |            |            | Employees with temporary contract |           |           |
|------------------|-----------------------------------|------------|------------|-----------------------------------|-----------|-----------|
|                  | Women                             | Men        | Total      | Women                             | Men       | Total     |
| Age: ≤30 years   | 70                                | 90         | 160        | 35                                | 40        | 75        |
| Age: 31-50 years | 257                               | 277        | 534        | 9                                 | 10        | 19        |
| Age: >50 years   | 23                                | 48         | 71         | 1                                 | 1         | 2         |
| <b>TOTAL</b>     | <b>350</b>                        | <b>415</b> | <b>765</b> | <b>45</b>                         | <b>51</b> | <b>96</b> |

## Team profile

### Employment profile – 2019-2021 evolution

| By gender           | 2019  | 2020 | 2021 |
|---------------------|-------|------|------|
| Men                 | 59%   | 55%  | 54%  |
| Women               | 41%   | 45%  | 46%  |
| By age group        | 2019  | 2020 | 2021 |
| ≤30 years           | 19%   | 22%  | 27%  |
| From 31 to 50 years | 72%   | 70%  | 64%  |
| >50 years           | 9%    | 8%   | 8%   |
| By contract type    | 2019  | 2020 | 2021 |
| Open-ended          | 99.8% | 92%  | 89%  |
| Temporary           | 0.2%  | 8%   | 11%  |

It is worth noting that the **percentage of women has increased**, from 41% in 2019 to 46% in 2021. The ≤ 30 age group has also increased compared to 2020. In addition, the quality of employment offered by Allfunds is evident, as 89% of employment contracts are permanent.



### Total number and rate of new hires by gender and country – Data as of 31/12/2021

|                | Women     |             | Men        |              | TOTAL      |              |
|----------------|-----------|-------------|------------|--------------|------------|--------------|
|                | Number    | %           | Number     | %            | Number     | %            |
| Brazil         | 0         | 0.0         | 0          | 0.0          | 0          | 0.0          |
| Chile          | 0         | 0.0         | 1          | 0.1          | 1          | 0.1          |
| Colombia       | 0         | 0.0         | 0          | 0.0          | 0          | 0.0          |
| Arab Emirates  | 0         | 0.0         | 0          | 0.0          | 0          | 0.0          |
| Spain          | 36        | 4.2         | 73         | 8.5          | 109        | 12.7         |
| United States  | 1         | 0.1         | 1          | 0.1          | 2          | 0.2          |
| France         | 0         | 0.0         | 1          | 0.1          | 1          | 0.1          |
| Hong Kong      | 0         | 0.0         | 1          | 0.1          | 1          | 0.1          |
| Italy          | 4         | 0.5         | 4          | 0.5          | 8          | 1            |
| Luxembourg     | 2         | 0.2         | 4          | 0.5          | 6          | 0.7          |
| Poland         | 19        | 2.2         | 15         | 1.7          | 34         | 3.9          |
| United Kingdom | 1         | 0.1         | 2          | 0.2          | 3          | 0.3          |
| Singapore      | 0         | 0.0         | 1          | 0.1          | 1          | 0.1          |
| Sweden         | 0         | 0.0         | 1          | 0.1          | 1          | 0.1          |
| Switzerland    | 2         | 0.2         | 3          | 0.3          | 5          | 0.5          |
| <b>TOTAL</b>   | <b>65</b> | <b>7,6%</b> | <b>107</b> | <b>12,4%</b> | <b>172</b> | <b>20.0%</b> |

Considering that the total number of employees at the end of 2021 was 861, the total new hire rate for women is 7.6% and for men 12.4%, and therefore the total new hire rate for Allfunds in 2021 was 20.0%.

## Team profile



The average turnover rate of countries with over 20 employees, including the leaves of permanent employees, for 2021 has been 13.6%.

### 2021 turnover rate by gender and country – Data as of 31/12/2021

|                | Women        | Men          | TOTAL        |
|----------------|--------------|--------------|--------------|
|                | %            | %            | %            |
| Spain          | 10.1         | 18.2         | 15.1         |
| Italy          | 3.8          | 4.7          | 4.1          |
| Luxembourg     | 21.4         | 11.4         | 15.9         |
| Poland         | 16.5         | 20.5         | 18.2         |
| United Kingdom | 0.0          | 8.7          | 6.5          |
| Switzerland    | 26.7         | 27.6         | 27.3         |
| <b>TOTAL</b>   | <b>10.9%</b> | <b>15.9%</b> | <b>13.6%</b> |

There were a total of 25 redundancies in 2021. None of the redundancies are based on discriminatory criteria. Their distribution by gender, age and professional category is as follows:

### Redundancies by gender, age and professional category – Data as of 31/12/2021

|                     | Women     | Men       | TOTAL     |
|---------------------|-----------|-----------|-----------|
| <b>Executive</b>    | <b>0</b>  | <b>0</b>  | <b>0</b>  |
| Aged 30 and younger | 0         | 0         | 0         |
| From 31 to 50 years | 0         | 0         | 0         |
| Over 50 years       | 0         | 0         | 0         |
| <b>Manager</b>      | <b>0</b>  | <b>3</b>  | <b>3</b>  |
| Aged 30 and younger | 0         | 0         | 0         |
| From 31 to 50 years | 0         | 2         | 2         |
| Over 50 years       | 0         | 1         | 1         |
| <b>Professional</b> | <b>12</b> | <b>9</b>  | <b>21</b> |
| Aged 30 and younger | 3         | 3         | 6         |
| From 31 to 50 years | 8         | 4         | 12        |
| Over 50 years       | 1         | 2         | 3         |
| <b>Support</b>      | <b>1</b>  | <b>0</b>  | <b>1</b>  |
| Aged 30 and younger | 0         | 0         | 0         |
| From 31 to 50 years | 1         | 0         | 1         |
| Over 50 years       | 0         | 0         | 0         |
| <b>TOTAL</b>        | <b>13</b> | <b>12</b> | <b>25</b> |

## Remuneration Policy

Employee remuneration is a key aspect in attracting and retaining the best professionals in the market and thus meeting the defined objectives, creating value for shareholders and investors.

Our **Remuneration Policy**, approved by the Board of Directors and periodically assessed by the Appointments and Remuneration Committee, establishes principles and guidelines to ensure that each position within the organisation is appropriately remunerated, based on experience, level of responsibility and contribution of value, without losing sight of internal equity and external competitiveness. The Policy also provides for mechanisms to ensure that exceptional results and levels of performance are appropriately rewarded.

- › The Remuneration Policy guarantees **non-discrimination** in remuneration on the basis of gender, age, culture, religion, race and any other matter unrelated to working conditions.
- › It promotes **internal equality** between similar levels of responsibility and performance.
- › It also provides for **external equality**, taking into account what the market

is paying to comparable profiles in accordance with the remuneration regulations applicable to credit institutions.

- › It does not introduce incentives whereby employees favour their own interests, or the interests of the institution, to the detriment of clients. In this respect, there is no direct link between remuneration and the sale of certain financial instruments or specific product categories.
- › **Fixed remuneration** represents a significant proportion of total compensation, and **variable remuneration** serves to reward good performance, based on the achievement of the company's objectives together with appropriate risk management.



## Remuneration Policy

The individual remuneration received by the members of the Board of Directors is shown below:

| Remuneration received (in thousands)* |   |           |
|---------------------------------------|---|-----------|
| Mr Blake Kleinman                     | President representing substantial shareholders | -         |
| Ms Zita Saurel                        | Director representing substantial shareholders  | -         |
| Mr Johannes Korp                      | Director representing substantial shareholders  | -         |
| Mr Fabian Shey                        | Director representing substantial shareholders  | -         |
| Mr Julian Abraham                     | Director representing substantial shareholders  | -         |
| Mr David Vaillant                     | Director representing substantial shareholders  | -         |
| Mr Andrea Valier                      | Director representing substantial shareholders  | -         |
| Ms Lisa Dolly                         | Independent Director                            | €130      |
| Ms Sofia Mendes                       | Independent Director                            | €95       |
| Mr David Pérez Renovales              | Independent Director                            | €130      |
| Mr JP Rangaswami                      | Independent Director                            | €150      |
| Mr Delfin Rueda                       | Independent Director                            | €95       |
| Ursula Schliessler                    | Independent Director                            | €120      |
| Mr Juan Alcaraz                       | Executive Director                              | £3,020.3  |
| Mr Amaury Dauge                       | Executive Director                              | € 1,042.6 |

\* In the case of executive directors, the data include fixed remuneration (salary, benefits and contribution to the pension scheme) and variable remuneration (bonuses and long-term incentive plan). Directors representing substantial shareholders do not receive remuneration, and independent directors receive a fixed remuneration.



The fixed and variable remuneration (without including the long-term incentive plan) of the members of the Executive Committee amounts to 637 thousand Euro. This amount does not include the remuneration of the CEO, Juan Alcaraz. (See remuneration of the Board of Directors). It is not broken down by gender due to confidentiality reasons, given that there is only one woman in the Executive Committee.

| Executive Committee         |   |
|-----------------------------|---|
| Mr Gianluca Renzini         | Chief Commercial Officer & Trading Services |
| Mr Borja Largo              | Chief Fund Groups Officer                   |
| Mr Amaury Dauge             | Chief Financial Officer                     |
| Mr Mariano Blanchard        | Chief Technology Officer                    |
| Ms Marta Oñoro              | General Counsel                             |
| Mr Jorge Calviño            | Chief People Officer                        |
| Mr Juan de Palacios         | Chief Strategy Officer                      |
| <b>Average remuneration</b> | <b>637 thousand Euro</b>                    |



## Remuneration Policy / Remuneration ratios

Only remuneration ratios for countries with more than 20 employees are included.

### Ratio of annual total remuneration between the highest paid person in each country and the median remuneration of the annual total compensation of all employees (excluding the highest paid) in 2021.

|                |      |
|----------------|------|
| Spain          | 20.6 |
| Italy          | 10.3 |
| Luxembourg     | 6.5  |
| Poland         | 4.6  |
| United Kingdom | 13.0 |
| Switzerland    | 2.5  |

### Ratio between average salary and statutory minimum wage in each country, by gender, in 2021.

|                | Women | Men |
|----------------|-------|-----|
| Spain          | 3.5   | 3.9 |
| Italy          | 3.5   | 4.2 |
| Luxembourg     | 3.3   | 4.4 |
| Poland         | 2.0   | 1.9 |
| United Kingdom | 3.7   | 6.7 |
| Switzerland    | 3.0   | 3.4 |

**Ratio of the percentage increase of the annual total remuneration of the highest paid person in the organisation in each country with significant operations against the median of the percentage increase of the annual total compensation of all employees (excluding the highest paid person) in the same country.**

During 2021, there was no increase in annual total compensation for top earners in each country, so it is not possible to provide the ratio of the percentage increase in annual total compensation.



In 2021, we have carried out a levelling process for all positions to ensure consistency, fairness and competitiveness of remuneration and benefits in all regions in which it operates. This process is pending validation by the Board of Directors.

Once approved, a thorough analysis of remuneration per position will be carried out. This will allow the implementation of corrective measures in the event that differences are detected that are not exclusively based on objective criteria, with the ultimate aim of guaranteeing our commitment to equal opportunities.

Furthermore, a Long-Term Incentive Plan (LTIP) has been prepared, along with its implementation and the review of the variable remuneration system.

## Training and development

We encourage a company culture in which it is possible to maximise collective talent aimed at achieving the best results. In this respect, talent management at Allfunds focuses on **fostering the professional development of each employee**, so that they can give the best of themselves in an environment based on communication, impeccable behaviour and recognition of achievements.

We encourage our teams to grow and develop, to showcase their individual skills and strengths and to contribute to a better and more diverse environment. We understand talent as a dimension of diversity, not just reserved for a few, and we ensure a suitable environment to grow and utilise the diversity of that talent.

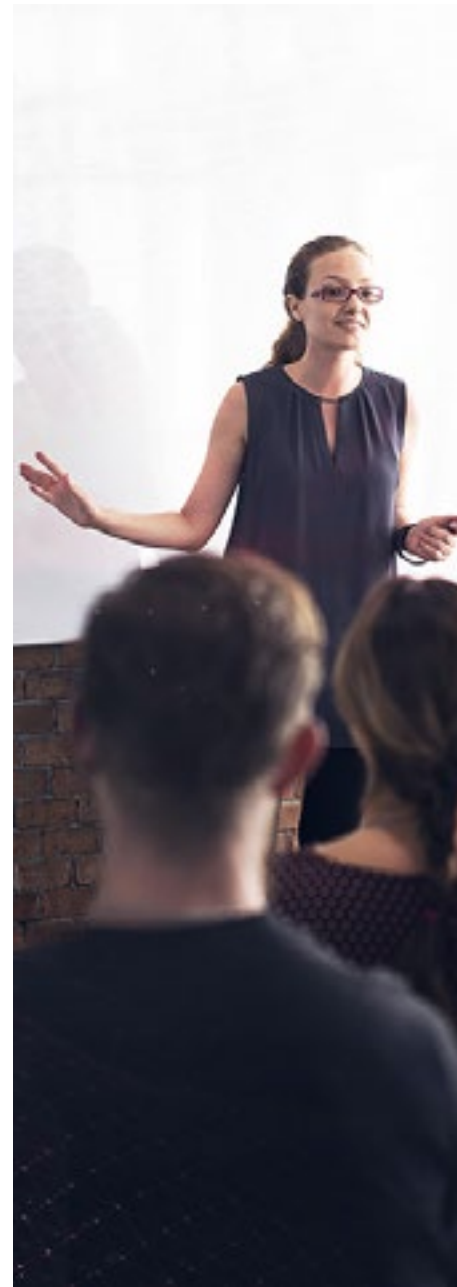
The learning and development of our employees would be integrated into the Capacity pillar under our **Human Capital Management Strategic Roadmap**.

The actions to encourage learning and development carried out during 2021 include:

- › Internal Mentoring Program (Expert Managers as Mentors / High Potential Employees as Apprentices).
- › Leadership Programs to mainly reinforce the Leadership Style in Middle Management and New Manager positions at Allfunds.
- › Implementation of a learning platform that offers a wide range of training courses that employees can choose 'à la carte' on their own.
- › Introduction of the gamification methodology to better involve employees in learning paths.
- › Talent management: offering internal development opportunities within the organisation and recognising them through our intranet (positions that are covered internally and promotions).

One of the tools to support development is our **Training and Development Policy**, which includes actions aimed at providing added value to employees and guaranteeing the highest levels of technical competence in the performance of their duties.

Likewise, we offer ongoing training, which includes subjects related to the General Code of Conduct and Corporate



Defence, internal policies and protocols, anti-money laundering, cybersecurity, data protection and other applicable compliance regulations, which are applicable in the countries in which Allfunds operates.

During 2021, 88% of employees have been trained in the General Code of Conduct of Allfunds, and we plan to reach 100% during 2022.

## Training and development



2021 training hours by type and professional category

|              | Women            |                             | Men              |                             | Total number of people trained | Total hours of training |
|--------------|------------------|-----------------------------|------------------|-----------------------------|--------------------------------|-------------------------|
|              | Qualified people | Number of hours of training | Qualified people | Number of hours of training |                                |                         |
| Executives   | 6                | 109.98                      | 31               | 243.48                      | 37                             | 353.46                  |
| Manager      | 58               | 504.21                      | 87               | 1,197.43                    | 145                            | 1,701.64                |
| Professional | 322              | 3,217.40                    | 351              | 3,101.45                    | 673                            | 6,318.85                |
| Support      | 13               | 76.81                       | 3                | 9.37                        | 16                             | 86.18                   |
| <b>TOTAL</b> | <b>399</b>       | <b>3,908.40</b>             | <b>472</b>       | <b>4,551.73</b>             | <b>871</b>                     | <b>8,460.13</b>         |

In 2021, a total of 8,460.13 hours of training were given, 30.16% more than in the previous period (5,908.02 hours in 2020), which is equivalent to an average of 9.8 hours of training per person (7 hours in 2020).

Number of hours of training by type of training

| Area                                  | Number of hours of training |
|---------------------------------------|-----------------------------|
| Blockchain                            | 55.33                       |
| Commerce and trading                  | 438.58                      |
| Compliance                            | 179.99                      |
| Digital                               | 122.36                      |
| Finance                               | 351.56                      |
| Fund Groups                           | 572.54                      |
| General Management                    | 3.00                        |
| Corporate Communication               | 28.50                       |
| Human Resources and General Services  | 294.66                      |
| Internal Audit                        | 59.06                       |
| Investment                            | 262.88                      |
| IT systems                            | 2,520.37                    |
| Legal                                 | 71.41                       |
| Products                              | 4.00                        |
| Risk                                  | 185.59                      |
| Strategic planning                    | 12.50                       |
| Operations and Customer Service       | 3,184.41                    |
| Transformation and integration office | 113.41                      |
| <b>TOTAL</b>                          | <b>8,460</b>                |

## Training and development

| Number of training hours per country |                             |
|--------------------------------------|-----------------------------|
| Area                                 | Number of hours of training |
| Spain                                | 5,839.75                    |
| Poland                               | 876.53                      |
| Italy                                | 655.64                      |
| United Kingdom                       | 358.62                      |
| Switzerland                          | 221.51                      |
| Luxembourg                           | 159.35                      |
| Sweden                               | 106.00                      |
| Singapore                            | 86.00                       |
| France                               | 53.01                       |
| Arab Emirates                        | 29.71                       |
| Chile                                | 21.50                       |
| Hong Kong                            | 15.00                       |
| Brazil                               | 9.00                        |
| United States                        | 1.00                        |
| <b>TOTAL</b>                         | <b>8,460.13</b>             |



In terms of career development, 100% of Allfunds employees have access to **annual performance appraisal mechanisms**. Also, being a global company, there are possibilities for **international internal mobility**, regulated in the Mobility Policy.

## Equal opportunities and diversity



All our internal policies and regulations are based on principles of **equality, non-discrimination** and respect for **diversity**.

The main measure adopted in 2021, to guarantee equality and diversity within Allfunds, eliminating any form of discrimination, has consisted in the preparation of our **Equality and Inclusion Policy**, approved in February 2021.

This policy applies to all the people and working spaces of the company and establishes our general principles of action, based on the following pillars:

### Selection and access to employment

Strengthen equal opportunities in selection processes, reinforce mechanisms for access to employment for minority groups and help people who participate in these processes to minimise unconscious biases or stereotypes.

### Training, promotion and development

Encourage equal opportunities in promotion and development processes, promote and favour a system for detecting training needs that guarantee equal access to the said training and incorporate training and awareness actions on Diversity and Equal Opportunities.

### Culture, communication and image

Incorporate a specific space on the corporate intranet that contains all the information related to diversity and equality, internally and externally reinforce Allfunds' commitment to equality and diversity and extend the commitments to equality and diversity to companies and suppliers with which we work.

### Remuneration

Establish a job evaluation system that guarantees the effective implementation of the principle of equal treatment and non-discrimination, as well as a remuneration policy based on equity criteria that prohibits any type of discrimination.

### Working conditions.

Promote measures that facilitate work and family reconciliation, guarantee a safe work environment in which there is no place for any type of harassment, intimidation or violence, and ensure the accessibility of physical and digital environments to achieve the labour integration of employees with disabilities.

## Equal opportunities and diversity

The preparation of this policy is included within the framework of our Equality Plan, which was approved in December 2020, and which is valid until December 2024.

We have an Equality Plan Monitoring Committee, made up of 6 people, 3 women and 3 men, who generally meet once a year. Follow-up indicators have been established for the equality plan, which are reviewed on a regular basis to ensure effective equality between women and men within the company.

We have a **Protocol for Preventing and Acting against workplace harassment, sexual and gender-based harassment**, which encourages and guarantees a working environment in which all people are treated with respect and dignity. This protocol applies to everyone at Allfunds' different offices and locations.

Allfunds' commitment to equality, non-discrimination and diversity is also expressly stated in the CSR policy and in the General Code of Conduct, which includes a commitment to zero tolerance for any kind of abuse, intimidation, lack of respect and consideration or any kind of physical or verbal aggression.

In relation to gender equality, in 2021, **46%** of the Allfunds team were **women**,

and female representation on the Board of Directors reached **28.6%**, 2% more than in 2020. There is complete parity among the independent directors, 50% of which are women.

Given the global focus of the bank, our workforce in 2021 consisted of employees of **45 different nationalities**, forming a diverse team and offering an enriching work experience for employees. The distribution of the workforce by gender and age is as follows:

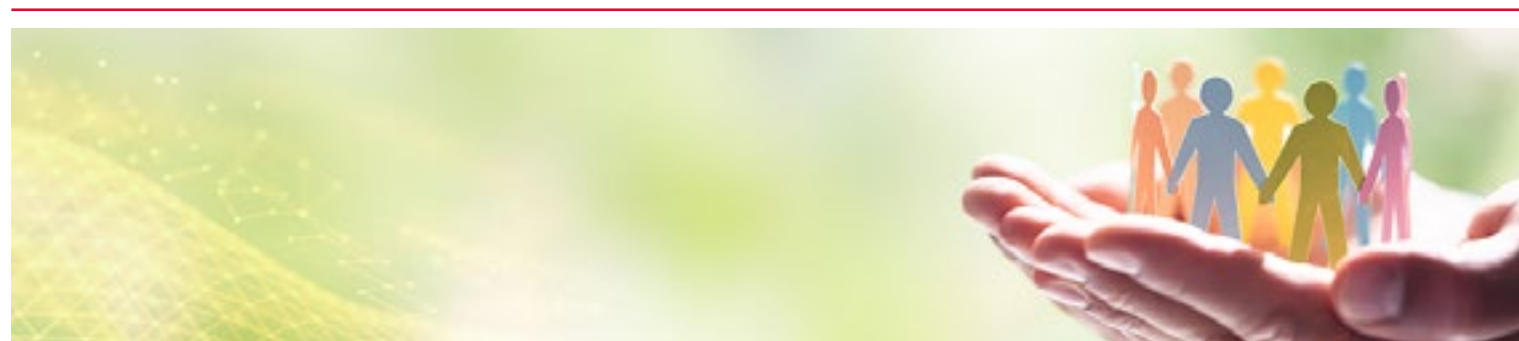
**Distribution of Allfunds staff by gender and professional category – Data as of 31/12/2021**

|              | Men | Women |
|--------------|-----|-------|
| Executive    | 85% | 15%   |
| Manager      | 63% | 37%   |
| Professional | 53% | 47%   |
| Support      | 20% | 80%   |

**Employees who exercised their entitlement to maternity or paternity leave in 2021**

|              | Women     | Men       | TOTAL     |
|--------------|-----------|-----------|-----------|
| Spain        | 12        | 15        | 27        |
| Italy        | 12        | 0         | 12        |
| Luxembourg   | 1         | 2         | 3         |
| Poland       | 15        | 3         | 18        |
| Switzerland  | 0         | 1         | 1         |
| <b>TOTAL</b> | <b>40</b> | <b>21</b> | <b>61</b> |

100% of employees on maternity/paternity leave returned to work at the end of their maternity/paternity leave.



## **Equal opportunities and diversity / Universal accessibility for people with disabilities**

All indoor spaces within our offices are adapted for people with disabilities, in compliance with current regulations. There are accesses suitable for use by all persons and toilets adapted for people with disabilities in most of the sites.

The property of the central headquarters in Madrid has obtained the accessibility certificate for the facilities, based on the Technical Specifications of the AIS 1/2018 Standard (Accessibility Indicator System) in the Built Environment modality, reaching a level of accessibility corresponding to 2 Stars.

Accessibility certificate No. AIS 745 ESP 2020 has been obtained, in which its use and validity is subject to an annual review and to the verification of the degree of accessibility every three years. Our ultimate goal is to ensure that the facilities are suitable for all.

In 2021, Allfunds has hired 14 people with disabilities in two of the countries where we operate, 5 of them in Spain and 9 in Italy. The percentage of people with disabilities compared to the average workforce (861 employees) during 2021 in Allfunds is 1.63%, that is, there has been an 0.8% increase in inclusive employment since 2020.

**No discrimination complaints were received in 2021.**



## Work-life balance and social benefits



Generally speaking, and in line with market practice, local regulation and established local agreements, the social benefits that Allfunds provides to all its employees are **private health insurance and life and accident insurance schemes and a pension plan** for the most part.

In addition, depending on the country environment, employees may also have access to other benefits, such as meal subsidies or allowances, discounts on services, childcare allowances, company car, travel insurance, training allowances, and others.

### Social benefits by country 2021

|                | Pension plan | Life and accident insurance | Private health insurance | Subsidy/ food allowance |
|----------------|--------------|-----------------------------|--------------------------|-------------------------|
| Brazil         | ✗            | ✓                           | ✓                        | ✓                       |
| Chile          | ✗            | ✓                           | ✓                        | ✓                       |
| Colombia       | ✗            | ✓                           | ✓                        | ✗                       |
| Italy          | ✓            | ✓                           | ✓                        | ✓                       |
| Luxembourg     | ✓            | ✓                           | ✓                        | ✓                       |
| Singapore      | ✗            | ✓                           | ✓                        | ✗                       |
| Spain          | ✓            | ✓                           | ✓                        | ✓                       |
| Switzerland    | ✓            | ✓                           | ✓                        | ✗                       |
| Arab Emirates  | ✓            | ✓                           | ✓                        | ✗                       |
| United Kingdom | ✓            | ✓                           | ✓                        | ✓                       |
| Hong Kong      | ✓            | ✓                           | ✓                        | ✗                       |
| Sweden         | ✓            | ✓                           | ✓                        | ✗                       |
| France         | ✗            | ✓                           | ✓                        | ✓                       |
| Poland         | ✗            | ✓                           | ✓                        | ✓                       |

Another one of Allfunds' work-life balance measures is the 2-hour flexible working for both start and finishing times, as well as digital disconnection.



## Work-life balance and social benefits / Digital Disconnection Policy

We have drawn up a digital disconnection policy, dated September 2021, applicable to all employees of Allfunds companies and institutions. It includes a series of measures to guarantee the exercise of the right to digital disconnection:

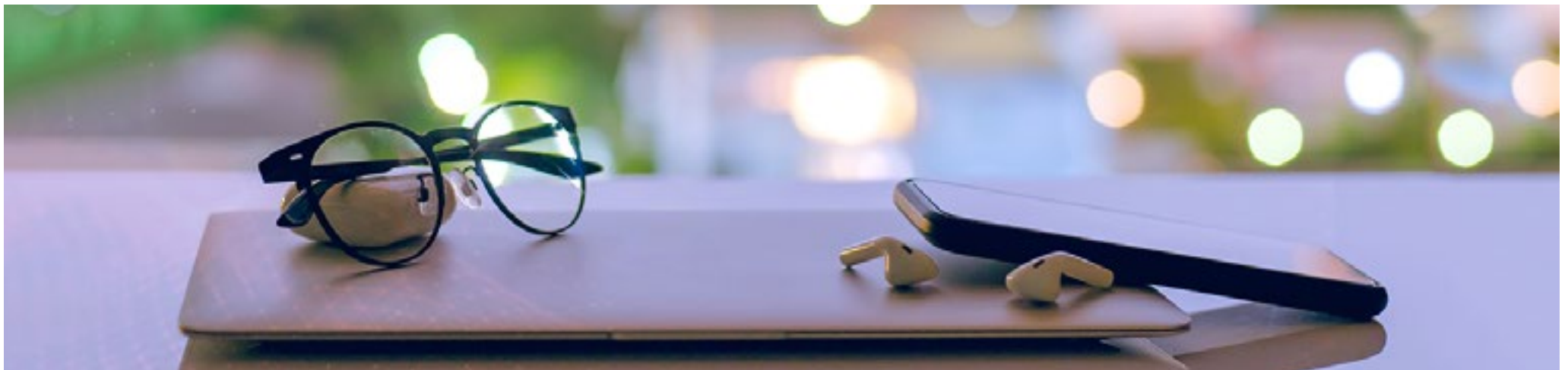
- 1 The right to daily and weekly rest, permits or vacations of all employees will be respected.
- 2 Sending emails or making calls of a professional nature outside the hours established for Allfunds employees will be avoided, as far as possible, unless there are circumstances that justify doing so.
- 3 Calling work meetings outside the hours established for Allfunds employees will be avoided to the extent possible.

4 Where possible, meetings will be called sufficiently in advance for employees to be able to plan their working day. Furthermore, an attempt will be made to include in the calls the start and end times of the meetings, as well as all the documentation that will be assessed therein for meetings to be as productive and effective as possible.

5 Given the international nature of Allfunds, which has offices in different time zones, efforts will be made to send communications, calls or calls to meetings during overlapping hours or at the time closest to the said overlap.

6 Efforts will be made to ensure that the mandatory training required by the company is given within the hours established for Allfunds employees.

7 In order to progress concerning compliance with the content of this protocol, Allfunds will encourage actions to raise awareness among its employees and managers about the need to protect the right to digital disconnection.



## Health and safety at work

We are committed to providing and maintaining a safe and healthy working environment for employees, visitors and all persons using our facilities.

Compliance with legislation is a prerequisite, and where possible, also implementing minimum standards with a focus on further reducing any significant occupational health and safety risks.

In addition, we fulfil our duty to provide a safe and healthy working environment for our employees, applying the regulations in force in each country in which we operate and taking into account legislative trends and international standards, as well as other commitments.

Particularly, in Spain, in accordance with the provisions of articles 10 and 14 of Royal Spanish Decree 39/1997, we have adopted an external prevention service (EPS), which assumes the specialities of occupational health and safety, industrial hygiene, ergonomics, applied psychosociology and health surveillance.

Remarkable milestones in health and safety during 2021 include:

- › The preparation of a **Global Health, Safety and Welfare Policy**, in order to protect people from injuries or occupational diseases and offering a safe and healthy environment. The policy is available on the corporate website.
- › In September 2021, a return to office policy has been published, which includes health and safety measures against COVID-19 to guarantee a safe work environment.
- › Occupational and environmental risk prevention audits are being performed by the external company Bureau Veritas, in most of our offices, aimed at detecting any potential risk or deficiency and at looking for opportunities for improvement. Completion is scheduled for the first quarter of 2022.

Once all the audits have been carried out, an action plan will be designed, due to the urgency and importance of the risks identified, which is expected to be prepared throughout the 2022-2023 period, implementing the measures that are required in each case.



We also intend to develop a Work Accident Investigation Policy in 2022, to define a methodology that allows to notify, register and investigate work-related accidents, incidents and occupational diseases at a global level in an orderly manner.

We have installed defibrillators in all our offices, regardless of the number of workers, size and location, to offer the greatest protection and resources for our working spaces to be safe and healthy.

We monitor, measure and report health and safety performance on a regular and ongoing basis and investigate incidents to prevent recurrence, along with the legal representation of workers and the human resources area.

## Health and safety at work / Work accidents and occupational diseases

In 2021, there were no lost time injuries at Allfunds at any of the workplaces and no occupational illnesses. There has only been one commuting accident in Spain, and it did not result in a sick leave.

We have positions within the organisation that are classified as involving a high risk of accidents and/or illness related to their activity.

Leaves by gender and country 2021

|                | Women      | Men        | TOTAL      |
|----------------|------------|------------|------------|
| Spain          | 35         | 30         | 65         |
| France         | 2          | 1          | 3          |
| Italy          | 22         | 20         | 42         |
| Luxembourg     | 8          | 7          | 15         |
| Poland         | 89         | 57         | 146        |
| United Kingdom | -          | 1          | 1          |
| Singapore      | 1          | -          | 1          |
| Sweden         | -          | 1          | 1          |
| Switzerland    | 1          | 2          | 3          |
| <b>TOTAL</b>   | <b>158</b> | <b>119</b> | <b>277</b> |



The total absence hours during 2021, calculated on an aggregated basis across all countries, amounted to 86,115 hours, that is, 86% more than in 2020 (46,331 hours). This includes absence hours due to common contingencies and maternity and paternity leave hours.

The significant increase in absence hours in 2021 compared to the previous year is due to the fact that all the staff in Poland and part of the staff in Italy joined Allfunds in October 2020. Accordingly, only the absence hours of these sites from October to December were included, thus not including the entire year.

With regard to the protection of workers but not employees, we carry out a Coordination of Business Activities (CAE) with the competing companies in order to guarantee people's safety. This coordination is performed in each country, by the relevant department of each supplier. In addition, Emergency Plans have been implemented at the company's working spaces.

## Health and safety at work / Work accidents and occupational diseases

2021 has been a very difficult year with regard to **mental health**, since most employees have had to face very complicated situations. We are aware of the psychological impact that the pandemic has had on our workforce, which is why we have made a firm commitment to carry out initiatives to help and support our employees.

In this regard, it is worth highlighting the training session on mental health given in the United Kingdom, focused on how to face a strict lockdown period again. We have the intention to hold more sessions in other countries and globally throughout 2022.

Furthermore, we respect the right to freedom of association and trade union freedom proclaimed in the **Universal Declaration of Human Rights**.

We currently have trade union representatives in Italy and Luxembourg, with whom there is a fluid and constant relationship through the Human Resources Managers in the various countries where we operate. We also meet with trade unions on a regular basis, with the aim of ensuring an open,

transparent and constructive dialogue to consolidate the objectives of social peace and job stability.

In the rest of the countries, we organise our social dialogue with employees through different channels such as the CEO Corner of the corporate intranet, satisfaction surveys, events, conferences, the Human Resources mailbox or the Whistleblowing Channel, among others.

66.78% of our employees around the world are subject to a Collective Bargaining Agreement.

- › In Spain, the Collective Bargaining Banking Agreement and the Collective Bargaining Agreement for Offices for the province of Valencia are applied to all employees.
- › In Italy, a Collective Bargaining Credit Agreement that includes 129 employees.
- › In Luxembourg, a Collective Bargaining Agreement for Banking Employees that includes 28 employees.
- › In France, a Collective Bargaining Banking Agreement that includes 12 employees.



# Digitalisation and Innovation

**We stand for innovative digital technologies to offer our clients more agile, efficient and secure products and services**

## Allfunds 3.0

At Allfunds we believe that our competitive strengths have placed us at the forefront of innovation and allowed us to take full advantage of favourable market trends. We have evolved from 'Allfunds 1.0', a European platform with a limited-service offering, to 'Allfunds 2.0', a single digital operating platform.

The Group is well positioned to enhance its business and scale in the years to come, with opportunities primarily focused on the following strategic pillars supporting the 'Allfunds 3.0' vision for the future as a 100% digital service provider:

- > **100% digital interaction with clients:** One of the main purposes of Allfunds 3.0 is to become a fully digital platform where clients, who are both managers and distributors, interact directly on a digital basis through the integrated panel 'Connect'.
- > **Global presence:** from a purely European platform, the Group

has expanded its global presence, becoming a global player. We will continue this expansion by entering new markets and confirming our commitment to key areas such as the United States or Asia, where we will open our third local office in 2022.

- > **Big data science about client behaviour:** the Group is willing to combine the vast amount of trading and execution data (which it has gathered throughout the last 20 years and still gathers at present) with the data available on Allfunds Connect to generate real-time information on behaviours, investors and customer appetite. The combination of historical and decision-making data from Connect generates high-value information that allows the development of an advanced predictive investment behaviour model.

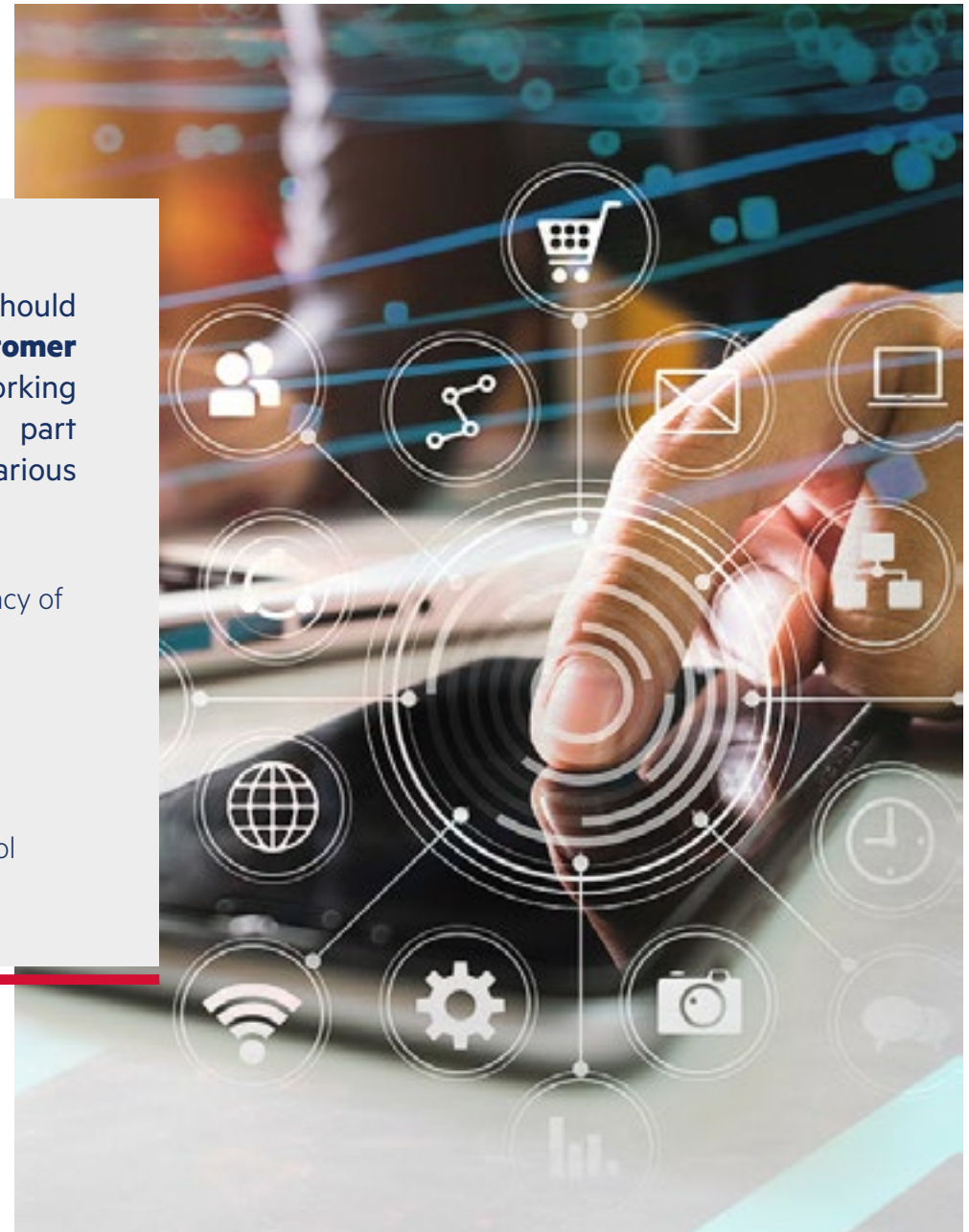
*(Continue)*

## Allfunds 3.0

- > **B2B marketplace:** Allfunds Connect currently includes services owned by Allfunds. The Group has entered into and may continue to enter into strategic alliances with third-party suppliers to incorporate new services and solutions to Allfunds Connect as part of a market offering that combines proprietary in-house applications and best-in-class third-party tools. The improvement of the offer to a new class of assets, thus enabling our clients to have access to alternative investments, is a clear example of this.
- > **Full blockchain implementation:** The Group has long acknowledged that blockchain innovations can disrupt the global asset management value chain. Since 2018, we have been developing an Allfunds Blockchain offer that materialises from December 2021 in several laboratories, thus resulting in real solutions (such as FAST, an initiative aimed at reducing the times of transfers of investment funds). The offer is part of some test projects.

We believe that Allfunds should become a **100% digital customer service company**. We are working hard to reinforce the digital part by developing/creating various initiatives:

- > Big Data to improve the efficiency of fund sales
- > Ecosystem expansion
- > B2B market
- > Blockchain
- > Comprehensive roboadvisor tool



## Allfunds Blockchain

Allfunds Blockchain is the best example of Allfunds' innovative DNA, i.e., the representation of how a company can constantly evolve by way of technology.

It is a software company engaged in developing solutions not only for Allfunds and its clients, but for the whole fund industry, thus creating a collaborative ecosystem. A comprehensive and ground-breaking blockchain platform to transform the investment fund scenario at a technological level.

Allfunds Blockchain is collaborating with global industry players to develop a digital blockchain ecosystem to be fully prepared for a non-paper-based industry with a new set of digital tools.

A private blockchain network for the sector without any negative environmental impact, which is not associated with high levels of energy consumption nor with the need to compete in technological resources, for financial institutions around the globe to have access to multiple business initiatives, to understand the best strategy for the adaptation and use of blockchain technology by all those involved in the fund industry value chain.



### Allfunds Business Smart Contracts solution

Blockchain technology for fund distribution activities that allows to define the best strategy for adapting and using blockchain technology across the value chain.

### A business platform ready to achieve savings

An opportunity to achieve savings across a blockchain ecosystem and understand the best adaptation strategy in a constantly changing environment.

### The way to become part of the value chain

Understanding that technology and its implementation can drastically reduce the core business activities currently taking place in the value chain is a key factor in all industries.

### A technical solution for a corporate ecosystem

Special privacy and anonymity capabilities with regard to any issues related to data governance in blockchain ecosystems.

### Minimising issues

Avoid lengthy and costly installation processes by using our built-in tools.

## Allfunds Blockchain / Blockchain solutions

Allfunds Blockchain is our vision for the fund industry, where activity will be transformed by technology. This is not about taking years to replicate platforms, but about developing blockchain modules and integrating them to discover the advantages of our Allfunds Blockchain value proposition for the fund industry.

### Transfer solution



An ideation process validated by key players

This business solution was launched by Allfunds Blockchain in 2021, after 10 months of collaboration in Spain with 12 of the country's main financial institutions, as part of an ideation process to transform fund transfer operations in the market.

This new solution for the fund sector was aimed at reducing operating times and risks, with fully traceable flows and an improved experience for end investors.

- > **Time:** Avoid delays caused by current inefficient technical solutions by reducing data exchange activities carried out by third parties and reconciliation activities.

- > **Operational errors:** Real-time validation of inter-institution transfer requests, reducing administrative overhead and lost opportunities due to data quality rejections, and leading to a better user experience for end investors.
- > **Access to data:** Management of data and transactions in real time between institutions to avoid current deficiencies. A transparent platform to monitor and audit all transactions and associated details.

### Next generation solution



Tokenización Digital

Bringing the asset tokenisation process to the fund industry

Tokenisation consists in the digital representation of property titles within a Blockchain network, i.e., an electronic way of representing these kinds of titles to facilitate their circulation, settlement and compensation. This process is a new and better way of doing something we already did differently, thanks to technology.

The initiative is supported by the implementation of blockchain technology

in the issuance, management and distribution of investment funds, which are digitally tokenised to simplify their marketing among investors.

We work in direct collaboration with Spanish regulators and supervisors within the Regulatory Sandbox, in order to encourage an efficient regulatory framework that favours innovation.

### Partnership with ConsenSys



Allfunds and ConsenSys collaborate to apply Allfunds Blockchain technology beyond the fund industry

Our blockchain technology, beyond the fund sector, is greatly contributing to the ongoing development of the Enterprise Ethereum ecosystem across enterprise environments, thus solving the main issues related to data governance in blockchain ecosystems.

Our collaboration with the world's leading blockchain software company,

ConsenSys, offers businesses around the world access to a new private transaction management solution that further extends the permissions and privacy features of the Quorum suite, while introducing a new privacy model. This model is based on proprietary technology created by Allfunds Blockchain, commercially operated and supported by ConsenSys.





## Information Security System

At Allfunds, we understand the value and importance of information in achieving our strategic objectives. Aware of this, and with the aim of guaranteeing Information Security, we have developed a program that provides support for the organisational structure, human and technical resources, processes, procedures, and protocols related to measures for foreseeing, preventing, and responding to logical and human security risks.

To achieve the defined strategy, a series of technical and organisational controls have been put in place to help ensure **confidentiality, integrity, availability and traceability**.

It also aims to guarantee crisis management, business continuity and the resilience of the organisation, as well as compliance with the corresponding regulations and good corporate governance.

Likewise, the model implemented establishes the necessary framework to achieve maximum efficiency and best practices in the coordination of these activities and services, aiming to:

- > Avoid and prevent, as far as possible, any situation of risk or aggression that could interrupt or limit the continuous and correct functioning of Allfunds'

activity and, should such a situation arise, minimise risks and restore functional normality as quickly as possible, improving resilience.

- > Develop an effective model based on an Information Security management system built on nationally and internationally recognised norms and standards, capable of operating with performance and compliance indicators.
- > Achieve an optimal level of security that is also aligned with the business strategy.

## Data Protection

We establish priorities to protect information in proportion to its classification. **Users are responsible for data processing and safekeeping**, regardless of the nature of the data or the medium on which they are stored.

Information Security measures will be carried out by means of a specific plan for the processing thereof, capable of covering the entire **life cycle of the information**.



## Information Security System / Systems Security

We define a series of objectives to protect the information and the systems that support it against possible threats, reducing the damage caused by incidents, ensuring the continuity of its services, and preserving the basic components of its security:

|                        |   |
|------------------------|---|
| <b>CONFIDENTIALITY</b> | Establish measures to ensure that only duly authorised persons have access to the information and systems.  |
| <b>INTEGRITY</b>       | Establish measures to ensure the accuracy of information and systems against accidental or fraudulent alteration, loss or destruction.                    |
| <b>AVAILABILITY</b>    | Establish measures to make information and systems available as and when required.  |
| <b>TRACEABILITY</b>    | Establish measures so that any action or transaction can be uniquely linked by ensuring compliance with key controls set out in the relevant regulations. |
| <b>RESILIENCE</b>      | Establish measures to ensure that information systems have the capacity to continue to operate despite possible incidents.                                |

## Technology Governance, Risk and Compliance

Our governance model allows setting the basic principles and guidelines to be followed in the management of technology risk, information, and communication.

This model is into consideration in all Allfunds processes. It must be **monitored on a regular basis** to ensure its correct operation and **continuous improvement**, providing information for appropriate decision-making in terms of **technology risk management**.

Technology Risk Management determines the set of elements (controls and risks) designed to **provide** reasonable **assurance** that a process **achieves its objectives**.

The Information Security Department is in charge of continuously improving this management in order to respond to the **evolution in the attack vectors of cybersecurity threats** and to ensure the inclusion of all those controls that mitigate the risks that arise within the company or the sector, for which an **applicable, repeatable, and maintainable** methodology is generated.

Information Security will assist other Allfunds areas in the identification of **regulatory, statutory, and legal requirements** applicable to Information Security, and establishing internal regulations affecting corporate security, managed processes, systems, facilities, and people, applicable on a mandatory basis to all personnel subject to the General Code of Conduct.



## Information Security System / Crisis Management

A Crisis Management Plan is established for the **different contingency scenarios** previously identified and which may affect the organisation's operations in some way.

Information Security prepares the **Business Continuity Plan** which will be activated in those cases where there may be a significant negative impact on our activity, which will include the necessary controls to identify and reduce risks, limit the consequences of the incidents that occur, ensuring resilience to ensure the timely resumption of the **operations** defined as **essential**.

### Cybersecurity Insurance

We have a cybersecurity insurance which is renewed every year. It covers potential losses in the event of a cyber-attack, which cannot be recovered within the Recovery Time Objective (RTO). It also covers potential claims for data breaches. The policy in question would cover losses of up to €10,000,000.



### Incidents: phishing

To prevent these types of incidents, which are usually the gateway to involuntary user actions, all the staff receives training on an annual basis, carrying out simulated phishing campaigns to measure results to adopt corrective actions.

We use the tool 'Cofense' for email protection purposes. It is integrated into the Outlook toolbar for users to be able to send reports directly in case they suspect receiving a phishing email. Everything is sent to our 24x7 SOC service to properly monitor and block positive cases.

There is also a 24x7 service that monitors open Internet sources, while assessing

and providing protection in the event of fraud that affects the financial sector and even the digital footprint of our VIP profiles.

We have also defined an Incident Management process to manage possible phishing cases across the organisation. The process sets the correct life cycle of these sorts of incidents (identification, classification, containment, recovery and reporting).

During 2021 we only had one significant incident, which we managed properly. It had no economic impact on the company and no claim was submitted to the insurance company.

### Cybersecurity Rating: BitSight

We use the BitSight solution to monitor and manage cyber risks that may threaten our infrastructure.

BitSight helps manage our cyber risk through security ratings and analytics that generate visibility and awareness of the security performance of the published infrastructure, thus contributing to the detection of vulnerabilities at scale and modelling systemic risk.

Our present rating is 800. We are part of the Top of the Peer Group out of a total of 26,798 financial institutions analysed.

## Information Security System / Security Master Plan

In 2021 we deployed our Information Security Master Plan (ISMP) based on NIST CSF, with a three-year plan, which includes all the actions required to continuously improve our information systems and processes.

The achievement of objectives is measured every year to ensure the increase in the desired level of maturity.

It is based on maturity levels (1-5). In Q1 2021, we started with a 2.94 rating. We are determined to reach a level of 3.5 in the next three years. Our rating at the end of 2021 was 3.14.

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## Internal Training

Every year, all Allfunds' employees receive a training session to raise awareness on Information Security and compliance with the General Data Protection Regulation (GDPR), where the concepts of confidentiality and information protection are essential.

Moreover, those whose profiles are more specific receive the following training:

- > Phishing and social engineering campaigns.
  - > Training on Security Development Lifecycle.
  - > Crisis management drills.
  - > Specific training on Business Continuity for critical personnel.
- 



## ISAE 3402

Every year, we certify our financial and technology processes through the ISAE 3402 (SOC 1 Type 2) certification, to guarantee the quality of outsourced managed hosting solutions.

PwC is in charge of certifying our Internal Control Framework.

The ISAE 3402 standard is part of the International Federation of Accountants (IFAC), providing companies in the financial sector with an independent evaluation tool on the controls of user institutions concerning financial reports.



# Responsible investment

We promote and integrate ESG criteria in investment services for capital markets to be more sustainable

## Allfunds' commitment

Allfunds is committed to Socially Responsible Investment, as it is adhered to the United Nations Principles for Responsible Investment (PRI), thereby undertaking to consider environmental, social and governance (ESG) aspects in the company's investment services and decision-making processes.

ESG criteria have been incorporated into the fund analysis service, which contributes to improving long-term risk-adjusted returns while generating a positive environmental, social and governance impact.

We are adhered to the PRI as a service provider. Even though the company does not manage assets in its own right, we believe that we have considerable influence on how our clients address ESG issues. We have made this commitment to provide, develop and promote services that support the implementation of the Principles by our clients.

Signatory of:



## Allfunds' commitment

The 6 principles to which we have committed ourselves with PRI are:

### Principle 1

Incorporating ESG issues in the analysis and decision-making processes regarding investments.

### Principle 2

Including ESG issues in the company's practices and policies.

### Principle 3\*

Seeking transparent disclosure of ESG issues in investee entities.

Signatory of:



### Principle 4

Promoting the acceptance and implementation of these principles in the investment sector.

### Principle 6

Reporting on the activities and current progress of the principles.

### Principle 5

Working together to improve the effectiveness in the application of the principles.

\*Not applicable to Allfunds

## Responsible investment trends

In recent years, the financial sector has become aware of the important role it can play in the transition to a more sustainable economy.

Accordingly, there has been an increase in financing flows towards less polluting activities and, in parallel, an increase in the issuance of financial assets defined as sustainable. This transition has been driven on occasions by the market itself and by private initiatives, and in other cases it has arisen from the need to adapt to new regulations aimed at achieving a more sustainable financial system.

Below we present the main trends that are accelerating responsible and sustainable investment and on which we base ourselves to offer solutions to our clients.

### Regulatory

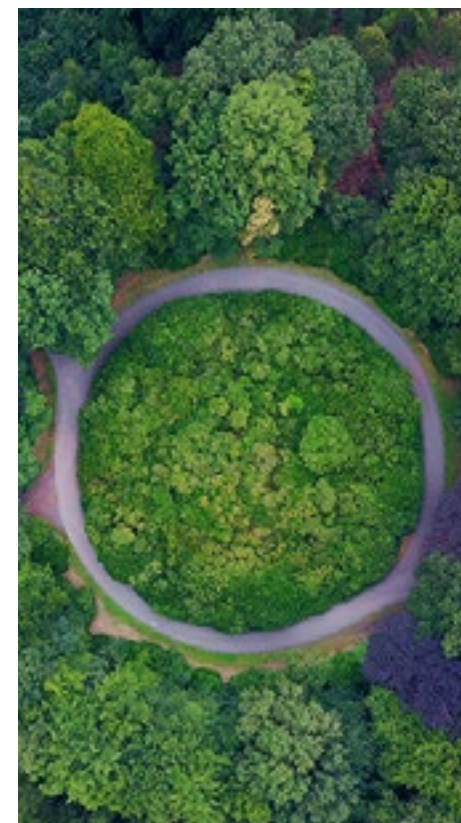
A series of regulations and directives have been developed within the framework of the developments of the European Union Action Plan to finance sustainable growth and a greener Europe, such as:

#### The Sustainable Finance Disclosure Regulation (SFDR)

Aimed at unifying criteria regarding information on sustainable investments and establishing a common language for investors to identify and verify the degree of sustainability of each investment fund. The purpose of the SFDR is to redirect capital flows towards a sustainable economy, integrate sustainability into risk management, promote transparency and long-term investment and, finally, prevent misleading environmental advertising (greenwashing) and ensure that the final investor knows for sure that they are investing in a sustainable product according to validated standards.

Hence, asset managers and financial advisors must classify each investment fund under one of the three articles according to its strategy and philosophy, considering, where applicable, investments based on ESG criteria.

The three categories that classify investment funds, from the lowest degree of involvement (article 6) to the highest degree of sustainable involvement (article 9) are as follows:



#### Article 6

##### Funds without specific ESG criteria

It applies to investment products that do not consider ESG risks as part of the investment process or that are expressly declared as unsustainable.

#### Article 8

##### Funds that promote ESG characteristics

It applies to investment products that promote sustainable characteristics as part of an overall investment strategy.

#### Article 9

##### Funds with specific ESG objectives

These are investment products that specifically set sustainability objectives within their investment processes.

According to a [study published by Morningstar](#) '25.2% of the funds in the European Union were classified under article 8 and 3.4% under article 9.'

## Responsible investment trends / Regulatory

### Regulation on European Taxonomy

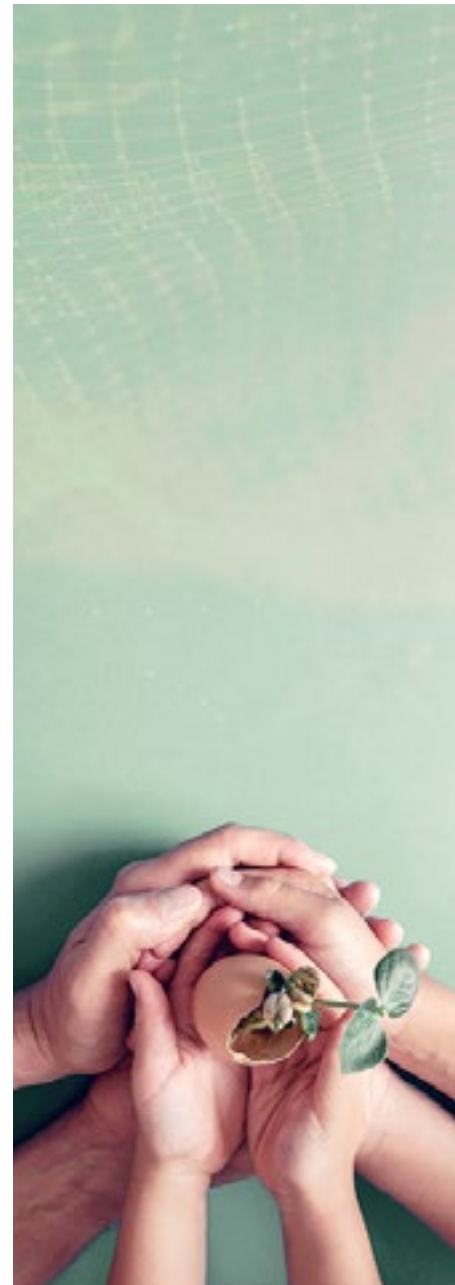
It is aimed at creating a common language and uniform criteria to identify and classify the extent to which economic activities can be considered sustainable for the environment. This is aimed at providing investors with a valid definition that guarantees them greater security to invest in sustainable activities.

To this end, Taxonomy is developing a comprehensive list of criteria for activities that substantially contribute to:

1. Climate change mitigation
2. Adaptation to climate change
3. Water protection
4. Circular economy
5. Contamination prevention
6. Biodiversity and ecosystems

For an activity to be considered 'sustainable', it must not only contribute substantially to one of the objectives, but also cause significant damage to none of the other five environmental objectives (meeting another set of criteria) and be carried out according to minimum social guarantees.

As of 1 January 2022, both financial and non-financial entities affected by the regulation must report what percentage of their income-generating activities (or their investments) are 'eligible' according to Taxonomy (without having yet to confirm whether the criteria are met or not, that is, whether they can really be considered to be sustainable). As of 1 January 2023, non-financial companies must report the proportion of their turnover resulting from products and services aligned with Taxonomy, as well as the proportion of CAPEX and OPEX related to assets and processes associated with activities aligned with Taxonomy. Financial entities will be able to report different KPIs (depending on the type of entity) before 1 January 2024 related to the proportion of their investments aligned with Taxonomy.



### MiFID II Directive

Which will be modified in 2022, forcing entities that provide advisory services to ask final investors about sustainability preferences in the suitability test to integrate ESG factors as part of their advice services.

### The EU's Corporate Sustainability Reporting Directive (CSRD) will amend the existing Non-Financial Reporting Directive (NFRD)

The EU's proposed Corporate Sustainability Reporting Directive is aimed at making sure that companies publicly disclose adequate information on the risks and sustainability issues they face, as well as on the impacts they are having on people and the environment. All large companies and those listed on regulated EU markets, except micro-listed companies, will have to comply with the directive, which will become effective in 1 January 2023. This will allow investors to make better-informed decisions.



## Responsible investment trends / Regulatory

In order for our clients to comply with the SFDR, the Taxonomy Regulation and the new MiFID II and IDD requirements, Allfunds has strengthened the ESG information available on Connect for each fund, giving access to independent external sources: ClarityAI and Morningstar.

Moreover, Allfunds will manage the new EET template, defined by FinDatEx, which will allow the exchange of ESG data that each Fund Manager will have to provide to distributors. A new version of the EMT will also be implemented. Allfunds will update its automatic process for collecting and transferring the whole ESG data set, including in the EET and EMT, from Fund Managers to Distributors in 2022. Beginning in August 2022, disclosure obligations will be reinforced, continuing through 2023 with the disclosure of major adverse impacts.

Lastly, in line with the obligation to include sustainability factors in the approval process for new products and services, since 2021, the Allfunds Compliance Department has incorporated the analysis of ESG factors and risks in its assessment and reporting of each new product or service or each subcontracted activity.

Hence, despite the work that still needs to be performed to comply with the new regulations that will become effective in 2022 and 2023, Allfunds' commitment in this area is worth highlighting.



## High level of sustainable fund growth

Sustainable finance is a field that continues to experience high growth levels, both in fund inflows and volume of managed assets, as well as in investor interest.

Sustainable investing is on the rise globally, with assets under administration rising from \$30.7 trillion in 2018 to \$35.3 trillion in 2020, according to the [Global Sustainable Investment Alliance \(GSIA\)](#).

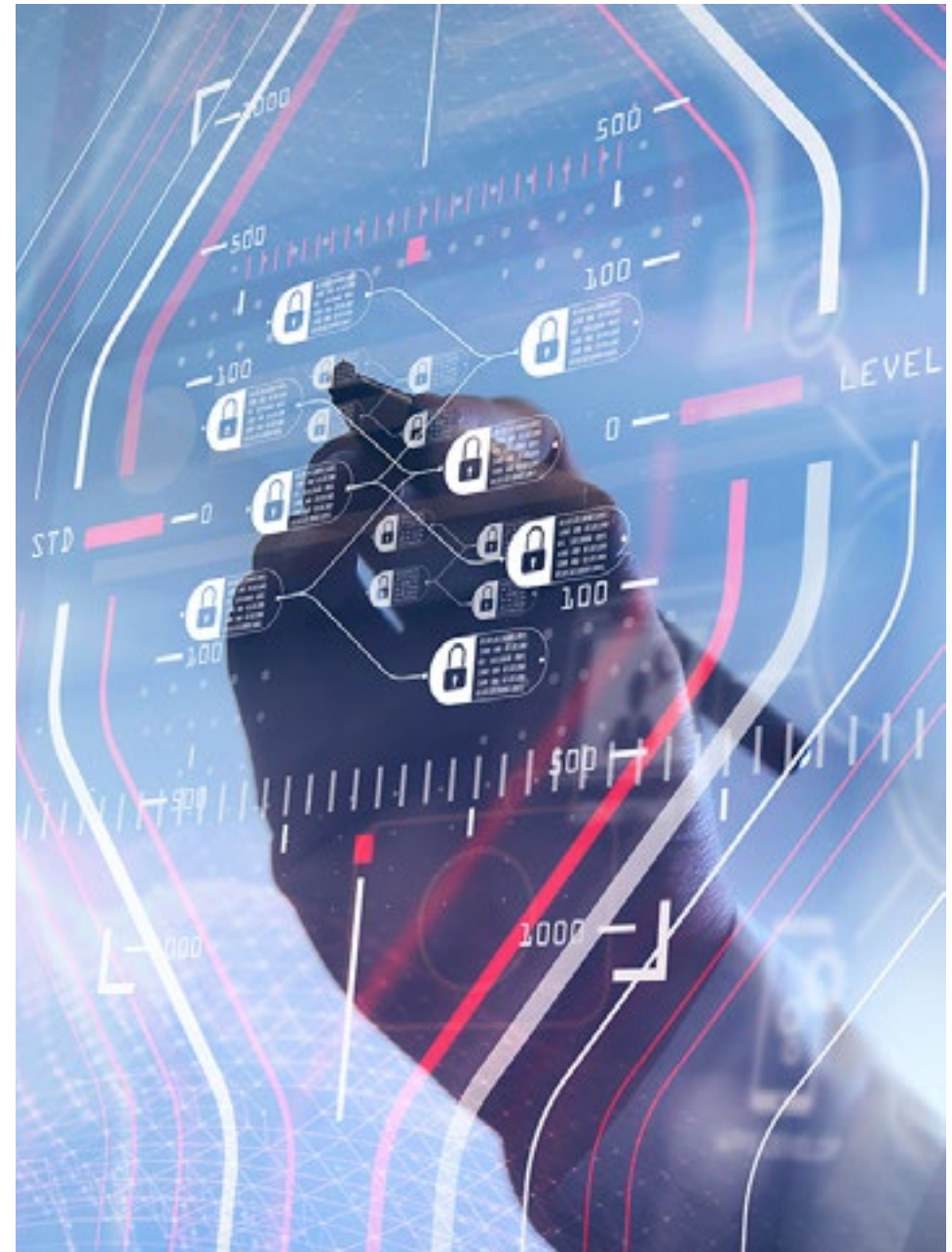
This growing trend is also reflected in the figures for inflows into sustainable funds published by [Morningstar](#), with a sustained increase in quarterly inflows during 2020 and record figures in the first quarter of 2021 (180 billion dollars globally).

Most of these assets are concentrated in the European market, with part of their increase related to the implementation of the sustainable finance reporting regulation (SFDR), which became effective last year.

## Responsible investment trends / Increased investor awareness

According to a [Schroders study](#) interest in this type of investment is increasing, and investors are increasingly showing a greater predisposition to positively influence the world by all means at their disposal.

- › Investors around the world find sustainable investment funds more attractive than ever.
- › Concerns about profitability remain an issue, although investors are keen to make a positive impact on the world with their investments.
- › Investors want more evidence of the impact and returns of sustainable investing.
- › Due to the pandemic, social and environmental issues are becoming more relevant to them.
- › Investors believe that governments and regulators in different countries have the most important role in mitigating unsustainable practices, although there are remarkable regional differences in this regard.



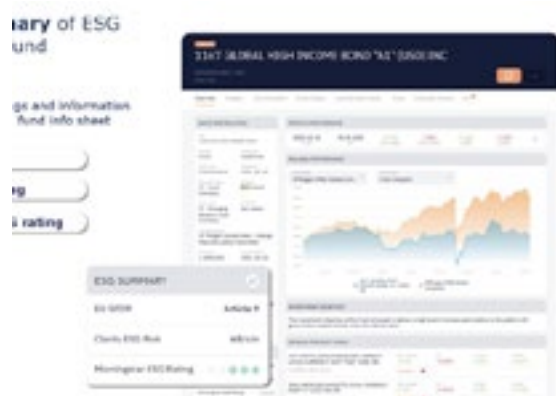
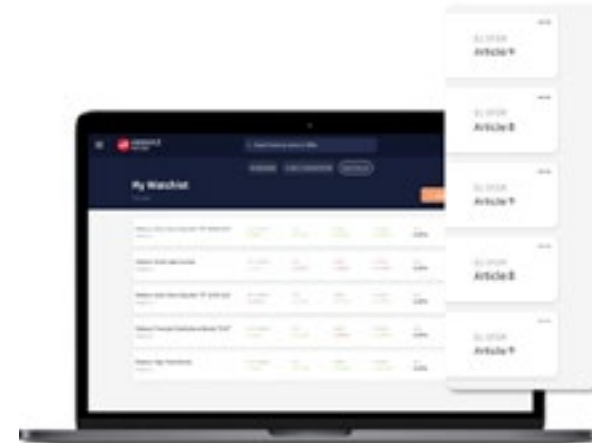
## ESG solutions

During 2021, we have redesigned our Investment Solutions proposal, where qualitative information and ESG take on a more active and visible role within our entire offer.

- › **Tailor-made fund search services:** a very comprehensive solution for fund analysis, from the filtering of funds for the tailored universe to the client, through the control and monitoring of the selected fund listings, to a thorough analysis of the components selected for the portfolio. ESG criteria have been included and/or improved in this service for our clients, to obtain

a fund selection that is better aligned and more relevant based on the said standards.

- › **Model Portfolios (AllPortfolios):** this service offers clients the possibility of benefiting from our Fund selection capabilities, which are exclusive, non-biased, and independent, to use the different model portfolios or create portfolios tailored in line with their investment needs, considering the ESG criteria of clients and, if no previous implementation has been carried out, create portfolios whose results include ESG characteristics.



Within our ESG module, we have developed the following:

- › **Fund review:** Monitoring the current positions of client portfolios based on ESG criteria, using their own risk levels and preferences, ensuring that the positions comply with both the company's own investment policies and external regulatory requirements.
- › **Comparison:** Clients can now compare, within Connect, the ESG ratings of up to four mutual funds at once and

obtain an ESG score for an investment portfolio.

- › **ESG reporting:** Using the resources of Clarity AI, while building on Allfunds' own capabilities, we are able to offer our clients reports that include the exposure of their positions within any of the Clarity AI modules, along with their SFDR rating.

## ESG solutions

Likewise, we also aim to become the leading B2B sub-advisory platform in Europe with numerous mandate funds. All mandates must comply with the following minimum ESG requirements:

- › ESG risks (environmental, social and governance) must be considered as part of the investment process.
- › Exclusion of companies deriving revenues from the sale of controversial arms.
- › Exclusion of companies deriving revenues from the sale of thermal coal.
- › Exclusion of companies deriving revenues from tobacco production.
- › Exclusion of companies that fail to comply with the principles of the UN Global Compact.

This mandate fund offering also includes several specific ESG and impact strategies that should apply additional exclusion criteria (e.g., adult entertainment, conventional weapons, gambling, etc.) and a more holistic ESG investment approach.



# Social Commitment



We contribute to positive change in the communities where we operate

Our Corporate Social Responsibility Policy and our General Code of Conduct set out the company's fundamental commitments to its environment from its business activity and beyond, establishing general principles of action that integrate sustainability and dialogue into the organisation's way of acting and deciding.

Within this framework, we act in awareness of the social and environmental impact of our activities and adapt our business model and governance structure to prevent negative impacts and enhance value creation.

We carry out our activities taking into account their social impact, with the aim of taking advantage of opportunities to contribute to the sustainable development of the communities in which we operate, and of other particularly vulnerable communities.

Our main social contribution consists in developing a business activity which, based on the strictest ethics, legality and respect for the environment, contributes to the creation of wealth and employment.

## Allfunds' social commitments

- > **Contribute to the viability of the Solidarity Fund** by raising awareness among employees and other stakeholders within the company's scope of influence and control.
- > Ensure **equal opportunity of access** to the Solidarity Fund, articulate the projects, and report transparently on the results and positive impacts on society.
- > **Comply with tax obligations** in the different countries and territories in which we operate, avoiding any practice that involves the illegal avoidance of tax payments or the detriment of the public purse.
- > **Not to conduct transactions** between related entities for the sole purpose of tax base erosion or profit shifting to low-tax territories, in accordance with the OECD BEPS guidelines.

To do this, we carry out actions to maximise the impact of our contributions to society, committing ourselves through the solidarity, associationism and sponsorship, of our suppliers and our tax strategy.



## Solidarity / Allfunds Solidarity Fund

Our most important contribution is developed through a project that articulates the bulk of the company's social action: the **Allfunds Solidarity Fund**.



The Allfunds Solidarity Fund is an aid channel the functional objective of which is to contribute to social development and carry out social work for the benefit of citizens. It has allowed us to increase our creation of social value and contribute to important social challenges such as caring for life and health, protecting children, promoting culture and education.

It involves a firm commitment to the improvement of the local communities where we operate, as well as in many other places in need through the generation of funds that are donated in accordance with guidelines and regulations.

We have a **Solidarity Crowdfunding Platform** ([www.fondosolidarioallfunds.com](http://www.fondosolidarioallfunds.com)) to centralise all the help received, specialising in fundraising and supported

by the Spanish charity foundation iHelp. Ideas and challenges for fundraising can also be proposed through this platform.

It should be noted that in 2021 **monthly solidarity meetings** have begun to be held, to review all the solidarity activities performed by the Solidarity Fund.

Likewise, the selection of non-profit foundations or associations, to which the Solidarity Fund allocates its funds, has been open to all Allfunds people, as long as these organisations meet the requirements set forth in the foundations of the Solidarity Fund and its policy.

Our Solidarity Fund is governed by the **Solidarity Fund Investment Policy**, which is based on the principle of good faith, which is rigorously applied to all global aid projects carried out with voluntary donations from employees and the company itself, sponsors of charity events and individuals (people working in the fund investment sector and in other sectors).

This policy sets out the guidelines and criteria for selecting a project or making a donation:

1. Beneficiary foundations are selected by the people who work at Allfunds, together with the Solidarity Fund Committee. Monthly solidarity meetings are held to guarantee an objective and safe choice of these foundations.
2. The selection of global projects considers security criteria, analysing each project in depth. The AML (Compliance) unit is responsible for the analysis of the said Foundations or non-profit Organisations.
3. Operations that do not serve a solidarity or aid purpose are avoided.
4. The Solidarity Fund Committee submits an annual report specifying the projects financed throughout the year together with the amounts donated.

We seek economic, social and environmental balance, for which we promote and finance social projects and initiatives, make donations and hold charity events.

During the period of this report, we have improved our social performance through solidarity initiatives and actions that contribute to society.

## Solidarity / Social contribution



**50**  
Beneficiary social organisations

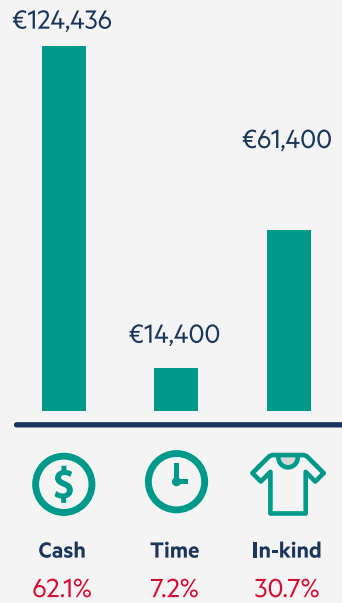


**200.236**  
Total contribution

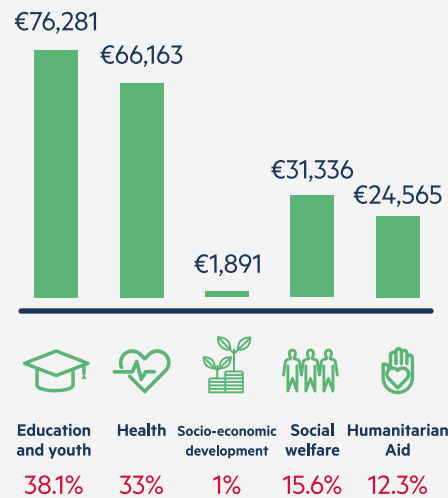


**285**  
Employees participating in volunteer actions

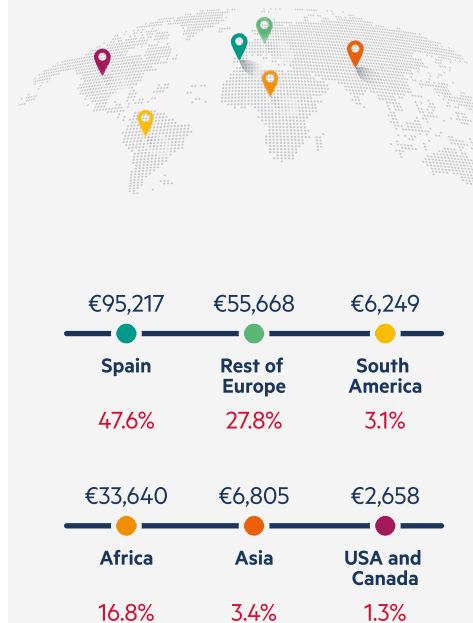
### Type of contribution



### Subject focus of contribution



### Geographical destination of contribution



### SDGs



## Solidarity / Promotion of education and youth



### Donation of computers to contribute to education and job placement – Integra Foundation



We have donated 30 computers to the Integra Foundation, an organisation that helps people in social exclusion and people with disabilities through job placement.

Thanks to this donation, the foundation has been able to provide online training, since before the pandemic, all training was carried out in person. Hence, they have more resources to adapt to the new way training is given.

### Teams for digital transformation – Creation of the Allfunds Classroom in Down Madrid



We have collaborated with Down Madrid in their Digital Transformation project, with the aim of not leaving anyone behind in the face of the rapid advance of new technologies. To do this, we have donated 20 computers, helping to create the Allfunds Classroom in its 30 Olivos centre.

Thanks to this, the classroom has been equipped, adapting to the needs of young people within the Foundation. Furthermore, the classrooms of the María Isabel Zulueta School of Special Education and the Employment Service, as well as Intervention professionals, will also be able to benefit from the use of these computers.

Together, we will prevent technology from being a factor of social exclusion and we will take advantage of all the opportunities it offers us.





## Solidarity / Promotion of education and youth



### Collaboration agreement with the Prodis Foundation

Allfunds and the Prodis Foundation have joined forces to collaborate in the labour inclusion of young people with intellectual disabilities.

Students of the Prodis Foundation's Master's Degree in Business Services Provision will be able to carry out internships at Allfunds facilities, receiving training from our employees in a professional work environment. Accordingly, we help them move towards real labour inclusion by giving them

access to an experience to learn first-hand how to work in a company.

This new collaboration is part of our social commitment to labour inclusion, our support for the communities in which we operate and the ambition to accompany and train society in financial skills that will help people progress in their personal and professional lives.

### Donation of computers to the AVANZAS programme – Prodis Foundation



We have donated 30 computers to the Prodis Foundation through the Solidarity Fund to improve the training of students before they begin university studies.

Moreover, we have signed an agreement with this foundation for part of the office material we use in Allfunds to be supplied by them, through their manufacturing and material handling workshops for companies.

The AVANZAS programme offers pre-university training to young people with intellectual disabilities, for them to reach greater maturity and achieve a solid base of knowledge on new technologies.



## Solidarity / Promotion of education and youth



Allfunds Switzerland donates computers to the Labdoo Foundation

Labdoo.org

Through Allfunds office in Switzerland, we have donated 11 computers to the Labdoo Foundation, which encourages childhood education by sending technological equipment to schools in need around the world.

Thanks to the donated equipment, the foundation's goal of bridging the global digital divide in an environmentally friendly way and giving children and young people access to information technology and education is closer to being fulfilled.

Allfunds Luxembourg sends IT material to the Organização Da Diáspora Moçambicana



Allfunds Luxembourg has made a donation of computer equipment to the Organização da Diáspora Moçambicana, which mainly carries out initiatives in Mozambique.

This organisation carries out sponsorship programs for orphaned children and finances scholarships for young university students with precarious living conditions.

As part of our commitment to the development of the neediest countries, we make this and other donations of computer equipment to regions where children do not have access to a good education.



## Solidarity / Promotion of education and youth



Allfunds UK donates 12 laptops and 8 computers to the Icanyoucanto Foundation



We have donated computer equipment, thanks to Allfunds UK, to the Icanyoucanto Foundation, which aims to give young people from underprivileged backgrounds real and consistent models of a range of career paths, and practical skills they will need in future education and job opportunities.

These computers will be donated to families with few resources that do not have the right technology for their children to receive the right education. Thanks to these teams, the children of these families will have access to the tutoring programs offered by the Icanyoucanto Foundation, starting to build a better future for themselves and fulfil their dream of getting a decent job and getting out of poverty.

## Solidarity / Health promotion

Sponsorship of one of the rooms of the Ronald McDonald House in Madrid



Thanks to the charity challenge proposed by the Internal Audit team, we managed to raise funds to sponsor one of the rooms of the Ronald McDonald House in Madrid, thus contributing to its maintenance for an entire year.

The Ronald McDonald Foundation provides a home for families and children who are not from Madrid and who have to receive hospital medical treatment at the Niño Jesús Hospital.



## Solidarity / Health promotion



### Donation to the Noor Dubai Foundation to combat blindness



In celebration of Ramadan, Allfunds Dubai has donated 15,000 AED to the Noor Dubai Foundation, which provides therapeutic, preventive and educational programs to treat and prevent blindness and visual impairment in developing countries on a regional and international scale.

### Through Allfunds Poland, we participate in the Poland Business Run



Employees of Allfunds Poland have taken part in the Poland Business Run, the largest charity run in Poland that helps make the dreams of people who have suffered some type of amputation come true.

This initiative is promoted by the Poland Business Run Foundation and is not only aimed at supporting people with disabilities, but also at encouraging a healthy lifestyle and the integration of the business and local community.



## Solidarity / Health promotion

Through Allfunds Singapore, we made a donation to the SAUCE Foundation

# SAUCE

Allfunds Singapore wanted to express their gratitude through a special donation to the SAUCE Foundation, in celebration of the Lunar New Year.

This donation will help reintegrate victims of the Battambang (Cambodia) war into society.

The purpose of this foundation is to favour the inclusion and development of the most vulnerable communities in Cambodia through healthcare. They give access to medical services to patients who cannot access or pay for medical care and provide treatment for diseases and nutrition programs for children and newborns, to restore life after war.

We have received a very special thanks from the Sauce Foundation for the donation made.



## Solidarity / Health promotion

### Charity sports week at Allfunds

We have carried out the first charity sports week at Allfunds, in order to raise funds to donate them to different organisations that work to combat poverty.

Our offices in Luxembourg, Valencia, Zurich, Poland and Madrid participated in and supported this initiative, which managed to raise €1,618. Allfunds contributed by doubling each employee's share, bringing the total amount donated to €3,216.

The organisations supported during this initiative, carried out by each of the Allfunds offices, were:

#### › Allfunds Poland

#### The Great Orchestra of Christmas Charity

It is aimed at supporting public health-care in Poland, focusing on paediatric medicine and improving the level of care offered to elderly patients in geriatric and long-term care units.

#### › Allfunds Spain (Valencia)

#### Aspanion Association

It seeks to ensure the best quality of life for children and teenagers with cancer and their families in the Region of Valencia.

#### › Allfunds Luxembourg

#### SOS Villages d'Enfants Monde

It helps the world's most vulnerable children and families, focused on protecting human rights and children.

#### › Allfunds Zurich

#### Petite Suisse Organisation

They work to give children and young people in need a better future.

#### › Allfunds Spain (Madrid)

#### iHelp Foundation

It is a free, transparent and secure solidarity crowdfunding platform that helps NGOs raise much-needed funds.



## Solidarity / Health promotion



## Solidarity / Humanitarian aid

### Annual shipment of the container with humanitarian aid to Malawi



Every year we send a container to Malawi, in collaboration with the Esteban G. Vigil Foundation, to help the children that are most in need. It includes material and basic necessities such as food, clothing, hygiene kits and school supplies.

This foundation works to combat poverty through education and social and health training in some of the poorest regions of the world, especially by caring for the elderly and children.



### We send aid to the families affected by the La Palma volcano eruption



Through Caritas, we sent a container to La Palma with food, clothing, first aid material and hygiene kits for the families affected during the eruption of the volcano.

Caritas' priority is to help families who have lost their source of income, older people living alone and the homeless.





## Solidarity / Christmas solidarity campaign

During 2021, we wanted all Allfunds employees to become involved in the selection process of the charities that received a donation channelled through the Solidarity Fund at the end of the year.

During 2021, we wanted all Allfunds employees to become involved in the selection process of the charities that received a donation channelled through the Solidarity Fund at the end of the year.

As a result, we launched the Christmas solidarity campaign, a participation process open to all employees, thus expanding the scope of the Solidarity Fund and giving visibility to social causes that employees would like to support and consider important.

For one week, the employees proposed the Foundation/Association they wanted to help, sending a request with the following information:

- 1. Name of the foundation/non-profit organisation.**
- Official website of the **foundation/non-profit organisation.**
- Brief description of the activity carried out by the foundation/non-profit organisation.**

### 4. The country to which the financial aid will be allocated.

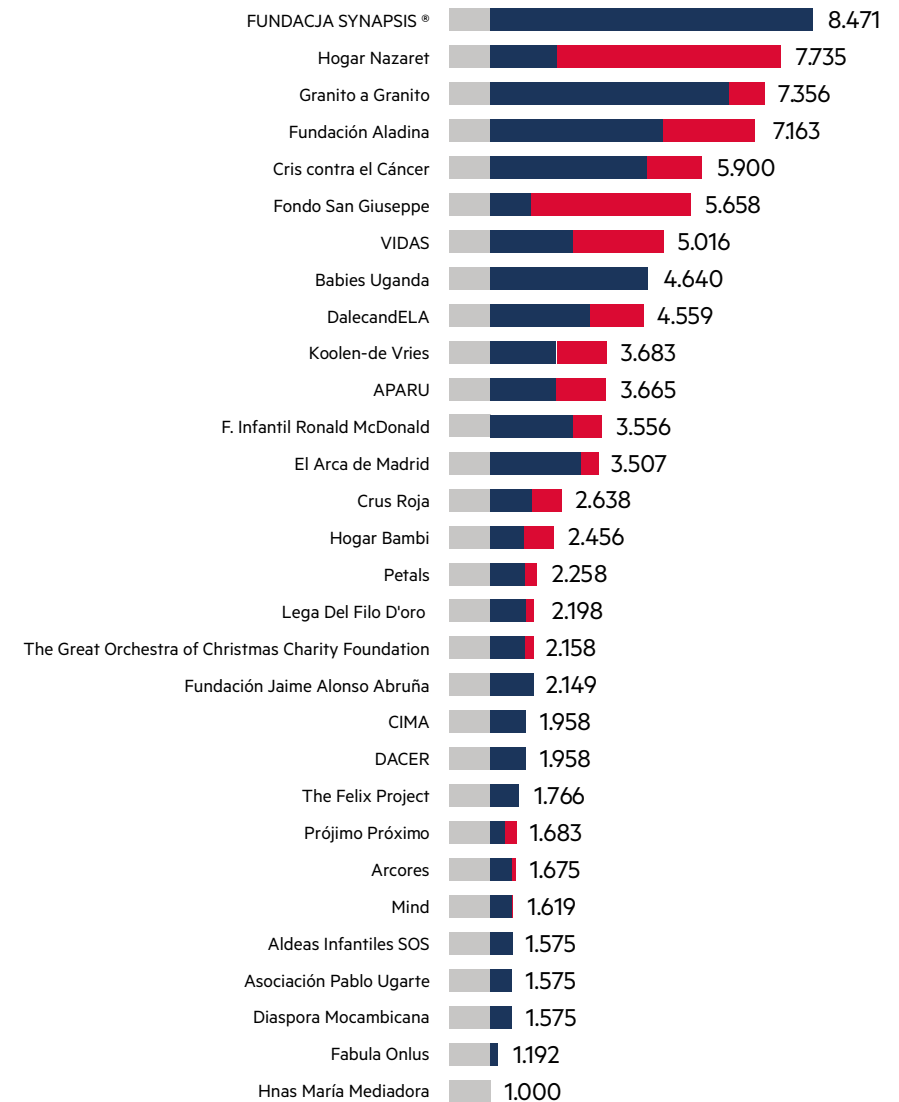
Once the requests from the employees were received by the CSR team, they were reviewed by the AML Unit, in charge of approving the non-profit entity and ensuring that they met the requirements established in the terms of the Solidarity Fund.

Once all the applications were received, a list was drawn up with the 30 organisations approved, which were put to vote among the employees to define the distribution of funds based on the votes received.

The Solidarity Fund assigned an amount that was distributed among the 30 candidate foundations. Hence, the votes of the employees allowed the foundations to receive more or less funds based on the votes received.

The donations made by the employees were directly allocated to their chosen foundation and Allfunds automatically duplicated such donated amount, obtaining a total of 80,000 Euro distributed among the organisations.

### Results of the campaign



Min. Donation    ● Vote Allocation    ● Employee + Allfund Donations

## Solidarity / Christmas solidarity

|   |   |  |   |   |   |
|---|---|--|---|---|---|
|    |            |    |    |    |    |
| <b>Petals</b><br><a href="#">Visit website</a>                                      | <b>Lega Del Filo D'oro</b><br><a href="#">Visit website</a>                                 | <b>Prójimo Próximo</b><br><a href="#">Visit website</a>                              | <b>Ronald McDonald Foundation House in Madrid</b><br><a href="#">Visit website</a>    | <b>DalecandELA</b><br><a href="#">Visit website</a>                                   | <b>El Arca de Madrid</b><br><a href="#">Visit website</a>                             |
|    |            |    |    |    |    |
| <b>Organizacao da Diaspora Mocambicana</b><br><a href="#">Visit website</a>         | <b>The Great Orchestra of Christmas Charity Foundation</b><br><a href="#">Visit website</a> | <b>APARU</b><br><a href="#">Visit website</a>  | <b>Cris Contra el Cáncer</b><br><a href="#">Visit website</a>                         | <b>Koolen-de Vries Foundation</b><br><a href="#">Visit website</a>                    | <b>Fundación Aladina</b><br><a href="#">Visit website</a>                             |
|    |            |    |    |    |    |
| <b>VIDAS</b><br><a href="#">Visit website</a>                                       | <b>DACER</b><br><a href="#">Visit website</a>   | <b>Fabula Onlus</b><br><a href="#">Visit website</a>                                 | <b>Mind</b><br><a href="#">Visit website</a>  | <b>Granito a granito</b><br><a href="#">Visit website</a>                             | <b>The Felix Project</b><br><a href="#">Visit website</a>                             |
|  |          |  |  |  |  |
| <b>CIMA</b><br><a href="#">Visit website</a>  | <b>Arcores</b><br><a href="#">Visit website</a>   | <b>FUNDACJA SYNOPSIS®</b><br><a href="#">Visit website</a>                           | <b>Fundación Jaime Alonso Abruña</b><br><a href="#">Visit website</a>                 | <b>Hogar Bambi</b><br><a href="#">Visit website</a>                                   | <b>Fondo San Giuseppe</b><br><a href="#">Visit website</a>                            |
|  |          |  |  |  |  |
| <b>Asociación Pablo Ugarte</b><br><a href="#">Visit website</a>                     | <b>Babies Uganda</b><br><a href="#">Visit website</a>                                       | <b>Aldeas Infantiles SOS</b><br><a href="#">Visit website</a>                        | <b>Cruz Roja</b><br><a href="#">Visit website</a>                                     | <b>Esteban G.Vigil, Hermanas de María Mediadora</b><br><a href="#">Visit website</a>  | <b>Hogar Nazaret (Fundación Vivir en Familia)</b><br><a href="#">Visit website</a>    |

## Solidarity / Christmas solidarity campaign



Volunteer day from the London office – Ambition Aspire Achieve



11 volunteers from the Allfunds office in the United Kingdom attended the Kevin Jenkins OBE Newham Christmas Toy Appeal, an initiative developed by the Ambition, Aspire, Achieve Organisation.

The initiative has been running for over 40 years, thanks to its founder Kevin Jenkins OBE, and is named after him. It is

aimed at giving disadvantaged children in the London Borough of Newham a gift for Christmas.

Volunteers helped sort the gifts by age group before bagging them for delivery to various places in the city, such as schools, youth clubs and churches, where they were given to the children.



## Associationism and sponsorship

We form part of and actively participate in various organisations and associations in our sector of activity, in order to publicise and expose our position in fundamental aspects of our activity, as well as to promote alliances with other organisations.

In 2021, we participated in 15 professional associations and institutions, with a total contribution of €114,127.76. We have also endorsed the 10 Principles of the Global Compact, strengthening our commitment to sustainable development, as well as the Principles for Responsible Investment (PRI) of the United Nations.



| Associations 2021  |                   |
|--|-------------------|
| Organisations  | Fees (€)          |
| AEB, Spanish Banking Association   | 25,447.00         |
| TURN, TISA Universal Reporting Network                                   | 20,438.06         |
| EFAMA, European Fund and Asset Management Association                    | 15,961.06         |
| PRI, Principles for Responsible Investment                               | 12,224.44         |
| Italian Chamber of Commerce and Industry                                 | 11,183.30         |
| INVERCO, Spanish Association for Collective Investment and Pension Funds | 10,000.00         |
| Studio Associato BCP   | 5,202.00          |
| FI, Florida International University in Miami                            | 4,289.95          |
| Socially Responsible Public Procurement Forum Association                | 3,000.00          |
| Spanish Global Compact Network   | 2,400.00          |
| APD, Association for Management Progress                                 | 2,124.88          |
| IAI, Institute of Internal Auditors Association                          | 901.00            |
| Association of Fund Administrators of Peru                               | 795.93            |
| Association 100 Women In Finance   | 85.14             |
| EFPA, European Association of Financial Planning and Advisory in Spain   | 75.00             |
| <b>TOTAL</b>   | <b>114,127.76</b> |

## Associationism and sponsorship

We have made the following sponsorships worth 80,477 Euro during 2021:

| Patrocinios 2021     |   |                   |
|----------------------|---|-------------------|
| País                 | Sponsorships  | Contributions (€) |
| France               | AM Techdys. Stand at this fair and Country Manager presentation             | 11,083            |
| United Arab Emirates | Fenwick media. Sponsorship of various online events                         | 10,000            |
| United Kingdom       | The Investing and Saving Alliance (TISA)                                    | 9,500             |
| Italy-Spain          | Tiepolo Awards. Italian Chamber of Commerce                                 | 9,000             |
| United States        | Funds Selector event in Miami   | 8,300             |
| United Kingdom       | Personal Investment Management & Financial Advice Association (PIMFA)       | 6,231             |
| Chile                | Event of the International Federation of Pension Fund Administrators (FIAP) | 6,000             |
| Brazil               | BTG Pactual investment bank event   | 5,900             |
| United Kingdom       | Goodacre - COLWMA Awards  | 3,115             |
| United Kingdom       | Goodacre - System in the city Awards  | 3,115             |
| United Kingdom       | Securities Industry Conference  | 2,832             |
| United Kingdom       | The Investment Network  | 2,486             |
| United Kingdom       | Investment Executive Panel Meetings (IEPM)                                  | 2,265             |
| Peru                 | Annual Convention of the Ibero-American Federation of Investment Funds 2021 | 650               |
| <b>TOTAL</b>         |   | <b>80,477</b>     |



## Suppliers

Suppliers are a key element of our sustainability strategy for our business model and our commitment to sustainability. We consider that our commitments in terms of social, environmental, ethics and good governance topics should apply to the whole value and supply chain, each and every one of the agents involved therein being co-responsible for the entire process.

The **Supplier Selection Procedure, and the Supplier Code of Conduct**, are our internal tools that regulate the selection and contracting of our suppliers and our relationship with them.

These documents set out the guidelines and principles to be considered acceptable in the process of contracting new suppliers for the supply of any type of products or services, taking into account the supplier's alignment with our values and ethical principles in terms of good governance and corporate social responsibility.

In the **Supplier Selection Procedure**, we establish that transparency, equal treatment and the application of objective, weighted, ethical and Corporate Social Responsibility criteria must be guaranteed in the selection of suppliers

and the setting of prices, especially avoiding any conflict of interest and any form of corruption or bribery. It includes corporate defence, money laundering and anti-terrorism, data protection and CSR criteria, which are applied to the selection of suppliers.

This procedure has been revised during 2021, including two new supplier approval criteria:

- › Information security, where it is specified that suppliers should implement a series of technical and organisational controls that can help guarantee the confidentiality, integrity, availability, authenticity and traceability of the information.
- › Risk control, where the supplier must undertake to keep an adequate internal risk control framework, based on its activity and the applicable regulations, to mitigate and reduce several types of risks, such as, among others, financial, fraud, operational and security risks.

It also responds to compliance with the UK Modern Slavery Act 2015 and is mandatory for any supplier wishing to become part of our supply chain.

This procedure includes a supplier approval questionnaire, which is necessary to determine whether to accept the provision of a service and to ensure the supplier's commitment and



compliance with applicable legislation and regulations in terms of:

- › Respect for human rights.
- › Work practices.
- › Slavery and human trafficking (Modern Slavery Act 2015).
- › Anti-bribery and anti-corruption.
- › Information security.
- › Prevention of money laundering and the financing of terrorism.
- › Health and safety.
- › Environmental practices.
- › Risk management.

In addition, the supplier selection procedure includes the express and documented acceptance of the **Supplier Code of Conduct**, which was also reviewed in 2021, and suppliers must sign a document acknowledging its receipt.

*(Continue)*

## Suppliers

This document takes into account the diversity of laws, economic conditions and customs in all countries where Allfunds operates, which affect business practices in different parts of the world, and it is therefore essential that suppliers operate, as a minimum, in an ethical manner and in accordance with the Supplier Code of Conduct.

The commitments to action and conduct to which suppliers must abide may be checked on the [Supplier Code of Conduct](#), which is published on our corporate website.

During 2021, Allfunds has not carried out any monitoring systems or audits of suppliers, because no risk of non-compliance with the Supplier Code of Conduct has been deemed to exist. We have not identified suppliers with significant negative social and environmental impacts or negative environmental or social impacts in the supply chain.

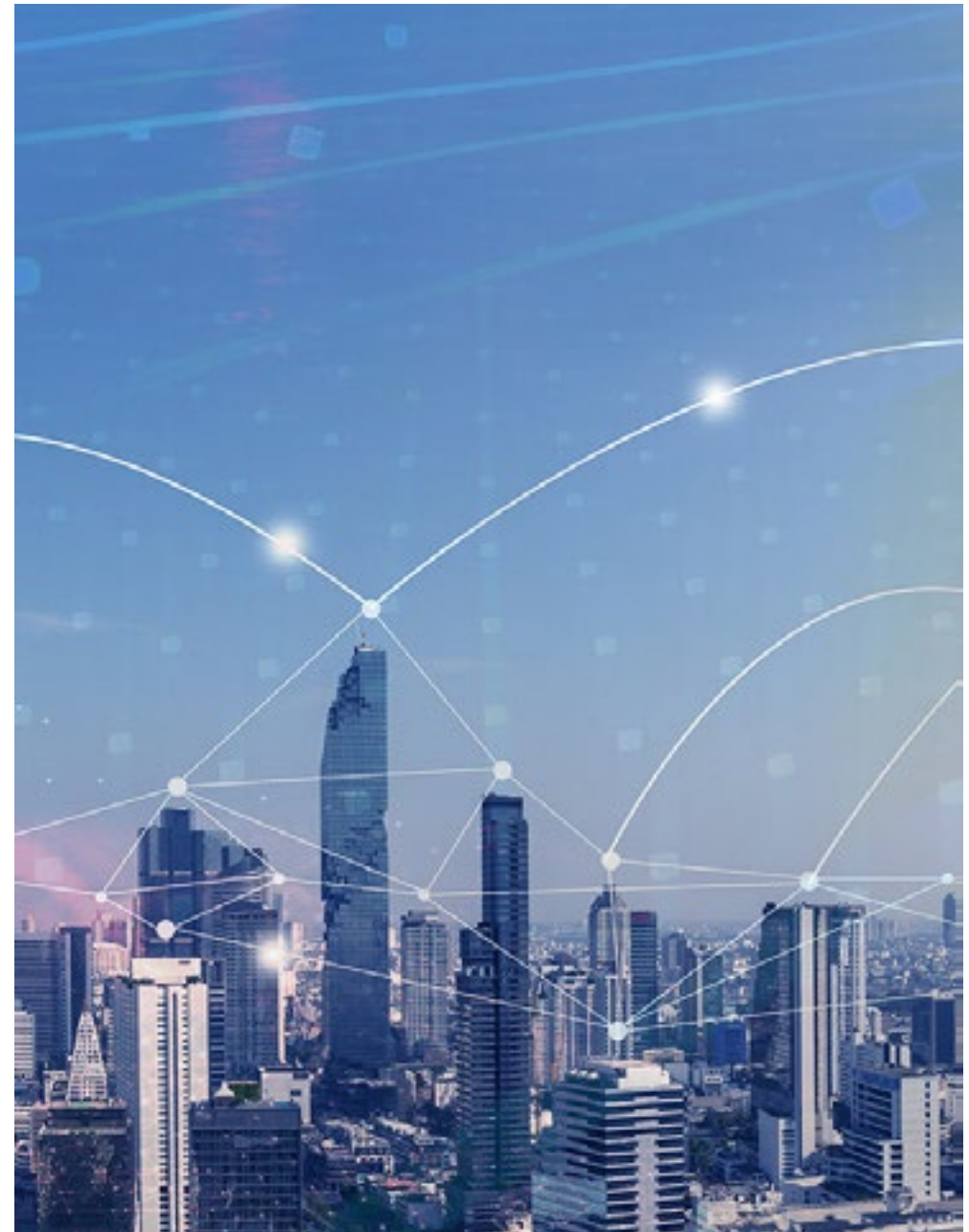
One of our commitments to sustainable development is the impact of our activity in terms of generating indirect employment through purchases and payments to our suppliers, as over 2021 the supply chain consisted of over 1063 suppliers, and more than 94% of them were local, i.e., there has been an increase

by 4% since 2020. Moreover, the number of purchases or material provisions and subcontracted services reaches 17,052,465.00 Euro.

The average supplier payment period was 27.9 days, below the legal maximum of 30 days established by law in Spain.

Suppliers are a key element of our sustainability strategy for our business model and our commitment to sustainability. We consider that our commitments in terms of social, environmental, ethics and good governance topics should apply to the whole value and supply chain, each and every one of the agents involved therein being co-responsible for the whole process.

The **Supplier Selection Procedure, and the Supplier Code of Conduct**, are our internal tools that regulate the selection and contracting of our suppliers and our relationship with them.



## Fiscal strategy

We have a **tax strategy** aligned with the principles of integrity, transparency and prudence, and encourage a relationship with tax authorities based on trust, good faith, professionalism, collaboration, loyalty and reciprocity.

Our commitment is to manage tax matters responsibly and proactively, supervising the fulfilment of our tax obligations and adopting decisions that support the development of the business while preventing and reducing tax risks.

We take into account the economic and social impact of our tax approach when developing our tax strategy.

In this regard, as a basic and fundamental principle of the Group's tax strategy, we correctly pay the applicable taxes in each of the jurisdictions where we develop our activity, in accordance with the applicable tax regulations of each of them and applying reasonable interpretations thereof, avoiding practices that involve the illicit evasion of the payment of taxes or the damage of the public treasury.

In addition, we contribute to the financing of projects with social purposes by marking the solidarity 'x' of Allfunds



Bank's corporate tax in Spain, allocating 0.7% of the net tax liability of corporate tax to social purposes.

For us, tax matters must be managed in line with the principles of trust and good faith, coordinating and interacting with the tax authorities of all the countries in which we operate, in order to reinforce legal certainty and reduce litigation.

We work to keep our **tax policy** aligned with the international guidelines

and recommendations of the OECD, continuously monitoring its development and evolution, in order to guarantee the proper coordination of our practices in tax matters in different jurisdictions with international taxation standards.

In this context, we have established a **transfer pricing policy** for all our related transactions, which is governed by the arm's length principle, in accordance with the OECD Transfer Pricing Guidelines, the BEPS Project and its various actions, as

well such as local legislation, to align our taxation with the effective performance of economic activities and the generation of value.

We also comply with the information obligations to the tax authorities derived from the Foreign Account Tax Compliance Act (FATCA), the Common Reporting Standard (CRS) and the Country-by-Country Report (CBC).

We have a team of tax experts who, in addition, are supported by external and specialised advisors, for the international tax management of the Group as described above. Furthermore, they are subject to regular control and internal audit processes, as well as risk reviews, in order to monitor the group's tax processes.

We have no presence in tax havens or in non-cooperative countries or territories for tax purposes.



## Fiscal strategy

Below are the 2021 tax details for Allfunds tax jurisdictions included in its consolidated financial statements:

| Taxes 2021     |                               |                          |                  |          |
|----------------|-------------------------------|--------------------------|------------------|----------|
| Jurisdiction   | IS Cash payments <sup>1</sup> | IS Expenses <sup>2</sup> | PTP <sup>3</sup> | Grants   |
| Spain          | -28,775                       | -21,895                  | 30,933           | -        |
| Italy          | -77,143                       | -31,491                  | 88,999           | -        |
| Luxembourg     | -2,875                        | -6,815                   | 29,074           | -        |
| Switzerland    | -142                          | -402                     | 43,345           | -        |
| Brazil         | 0                             | -104                     | 71               | -        |
| Sweden         | -789                          | 0                        | -343             | -        |
| Hong Kong      | 0                             | 0                        | -1,438           | -        |
| Singapore      | 0                             | 0                        | -2,415           | -        |
| United Kingdom | 0                             | -2,362                   | -18,040          | -        |
| Poland         | -445                          | -393                     | 218              | -        |
| France         | -6,743                        | -3,853                   | -21,362          | -        |
| <b>TOTAL</b>   | <b>-116,911</b>               | <b>-30,755</b>           | <b>42,893</b>    | <b>0</b> |

<sup>1</sup> IS cash payments: the net cash amount resulting from the payments made (whether as part payments/on account of the tax and/or final payment of the tax) and, where appropriate, the refunds received for the Corporate Income Tax by each of the entities or branches of the group throughout financial year 2021.

<sup>2</sup> Expenses for the Corporate Income Tax: Corporate Income Tax expense recorded in the profit and loss account of each entity and branch of the group in relation to financial year 2021. This amount does not take into account possible adjustments from previous years, as well as possible impacts arising from deferred tax assets and/or liabilities.

<sup>3</sup> PTP: Pre-tax profit.

**Notas:** (\*) The data is shown individually without taking into account elimination adjustments for accounting consolidation.

(\*\*) Amounts are expressed in thousands of Euro.

Profit after tax in 2021 amounted to 201,099 thousand Euro (71,798 in 2020), broken down by country as follows:

| Profit after tax in 2021           |                                      |
|------------------------------------|--------------------------------------|
| Jurisdiction                       | Profit after tax (thousands of Euro) |
| Spain                              | 8,359                                |
| Italy                              | 134,142                              |
| Luxembourg                         | 22,548                               |
| United Kingdom                     | 8,470                                |
| Singapore                          | -2,415                               |
| Switzerland                        | 42,805                               |
| Brazil                             | -33                                  |
| Hong Kong                          | -1,438                               |
| Sweden                             | -291                                 |
| France                             | -25,209                              |
| Poland                             | 159                                  |
| <b>TOTAL</b>                       | <b>187,097</b>                       |
| <b>Consolidation adjustments</b>   | <b>14,002</b>                        |
| <b>Allfunds Group Consolidated</b> | <b>201,099</b>                       |

The tax on profits during 2021 has generated a positive impact on the profit and loss account of 7,669,150 Euro, mainly derived from the application of a tax step-up system in the Italy branch to the acquisition corresponding to the business bank BNP Paribas Securities Services in 2020.

We have not received public subsidies in 2021.

# Environmental Protection



We work to operate more efficiently and respectfully towards the environment

## ▶ Environmental management

Sustainable development is one of our priorities. This determines our commitment to environmental protection and the fight against climate change.

As part of this commitment, we have an **Environmental and Climate Change Management Policy** that sets out environmental actions and commitments in the following areas:

- › Preventive approach.
- › Risk management.
- › Compliance with requirements and due diligence.
- › Fight against climate change.
- › Environmental protection.
- › Consistency.
- › Culture.
- › Transparency.

This policy is **global in scope** and affects all people and activities carried out by the organisation and all branches and subsidiaries in the various countries in which we operate. It is also applicable to companies carrying out activities on behalf of Allfunds and extends to the various stakeholders.

As part of our commitment to the environment, we have implemented the ISO 14001 environmental management standard at our headquarters in Madrid, which were certified in June 2021. The certificate is available at our [corporate website](#). This standard is to be implemented at the company's most important sites over the coming years.

## Environmental management

All environmental issues are addressed at the meetings of the Corporate Social Responsibility Committee. Our **Corporate Social Responsibility Policy** also includes environmental commitments.

### Allfunds Environmental Commitments

**OPT FOR A SUSTAINABILITY PERSPECTIVE** based on environmental risk management and environmental education of the people who make up Allfunds to assess, avoid, reduce and mitigate the environmental risks and impacts of the activities we carry out.

**PREVENT POLLUTION** by identifying and assessing our environmental impacts and establishing control mechanisms.

**CONTRIBUTE TO THE MITIGATION OF CLIMATE CHANGE**, calculating our carbon footprint and carrying out action plans to reduce it, and purchasing electricity from renewable energy sources.

**MAKE SUSTAINABLE USE OF RESOURCES**, combining or replacing non-renewable resources with renewable resources in key areas such as the use of materials and facilities and water consumption.

**ESTABLISH ENVIRONMENTAL CRITERIA** in the selection of suppliers and promote environmentally responsible actions in our scope of influence.

**MEASURE, RECORD AND REPORT WITH TRANSPARENCY** the company's main environmental indicators.



We have our own environmental brand, **Allfunds Environmental**, as well as a section on the intranet on the environment, where we include information on environmental awareness campaigns, environmental actions we perform at a global level, and news on the environment.

Environmental responsibility is an unavoidable precondition for the survival and prosperity of human beings and the environment, which is why the management of environmental aspects is an important part of our social responsibility strategy. We assume the environmental impacts caused by our activities in each and every one of the regions where we operate.



## Environmental management

We assess these environmental aspects based on our own **Environmental Aspect Identification and Assessment Procedure**. Hence, we have identified our environmental aspects and their related impacts, as indicated below:

| Environmental aspects and impacts 2021                |  |   |
|---|--|---|
| Process/Activity                                      | Aspect   | Impact  |
| Lighting of facilities and power supply to equipment  | Electricity consumption (kWh)                                      | Depletion of natural resources                              |
| Cleaning, human consumption and hygiene use           | Water consumption (m <sup>3</sup> )                                | Depletion of natural resources                              |
| Use of paper in the office                            | Paper consumption (sheets)   | Depletion of natural resources                              |
| Printing paper in the office                          | Toner consumption (units)  | Exhaustion of resources due to consumption of raw materials |
| Replacement of lights or end of useful life of lights | Generation of fluorescent lamp (units) waste                       | Pollution of the environment, land occupation               |
| Use of paper in the office                            | Paper and cardboard waste generation (kg)                          | Pollution from waste management, land occupation            |
| Paper printing in the office                          | Generation of toner waste (units)                                  | Pollution from waste management, land occupation            |
| Packaging waste, packaging                            | Generation of plastic and packaging waste (kg)                     | Pollution of the environment, land occupation               |
| Obsolete or damaged equipment                         | Generation of WEEE waste (units)                                   | Pollution of the environment, land occupation               |
| Kitchen, canteen and pruning waste                    | Generation of organic waste  | Contaminación por gestión de residuos                       |
| Use of office equipment                               | Generation of alkaline batteries (kg)                              | Colmatación de vertederos                                   |
| Office activities                                     | Noise emission into the atmosphere                                 | Pollution of the environment, land occupation               |
| General bathroom use in office                        | Discharge of urban waste water or sanitary water (m <sup>3</sup> ) | Atmospheric pollution and health effects                    |



Significant environmental aspects during 2021 at the head office were the generation of cardboard and paper waste and the generation of waste electrical and electronic equipment.

As a positive environmental impact, we have identified the generation of electricity by our own photovoltaic panels

and the supply of hot water by solar panels at our headquarters, as well as the supply of 100% renewable energy in most of our sites.

We have a General Services department which monitors environmental indicators, and a CSR department which is responsible for coordinating the company's social responsibility activities.

Total resources allocated to environmental risk prevention in 2021 amounted to €202,318.02, that is, 1.83% more than in 2020 (€198,611.24). The said resources are broken down as follows:

- › Salaries of people directly involved in the prevention of environmental risks relative to the percentage of exclusive dedication to this function: €12,000.00
- › Maintenance of facilities with environmental impact: €174,326.63.
- › Waste management: €7,103.89
- › Implementation of environmental management procedures: €5,220.00
- › Environmental management system certificate: €3,667.50

We have not received any environmental fines or sanctions during 2021.

## Fight against climate change

During 2021, we have analysed all of our sites to calculate our carbon footprint, since this is one of our commitments in terms of the fight against climate change.

For some of the sites, we have not been able to calculate emissions resulting from electricity consumption, since this is included in rental costs. Nevertheless, the carbon footprint calculation includes the energy consumption of most of the major Allfunds sites by number of employees, and we wish to certify our carbon footprint as further proof of our transparency and expertise.

The result of the 2021 carbon footprint calculation for all our sites is as follows:

| Emissions in tonnes of CO <sup>2</sup> |                                   |                                   |                                     |
|--|-----------------------------------|-----------------------------------|-------------------------------------|
| Allfunds workplaces                    | Scope 1<br>(t CO <sub>2eq</sub> ) | Scope 2<br>(t CO <sub>2eq</sub> ) | Scope 1+2<br>(t CO <sub>2eq</sub> ) |
| Spain                                  | 0.00                              | 0.00                              | 0.00                                |
| Londres                                | 7.31                              | 0.00                              | 7.31                                |
| Luxembourg                             | 0.00                              | 0.00                              | 0.00                                |
| Milán                                  | 0.00                              | 30.39                             | 30.39                               |
| Zurich                                 | 0.00                              | 0.00                              | 0.00                                |
| Poland                                 | 0.00                              | 0.00                              | 0.00                                |
| Chile                                  | 0.00                              | 0.00                              | 0.00                                |
| Singapore                              | 0.00                              | 0.00                              | 0.00                                |
| <b>TOTAL</b>                           | <b>7,31</b>                       | <b>30,39</b>                      | <b>37,70</b>                        |

NOTES:

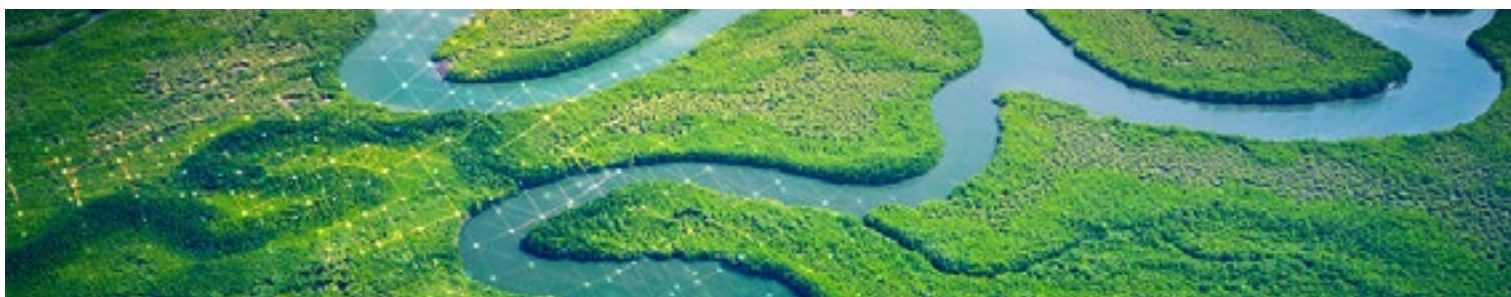
- › In the sites in Spain, London, Luxembourg, Zurich, Poland, Chile and Singapore, all the electricity supplied has been of 100% renewable origin since 2021, which is why scope 2 in these countries is zero.
- › Emissions from electricity consumption in Milan have been calculated based on the latest emission factor available from the supply company Edison (0.268 kg/Wh), available on the company's [website](#).

Scope 1 corresponds to direct emissions. These include:

- › Fuel consumption in buildings from natural gas or oil-fired boiler activity. No fuel is consumed in any of our sites.
- › Emissions due to refrigerant gas leaks in refrigeration and air conditioning equipment. There has only been one refrigerant gas leak in the site in London, with a recharge of 3.5 kg of R-410A gas.
- › Vehicle fuel consumption. Vehicles owned by Allfunds are leased and are a social benefit that the company makes available to its employees. The vehicle is for own use and is therefore not taken into account to calculate our carbon footprint.

Scope 2 is indirect emissions due to electricity consumption in buildings.

The energy intensity ratio of the GHG emissions of the organisation for 2021, for scopes 1 and 2, is 0.04 t CO<sub>2</sub> eq/person.



## Fight against climate change

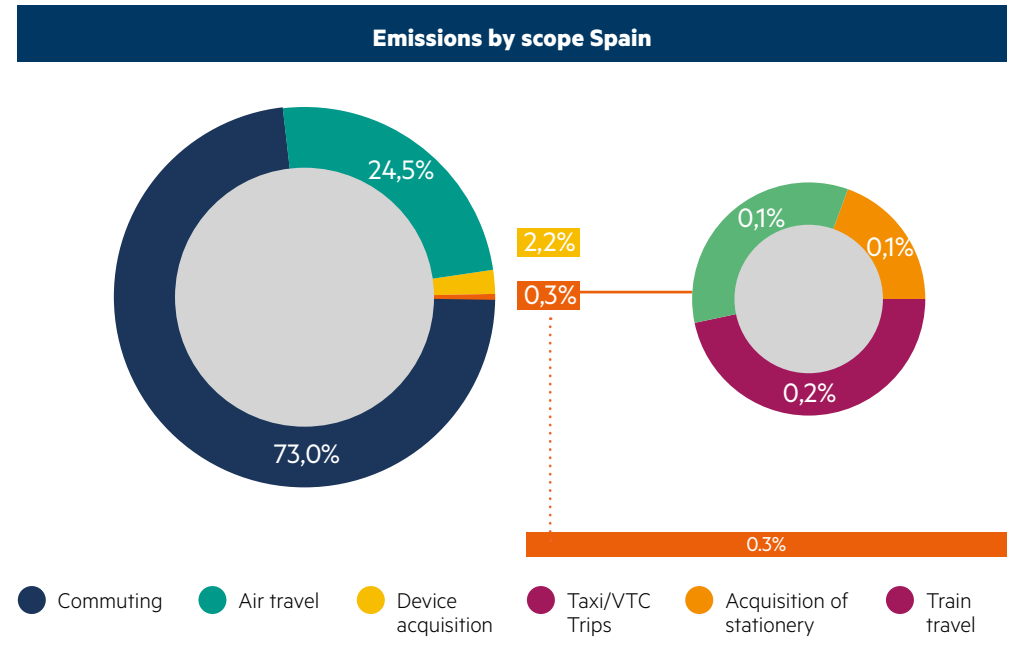
Moreover, we have carried out an inventory of greenhouse gas emissions from our sites in Spain for 2020, based on the international standard ISO 14064-1 in its version for 2018, to calculate our carbon footprint, including scope 3, as well as its certification and registration, which is an objective of the environmental management system in place.

The result of the calculation of the carbon footprint in terms of scope is as follows:

| Emissions by scope in Spain         |               |                             |
|-------------------------------------|---------------|-----------------------------|
| Direct emissions (Scope 1)          | 0.00          | t CO <sub>2</sub> eq.       |
| Indirect energy emissions (Scope 2) | 0.00          | t CO <sub>2</sub> eq.       |
| Other indirect emissions (Scope 3)  | 393.82        | t CO <sub>2</sub> eq.       |
| <b>TOTAL</b>                        | <b>393.82</b> | <b>t CO<sub>2</sub> eq.</b> |

Scope 3 includes other indirect emissions:

- › Emissions due to the energy consumption of the servers and data processing site used by the organisation to offer its main service.
- › Production of material purchased during the year: devices (computers, monitors, mobile phones) and office paper.
- › Business trips: commuting, trips by plane, train, taxi and vehicles with driver.



Emissions caused by Allfunds staff due to commuting account for over 70% of total emissions during 2020, followed by emissions due to flights, which account for more than 27% of the total.

The calculation of commuting emissions has been made based on the results of the mobility survey carried out in the first months of 2020, which took into account both the movements of people and the different transport means, as well as the number of on-site and remote working days.

The energy intensity ratio of the GHG emissions in Spain for 2020, for scopes 1, 2, 3, is 0.97 t CO<sub>2</sub> eq/person.

This calculation began to be verified by an external company, which is scheduled to be completed in early 2022, and the calculation will be filed in the national carbon footprint registry.

## Fight against climate change

An absolute objective of reducing GHG emissions in Spain of 15% has been established for the year 2025, with respect to the emissions of the base year 2020. In this regard, the total annual emissions of the organisation within scopes 1, 2 and 3 will be taken into account,

Furthermore, we have defined a 2021-2025 emissions reduction plan, focused on scope 3, to reduce the purchase of new office supplies and the number of business trips. The measures are as follows:

### Scope 1. Materials purchased

- 1.1.** Establishment of a review and maintenance program for computer equipment. A plan that allows extending the life of computer equipment through reviews and control of both hardware and software incidents. Likewise, specifically in terms of portable equipment, users will be informed of the correct use of battery chargers to extend their useful life. A longer useful life of computer equipment will lead to a reduction in purchasing and therefore to a reduction in manufacturing emissions.
- 1.2.** Digitalisation of information still generated on paper. Currently, information is still generated on paper within the company. The purchase of paper will be reduced, prioritising the use of recycled paper over newly manufactured paper when making purchases.

### Scope 2. Business trips

- 2.1.** Reduction of attendance. A plan is being assessed to increase the number of remote working hours. There are currently technological tools that allow this operation to be carried out, at least partially, without altering production results. This increase in remote working will involve a reduction in employee commuting to the workplace, with the consequent reduction in emissions, mainly those due to private vehicles.
- 2.2.** Reduction of long distance trips. Despite the fact that, due to the characteristics of Allfunds, long-distance trips are essential, the suitability of the trip and the possibility of replacing the visits related to these trips for online meetings will be evaluated in each case.



The following table sums up the possible and expected emission reductions up to the target year.

| Possible and expected emission reductions up to the target year |       |      |     |               |   |
|---|-------|------|-----|---------------|---|
| Measure   | Scope | MPR* | RG* | RGT*          | Implementation issues                       |
| <b>1.1.</b>   | 3     | 20%  | 10% | 0.22%         | Technical requirements that require renewal |
| <b>1.2.</b>   | 3     | 80%  | 25% | 0.02%         | Communication requirements                  |
| <b>2.1.</b>   | 3     | 25%  | 15% | 10.89%        | Work and team management plans              |
| <b>2.2.</b>   | 3     | 50%  | 15% | 3.77%         | Work and visit management plans             |
| <b>REDUCTION OBJECTIVE</b>                                      |       |      |     | <b>14.90%</b> |   |

NOTE:

\*MPR: Maximum possible reduction. RG: Reduction goal. RGT: Reduction goal based on total emissions

## Fight against climate change



Furthermore, we have already implemented other measures to reduce emissions and the environmental impact of our activity:

- › The electricity supplied is **100% from renewable sources**.
- › Twelve solar panels are in place for the production of hot water and for the production of renewable electricity. From January to December 2021, 23,806 kWh were produced, that is, 15.56% more than in 2020 (20,101.62 kWh) thanks to photovoltaic panels.
- › All lighting has a DALI (DIGITAL ADRESABLE LIGHTING INTERFACE) dimming system that allows digital control of each luminaire or lighting fixture individually, and is dimmable via FUDOMO's BMS building management software.

- › The owners of the building achieved the **LEED GOLD** (Leadership in Energy and Environmental Design) **Certification** during 2021. This is a green and sustainable building program that requires objective evidence that specific requirements have been met in the areas of sustainability, efficiency in the use of water, energy, atmosphere, materials and resources, indoor environmental quality, locations and linkages, environmental awareness and education, and design innovation.



- › The organisation has changed the chemicals used for pest control in the gardens to less polluting ones.
- › The printers were replaced with ones which are more efficient, in terms of paper and energy consumption.

Globally, Allfunds' London office building is **ISO 14001 certified** for environmental management, the environmental policy of which includes a commitment to achieve zero net carbon emissions from Allfunds' UK workplaces by 2030. To achieve this goal, they have set a short-term goal of integrating net zero carbon emissions into the services of all the buildings they manage and the implementation of sustainable and innovative workplace practices.

Several sites have terraces with different types of plants for **carbon dioxide absorption**:

- › Madrid: 1525.6 m<sup>2</sup> garden with shrubs, ivy (hedera) and yew (taxus baccata).
- › Luxembourg: 28 m<sup>2</sup> of terrace with boxwood (buxus sempervirens) on the 6th floor and 118 m<sup>2</sup> of terrace with boxwood and shrubs on the 7th floor.
- › Milan: on floor 6 there are 820 m<sup>2</sup> of terrace with olive trees, lavender and boxwood, and on floor 7, 140 m<sup>2</sup> of terrace with shrubs

As a global environmental objective for 2021, we defined the **environmental awareness** of our employees, an objective that has been met thanks to the following actions:

- › Preparation and publication of a video on the Environmental Management System.
- › Designing a calendar of international environmental dates.
- › Conducting environmental awareness campaigns through the intranet.

We have long-term targets in place for the reduction of greenhouse gas emissions in all our sites. These include:

- › Installing plants on the terraces in the site in Zurich.
- › Attempting to quantify emissions from electricity consumption in sites where data is not available, with a view to reducing consumption at a later date.
- › Encouraging walking, cycling and public transport.
- › Increasing the proportion of electricity consumption from 100% renewable sources, where possible.
- › Purchasing more sustainable IT equipment.



## Circular economy and waste management

We carry out actions to promote the circular economy related to the recycling and reuse of the waste generated.

Over 2021, we have donated obsolete computer equipment to six different charities, through the Solidarity Fund, to give these computers a second life. In total, Allfunds donated 126 computers, 2 printers, 7 screens, 4 routers, as well as cables, mice, keyboards and desk phones. Thanks to this circular economy practice, we have prevented the generation of hazardous waste from electrical and electronic sections.

Our activity generates waste such as paper and cardboard, plastic, organic waste, toner, alkaline batteries, fluorescent bulbs, obsolete computer equipment and vegetable oil (only in the Madrid site). The General Services Department keeps track of the amount of waste generated in the waste books of each country.

We have contracts in place with managers authorised to proceed with the correct collection and management of waste at the sites where we are responsible for these tasks. In the other sites, waste is partly managed by Allfunds, and partly by the building owners.

Methods to treat the waste generated are:

- › Recovery (R12 and R13) and recycling or recovery (R03) operations for paper and cardboard, plastic, organic waste, batteries, fluorescent bulbs, toners, obsolete computer equipment and vegetable oil. The latter is processed at the manager's facilities for transformation into biodiesel.

The data on waste recycled throughout 2021 are as follows:

- › 19.12 tonnes of recycled paper.
- › 0.530 tonnes of WEEE.
- › 29 kilos of fluorescent tubes and lights.

Recycling points are being improved at the sites in Madrid and Poland, and new containers are to be manufactured to separate waste generated across the facilities. Additionally, individual litter bins were removed from the offices of both sites.



During 2022, these actions will be carried out to improve the separation of waste at the sites in London, Milan, Luxembourg and Paris.

The actions to combat food waste refer only to the Madrid site, as it is the only one where there is a kitchen and a dining room. The action that we started to do in 2020 and is still carried out is that food is prepared according to the demand of the staff, so that there is no surplus. Even so, this is not a relevant aspect, nor does it have a significant impact on the organisation, nor does it affect the assessments and decisions of stakeholders.

## Sustainable use of natural resources

### Water consumption

Water consumption is sourced from the general public sewerage network where Allfunds has a presence. We calculate water consumption in total and for each of our working spaces where we have a meter, as, in most sites, water consumption is included in the cost of the rental of buildings.

The total water consumption in 2021 in the sites in Madrid, Valencia, Zurich, Poland and Chile was 4058.68 m<sup>3</sup>, and the average consumption per person was 15.55 m<sup>3</sup> (of a total of 261 employees). We cannot compare the total water consumption data with those for the previous year, since the sites are different and the occupancy in the offices has not been comparable to previous years.

The variation in water consumption in the sites for which we have all the details for 2020 and 2021 is outlined below. We see that there has been a decrease of 2.89%.

| Water consumption (m <sup>3</sup> ) |                 |                 |               |
|-------------------------------------|-----------------|-----------------|---------------|
| Office                              | Year 2020       | Year 2021       | Variation (%) |
| Madrid                              | 3,381.00        | 3,203.00        | -5.26         |
| Zúrich                              | 2.55            | 3.08            | -20.78        |
| Chile                               | 59.06           | 137.00          | +56.89        |
| <b>TOTAL</b>                        | <b>3,442.61</b> | <b>3,343.08</b> | <b>-2.89</b>  |

NOTES:

1. The Valencia office is not included, since we only have information about water consumption of the period until May 2021, given that the staff was relocated to a coworking space afterwards, and the rental costs include water consumption.
2. We have not included the Polish office, as Allfunds started working therein at the end of 2020, and there are no details for the entire year.



Comparing the water consumption data for the head office, we can see that consumption decreased by 6.22% in 2021.

|  | Year 2019 | Year 2020 | Year 2021 | Variation (%) |
|--|-----------|-----------|-----------|---------------|
| <b>Total water consumption (m<sup>3</sup>)</b> | 3,625     | 3,360     | 3,151     | -6.22%        |

The owner of the Madrid headquarters building has developed a Minimum Efficiency Policy regarding Sanitaryware, to which we adhere. The policy is aimed at ensuring that the most efficient and low-consumption alternatives to renew toilets and taps are selected to obtain at least 30% water savings with respect to the base water consumption defined by the LEED certification.

## Sustainable use of natural resources

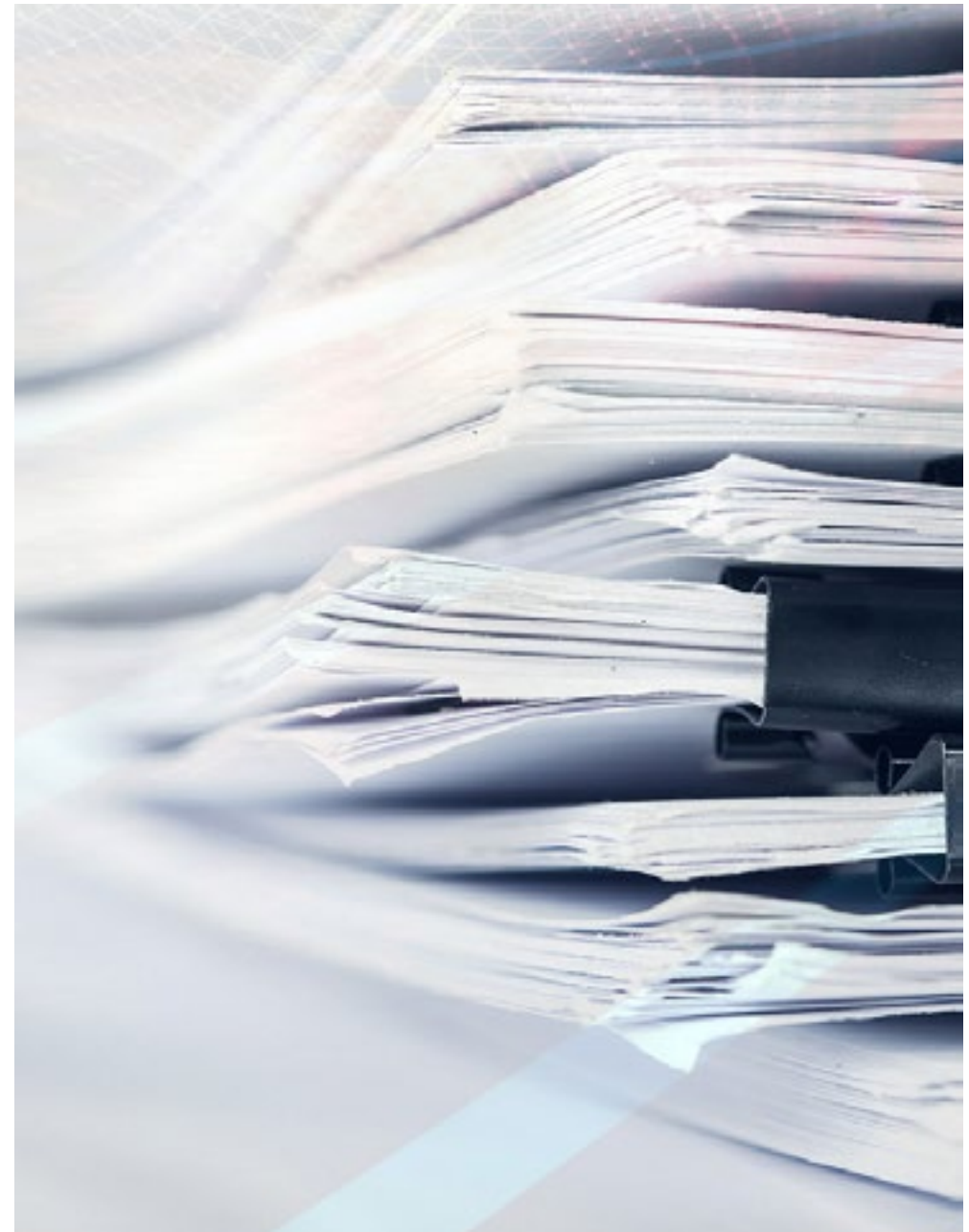
### Paper consumption

We register and control paper consumption at all our working spaces. The paper purchased in 2021 amounted to 165,343.00 paper sheets, which meant a considerable reduction in paper consumption in 2021 compared to 2020, as specified below.

|  | Year 2019 | Year 2020 | Year 2021 | Variation (%) |
|--|-----------|-----------|-----------|---------------|
| <b>Paper consumption<br/>(no. of sheets)</b> | 9,549,019 | 495,500   | 165,343   | -66.93%       |

This has been thanks to our privacy policy and digitalisation process, due to the current situation caused by the health crisis. As a result, paper consumption is expected to be minimised in the future. We have implemented the following environmental measures in most Allfunds offices regarding paper consumption in 2021:

- › Control of printouts. In order to perform any function at the photocopier, users must authenticate themselves, either with their employee card or by entering their Windows user name and password. Accordingly, a record is generated of everything printed by each user. The last venue to be incorporated into this measure was Milan, at the end of 2021.
- › In 2020, the type of corporate paper was changed to 25% recycled paper and all paper used for envelopes, business cards, etc. is FSC certified paper from environmentally responsible forests.



## Sustainable use of natural resources

### Energy consumption

Concerning energy consumption, our buildings do not have boilers, so no fuel is consumed for the thermal comfort of employees at our sites.

We have made a fleet of 34 vehicles available to our staff. In Spain, 7 of these vehicles are hybrid and 1 is electric, out of a total of 19, and the international fleet has a total of 3 hybrids out of a total of 14. Moreover, as a measure to promote the transition to electric cars, Allfunds has 9 electric vehicle chargers at the head office.

Concerning electricity, we consume it from the general electricity grid. The electricity consumption of all our sites where there is an individual meter has been calculated. We have access to the figures and this consumption is not included in the rental costs (Madrid, Valencia, London, Luxembourg, Milan, Zurich, Poland, Chile and Singapore). Regarding the Valencia site, we only have information about consumption until May 2021, since the staff was later relocated to a coworking space.

The environmental impact of electricity depends on the energy sources used to generate it. In this regard, it should be noted that the energy supplied to the

sites in Spain, London, Luxembourg, Zurich, Poland, Chile and Singapore in 2021 is of 100% renewable origin. Besides, energy is generated and consumed in the headquarters of Madrid. It comes from the general electricity grid thanks to which electricity consumption has been reduced, from January to December 2021, by 23,806 kWh.

The total electrical energy consumed in 2021 amounts to 1,529,763.93 kWh. 1,421,011.93 kWh of the total consumption are of 100% renewable origin. This means that 92.89% of the electricity consumed by the company is renewable.

We cannot compare the total electricity consumption data for 2021 with those for the previous year, because the sites are not the same. If we compare the data of electricity consumption for Madrid, Valencia (from January to May), London, Luxembourg, Zurich, Chile and Singapore with the data for 2020, we can see that there has been an increase by 5.44%, since the occupancy rate during 2021 was higher.



| Electricity consumption (kWh) |                     |                     |               |
|-------------------------------|---------------------|---------------------|---------------|
| Office                        | Year 2020           | Year 2021           | Variation (%) |
| Madrid                        | 870,367.00          | 943,610.00          | +7.76         |
| Valencia                      | 15,237.00           | 10,666.00           | -42.86        |
| London                        | 108,443.12          | 85,301.00           | -27.13        |
| Luxembourg                    | 48,125.12           | 58,807.00           | +18.16        |
| Zurich                        | 18,898.00           | 17,392.00           | -8.66         |
| Chile                         | 15,544.10           | 41,303.00           | +19.32        |
| Singapore                     | 15,544.10           | 16,679.53           | +6.81         |
| <b>TOTAL</b>                  | <b>1,109,936.34</b> | <b>1,173,758.53</b> | <b>+5.44</b>  |

## Environmental Campaigns

### Change to Ecolabel chemical products

During 2021, we have begun to change the chemical products used, especially for cleaning facilities, to use products with the EU Ecolabel.

The objective of this label is to promote products that can reduce adverse environmental effects, compared to other products of the same category, thus contributing to an efficient use of resources and a high level of environmental protection.

We already use these products in the sites in Spain, London, Luxembourg, Milan, Zurich, and Poland, and we will continue with this change in the other sites over 2022.



### Environmental awareness

One of our environmental objectives for 2021 has been the environmental awareness of all those who make up Allfunds, through awareness campaigns and the disclosure of good environmental practices.

In accordance with this, the following environmental news have been published on our intranet:

#### World Tree Day



This day reminds everyone of the important role that trees and forests play in purifying the air and contributing to climate regulation. As a result, they are considered the lungs of the planet and their importance and impact on the environment are of incalculable value. It is celebrated on 28 June.

#### New recycling points - Reduce, reuse and recycle


This notice was published to inform all employees of the process of eliminating individual waste bins in all offices and improving recycling points at every site, as part of our commitment to circular economy.



## Plastic Free Campaign

Following one of our six key strategies in sustainability, i.e., environmental protection, we continue with our initiative to guarantee the protection of the environment: The Plastic Free campaign, which applies to all Allfunds offices. We have replaced plastic cups with cardboard cups and given each employee a reusable water bottle to reduce plastic consumption and thus also minimise waste



 allfunds

## Plastic Free Campaign

Following one of our 5 key CSR strategies, environmental care, we launch our first initiative to ensure environmental protection: the plastic free campaign that will be applied to all the Allfunds offices.

**HOW?**

- ▶ We will replace the plastic cups with cardboard cups.
- ▶ We will give glass bottles to all the employees (find more details on the intranet).

**#weallcare #enviromentalcare**

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# Annexes

- ▶ **1. About this report**
- ▶ **2. Key indicators**
- ▶ **3. International standard tables**

# About this report

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## ▶ Report scope and coverage

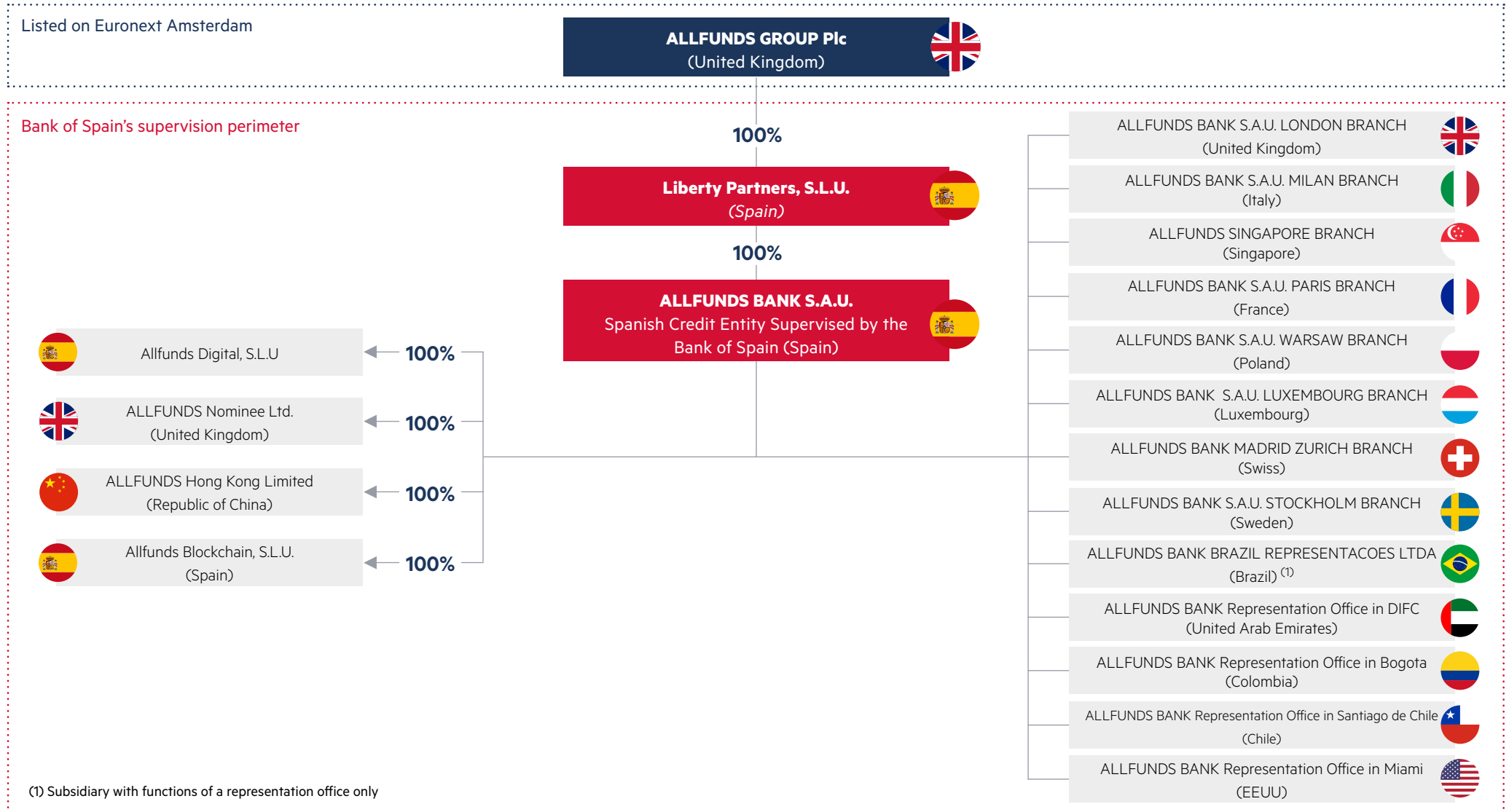
The 2021 ESG Report refers to the period between 1 January and 31 December 2021, and applies to all the activities of the Allfunds Group in the regions where we are present.

This report is published every year and offers key information on the contribution in terms of social, environmental and good governance matters during 2021, as part of our commitment to transparency, accountability and the creation of long-term value for our stakeholders.



## Report scope and coverage

This Report refers to Allfunds Group Plc, a company based in the United Kingdom. Its shares are listed on Euronext Amsterdam. In turn, it is the parent company of a business group (Allfunds Group) made up of the following entities:





## Report scope and coverage

In the event of limitations in the scope, coverage, changes in the consolidation perimeter or other limitations of the information, the appropriate specifications have been made, either throughout the chapters or in the Global Reporting Initiative (GRI) performance indicator tables.

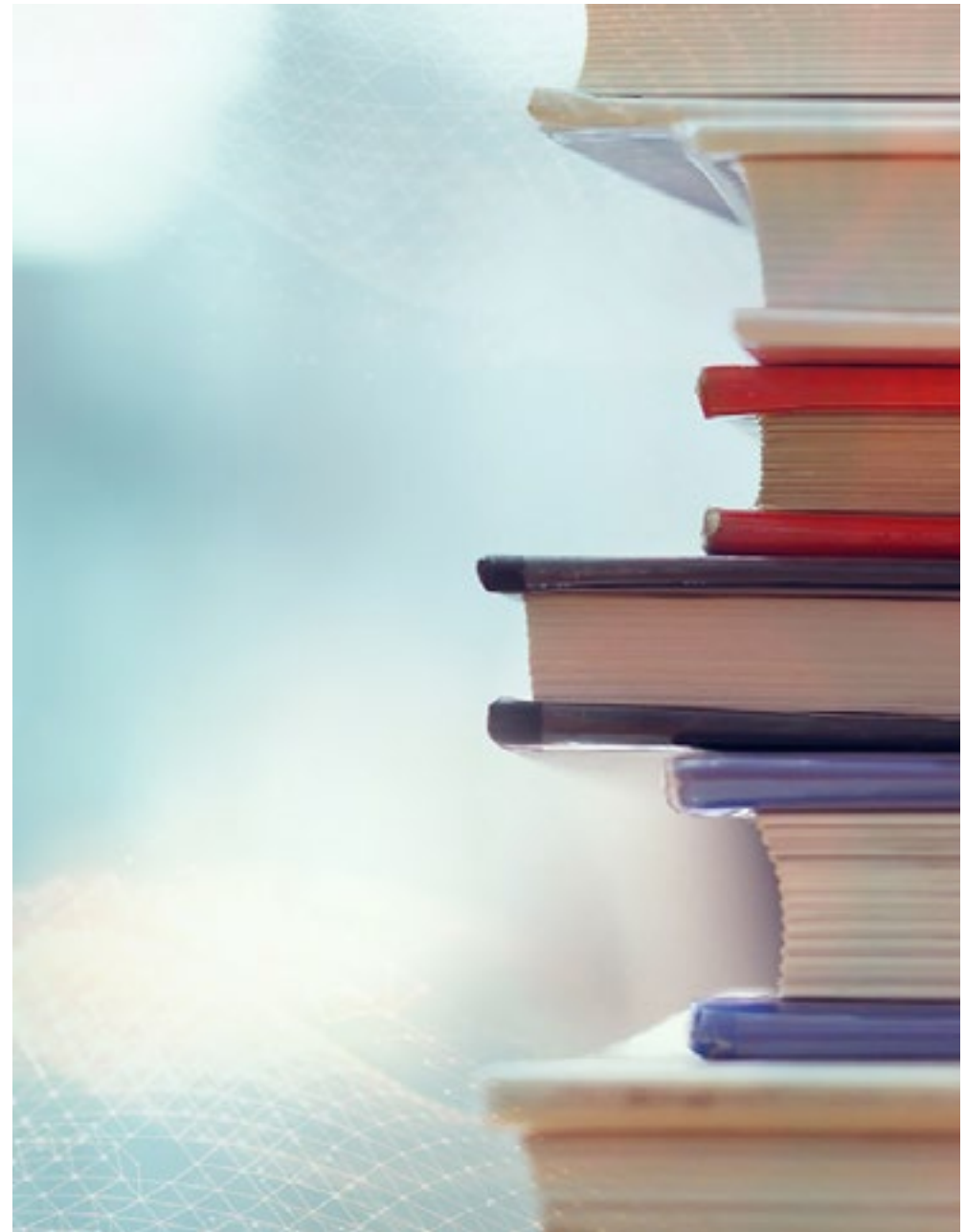
Moreover, we rely on other reports to provide more specific information on certain topics:

### Allfunds Group Plc.

- › [Annual Report 2021](#)
- › [IPO 2021](#):
  - [Allfunds - Prospectus](#)

### Allfunds Bank

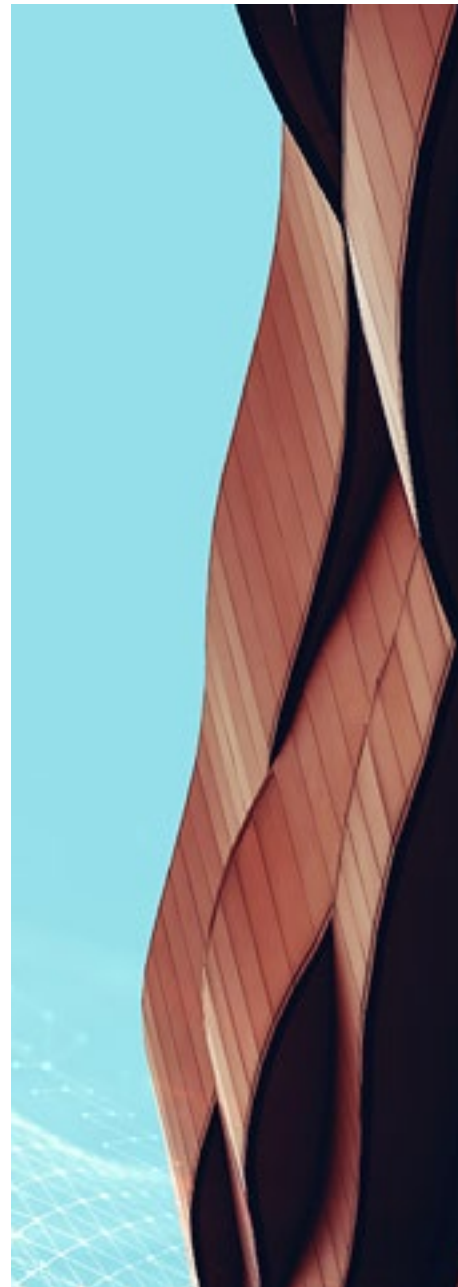
- › [Annual Financial Report 2021](#)
- › [Annual Banking Report 2021](#)
- › [Disclosures Report Pillar III](#)



## Standards

Allfunds' 2021 ESG Report has been prepared according to the international standard Global Reporting Initiative (GRI) in its GRI Standards version, 'comprehensive' option, the most widely used international sustainability reporting methodology in the world. The response to the GRI Standards is shown in this report in the GRI content index.

Likewise, the report reflects the result of Allfunds' management based on ethical and socially responsible values, taking as a reference the Ten Principles of the Global Compact and the United Nations Principles for Responsible Investment, the seven principles of social responsibility set out in the ISO 26000 standard, the ISO 14001:2015 on Environmental Management Systems standard and the SASB (Sustainability Accounting Standards Board) standard.



## Independent review

The 2021 non-financial reporting statement of the Allfunds Group has been prepared on the occasion of Spanish Act 11/2018 of 28 December on non-financial reporting and diversity, amending Spanish Act 22/2015 of 20 July, on the Auditing of Accounts.

The statement includes information on the impact of the Allfunds Group's activity with respect to environmental and social issues, personnel, respect for human rights and the fight against corruption and bribery. The data included therein have been used to prepare this report.

In order to reinforce the veracity and accuracy of the information included in this statement and in the report, it has been independently reviewed by the external company CAVALA Gabinete de Asesoría Empresarial SL according to:

- › The Guideline for Action concerning the revision of Corporate Responsibility Reports published by the Institute of Certified Public Accountants of Spain (ICJCE)

- › Standard ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with limited assurance.
- › ISO/IEC 17029:2019 on Conformity assessment. General principles and requirements for validation and verification bodies.

The Allfunds Internal Audit team and the legal team have also reviewed this report for reasonableness and consistency.

Furthermore, the financial statements of Allfunds and subsidiary companies are audited every year by independent external companies in accordance with current legislation.

## Materiality and stakeholder dialogue

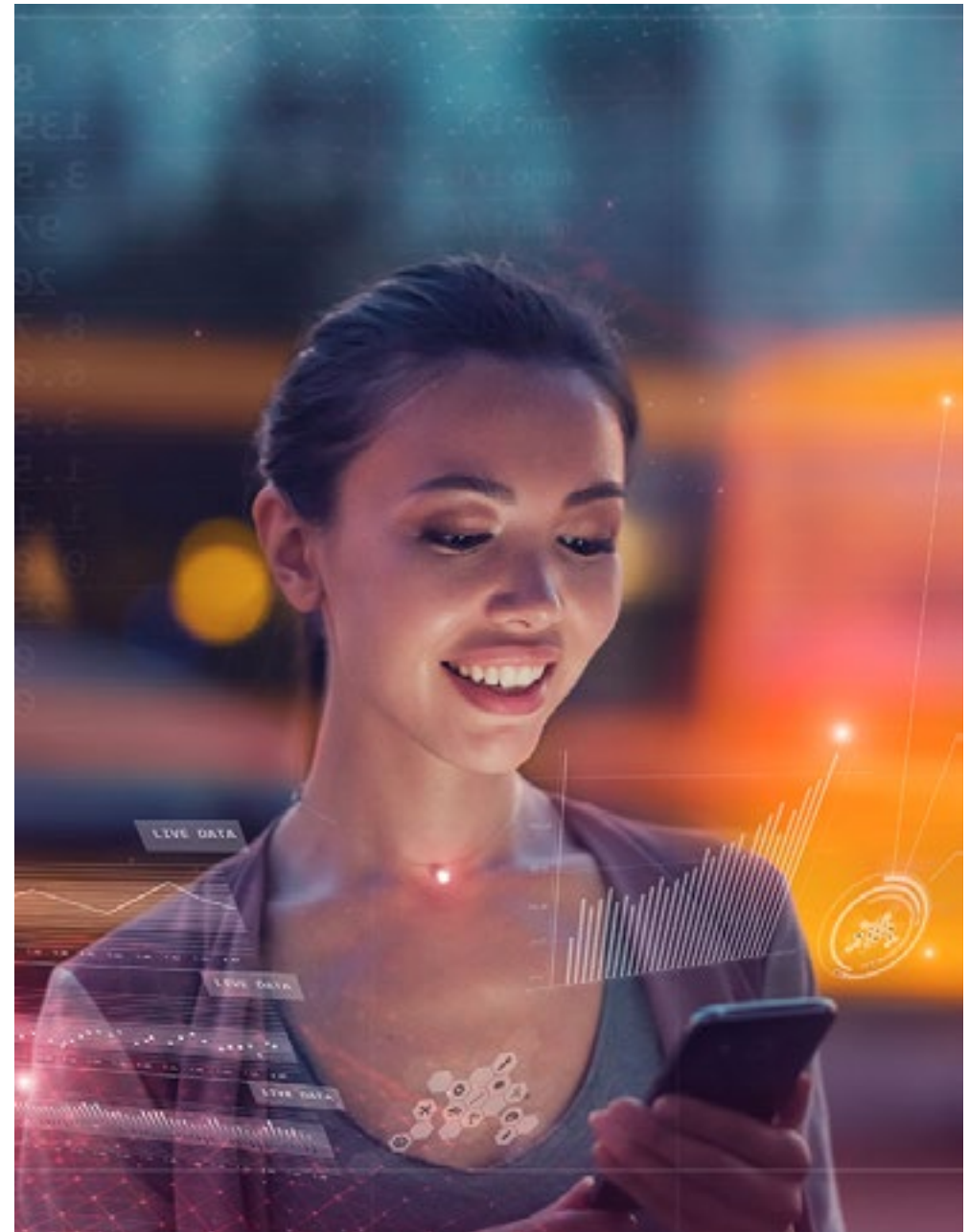
Allfunds' decision-making processes take into account the expectations and needs identified in each of the company's stakeholders, which are described herein under the section 'Our ESG strategy'.

The approach and content of this report have been defined on the basis of the conclusions of the active and continued dialogue processes we hold with all of them, through our multiple listening and response channels, as well as the meetings of the CSR Committee held with senior management.

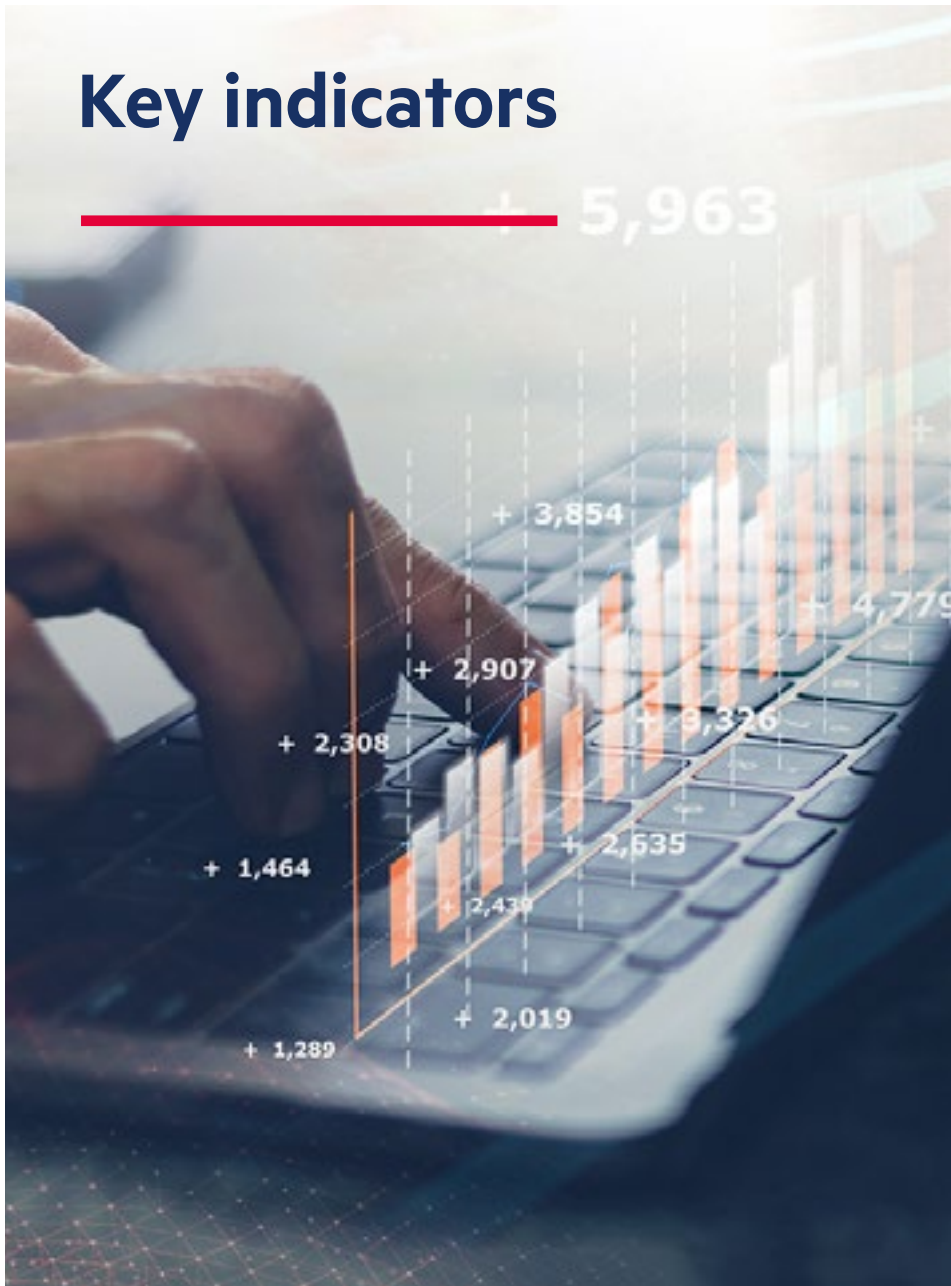
In this regard, we consider that the report includes relevant information on the material issues for the company and reflects its most significant impacts, enabling Allfunds' stakeholders to assess the company's economic, environmental and social performance in 2021, as well as to evaluate its evolution since 2017, when our first report was published.

The identification, segmentation and prioritisation of stakeholders have been reviewed throughout 2021. A materiality assessment will be performed during 2022.

For clarifications or additional information regarding the content of this ESG Report, please contact the ESG Department at [ESG@allfunds.com](mailto:ESG@allfunds.com)



# Key indicators



| Economic  | 2019  | 2020<br>(Pro-Forma) | 2021  |
|---|-------|---------------------|-------|
| <b>Economic performance</b>                           |       |                     |       |
| Net income (million €)                                | 228.2 | 370.4               | 505.7 |
| Adjusted EBITDA (million €)                           | 143.5 | 262.7               | 367.2 |
| Adjusted EBITDA margin (%)                            | 62.9  | 70.9                | 72.6  |
| <b>Adjusted expenditure (million €)</b>               | 87.2  | 111.8               | 145   |
| Adjusted staff expenditure (million €)                | 52.5  | 69.0                | 94.7  |
| Other general and administration expenses (million €) | 34.7  | 42.7                | 50.4  |
| Capex (million €)                                     | 27.1  | 19.5                | 26.6  |
| Taxes paid (million €)                                | 25.3  | 22.3                | 116.9 |
| <b>Business</b>                                       |       |                     |       |
| Offices (total)                                       | 10    | 15                  | 16    |
| Clients (total)                                       | 685   | 760                 | 831   |
| Fund managers (total)                                 | 1,641 | 1,960               | 2,340 |
| Distributors (total)                                  | 685   | 760                 | 831   |
| Assets under administration (trillion €)              | 0,6   | 1,3                 | 1,5   |
| Countries where we operate (total)                    | 45    | 55                  | 62    |
| Currencies with which we operate (total)              | 18    | 25                  | 25    |

## Key indicators

| Environmental   | 2019         | 2020         | 2021         |
|---|--------------|--------------|--------------|
| <b>Environmental management</b>                                       |              |              |              |
| Coverage of ISO 14001 certifications (%) <sup>(1)</sup>               | -            | -            | 4715         |
| Environmental resources invested (€)                                  | 164,001      | 198,611.24   | 202,318.02   |
| <b>Carbon footprint <sup>(2)</sup></b>                                |              |              |              |
| Scope 1 CO <sub>2</sub> emissions (tCO <sub>2</sub> e)                | 68.51        | 0.00         | 7,31         |
| Scope 2 CO <sub>2</sub> emissions (tCO <sub>2</sub> e)                | 436.43       | 91.69        | 30.39        |
| Scope 3 CO <sub>2</sub> emissions (tCO <sub>2</sub> e) <sup>(3)</sup> | -            | 393.82       | -            |
| CO <sub>2</sub> emission intensity/employee                           | 0.97         | 0.11         | 0.04         |
| <b>Use of natural resources</b>                                       |              |              |              |
| Water consumption (m <sup>3</sup> )                                   | 3,963.40     | 3,442,61     | 3,343.08     |
| Paper consumption (no. of sheets)                                     | 9,549,019.00 | 495,500.00   | 165,343.00   |
| Energy consumption (kWh)  | 1,061,635.06 | 1,109,936.34 | 1,173,758.53 |
| Electricity consumption from renewable sources (%)                    | 83,62        | 81,52        | 92,89        |
| Electricity generation (kWh)  | 9,314.15     | 20,101.62    | 23,806.00    |
| <b>Circular economy</b>   |              |              |              |
| Recycled paper (Tn)   | -            | 10.54        | 19.12        |
| Waste from electrical and electronic equipment (Tn)                   | -            | 2.15         | 0.53         |
| Fluorescent tubes and lights (kg)                                     | -            | -            | 29           |

<sup>(1)</sup> Coverage of ISO14001 certifications based on employees per Allfunds offices

<sup>(2)</sup> Calculated according to the 2018 version of the international standard ISO 14064-1

<sup>(3)</sup> Only the calculation is performed in Spain





## Key indicators

| Social  | 2019      | 2020      | 2021      |
|---|-----------|-----------|-----------|
| <b>Human capital</b>  |           |           |           |
| Direct employees (31 December) (total)                                  | 516       | 834       | 861       |
| Employees with a permanent (open-ended) contract                        | 515       | 771       | 765       |
| Gender diversity in the workforce (women) (%)                           | 41.00     | 45.00     | 46.00     |
| Gender diversity in management positions (women) (%)                    | 16.00     | 25.00     | 27.00     |
| Functional diversity (%)  | 1,36      | 1,55      | 1,63      |
| Average hours of training per employee (total hours)                    | 9         | 7         | 9,8       |
| Voluntary turnover (%)  | 13.00     | 9.73      | 13.60     |
| Absenteeism (hours) <sup>(1)</sup>                                      | 26,497.50 | 46,331.00 | 86,115.00 |
| Lost time injuries (total)  | 4         | 0         | 0         |
| Occupational diseases (total)   | 0         | 0         | 0         |
| Employees subject to collective bargaining agreement (%) <sup>(2)</sup> | 80.42     | 64.00     | 66.78     |

<sup>(1)</sup> The increase in 2021 is due to the fact that all the staff in Poland and part of the staff in Italy joined Allfunds in October 2020. Thus, only the absence hours of these sites from October to December were included, thus not including the year 2020 in full.

<sup>(2)</sup> The scope in 2020 changed, since 5 new offices that do not have a collective bargaining agreement were incorporated

### Solidarity

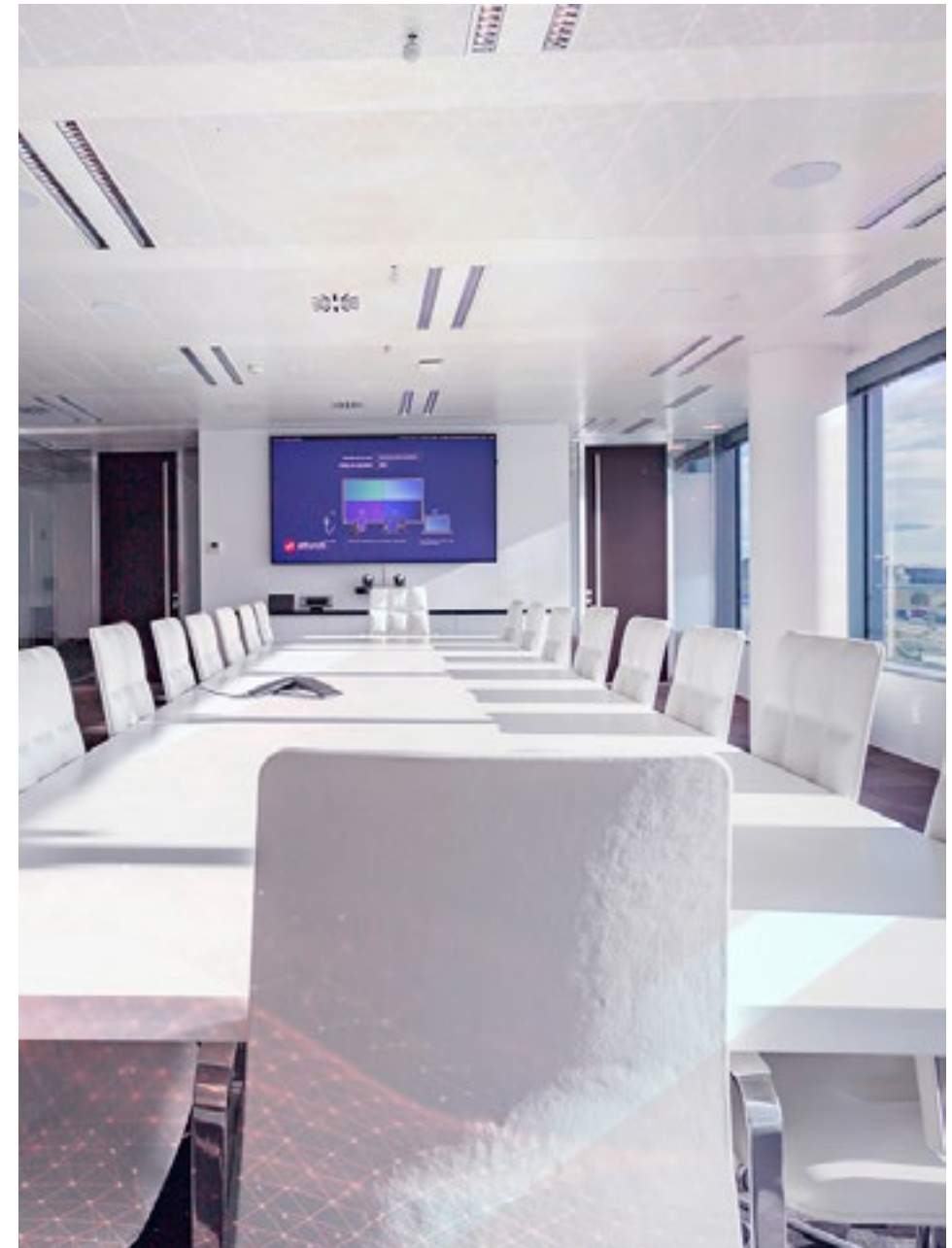
| Social contribution (€)                            |         |         |          |
|--|---------|---------|----------|
| Economic   | 181,469 | 304,241 | 124,436€ |
| Time   | -       | -       | 14,400   |
| In kind  | -       | -       | 61,400   |
| Beneficiary social organisations (total)           | 16      | 12      | 50       |
| Employees participating in volunteer actions (no.) | -       | -       | 285      |

### Supply chain

|   |     |     |       |
|---|-----|-----|-------|
| Approved suppliers (total)                | 696 | 789 | 1,063 |
| Average payment to suppliers (total days) | 24  | 24  | 27,9  |

## Key indicators

| Corporate Governance   | 2019  | 2020   | 2021  |
|--|-------|--------|-------|
| <b>Governance System</b>   |       |        |       |
| Number of Directors (total)  | 6     | 8      | 15    |
| Independent directors (%)  | 33.33 | 25.00  | 40.00 |
| Gender diversity in the Board (women) (%)  | 16.00 | 25.00  | 27.00 |
| Frequency of Board meetings (total)  | -     | -      | 8     |
| Attendance of Directors (%)  | -     | 393.82 | 98.21 |
| Compliance with the Dutch Corporate Governance Code (%) <sup>(1)</sup>   | -     | -      | 92.00 |
| <p><sup>(1)</sup> The number of recommendations that are fulfilled out of the total recommendations applicable to Allfunds. There is no data for 2019 and 2020, since Allfunds was not listed on Euronext.</p> |       |        |       |
| <b>Regulatory compliance, ethics and human rights</b>  |       |        |       |
| Notifications received through reporting channels (total)  | 0     | 0      | 0     |
| Employees trained in topics related to ethical compliance (total)  | 447   | 757    | 743   |





# International standard tables

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- › [GRI content](#)
- › [Global Compact and SDG](#)
- › [Sustainability Accounting Standards Board \(SASB\)](#)
- › [Non-financial Reporting](#)

## GRI content

| GRI Standard                  | Content  | Page number/Direct response  | Justification for possible omissions | Reasons for omitting this explanation |
|-------------------------------|--|--|--------------------------------------|---------------------------------------|
| <b>GENERAL CONTENT</b>        |  |  |                                      |                                       |
| <b>Organisational profile</b> |  |  |                                      |                                       |
| 102-1                         | Name of the organisation                                     | Grupo Allfunds   |                                      |                                       |
| 102-2                         | Activities, brands, products, and services                   | 6-15   |                                      |                                       |
| 102-3                         | Location of headquarters                                     | Calle de los Padres Dominicos, 7, 28050 Madrid, Spain                                |                                      |                                       |
| 102-4                         | Location of operations                                       | 10   |                                      |                                       |
| 102-5                         | Ownership and legal form                                     | 137  |                                      |                                       |
| 102-6                         | Markets served   | 6-15   |                                      |                                       |
| 102-7                         | Scale of the organisation                                    | 6-15, 68-70, 120-121   |                                      |                                       |
| 102-8                         | Information on employees and other workers                   | 66-84  |                                      |                                       |
| 102-9                         | Supply chain   | 118-119  |                                      |                                       |
| 102-10                        | Significant changes in the organisation and its supply chain | 118-119  |                                      |                                       |
| 102-11                        | Precautionary principle or approach                          | 44-65  |                                      |                                       |
| 102-12                        | External initiatives   | 19-20, nited Nations Global Compact<br>93-100, Principles for Responsible Investment |                                      |                                       |
| 102-13                        | Membership of associations                                   | 116  |                                      |                                       |
| <b>Strategy</b>               |  |  |                                      |                                       |
| 102-14                        | Statement from senior decision-makers                        | 4  |                                      |                                       |
| 102-15                        | Key impacts, risks, and opportunities                        | 11-15, 52-61   |                                      |                                       |
| <b>Ethics and integrity</b>   |  |  |                                      |                                       |
| 102-16                        | Values, principles, standards, and norms of behaviour        | 8, 17-18, 44-51  |                                      |                                       |
| 102-17                        | Mechanisms for advice and concerns about ethics              | 46, 62-65  |                                      |                                       |

## GRI content

| GRI Standard           | Content   | Page number/Direct response  | Justification for possible omissions | Reasons for omitting this explanation |
|------------------------|---|--|--------------------------------------|---------------------------------------|
| <b>GENERAL CONTENT</b> |   |  |                                      |                                       |
| <b>Governance</b>      |   |  |                                      |                                       |
| 102-18                 | Governance structure  | 21-23, 35-37   |                                      |                                       |
| 102-19                 | Delegating authority  | 35-37  |                                      |                                       |
| 102-20                 | Executive-level responsibility for economic, environmental, and social topics | 21-23, 40  |                                      |                                       |
| 102-21                 | Consulting stakeholders on economic, environmental, and social topics         | 24-29  |                                      |                                       |
| 102-22                 | Composition of the highest governance body and its committees                 | 35-43  |                                      |                                       |
| 102-23                 | Chair of the highest governance body  | 36-37  |                                      |                                       |
| 102-24                 | Nominating and selecting the highest governance body                          | 36-40  |                                      |                                       |
| 102-25                 | Conflicts of interest   | 49   |                                      |                                       |
| 102-26                 | Role of highest governance body in setting purpose, values, and strategy      | 1-22, 38-40  |                                      |                                       |
| 102-27                 | Collective knowledge of highest governance body                               | 38-40  |                                      |                                       |
| 102-28                 | Evaluating the highest governance body's performance                          | 37-40  |                                      |                                       |
| 102-29                 | Identifying and managing economic, environmental, and social impacts          | 21-23, 40, 52-61, 124  |                                      |                                       |
| 102-30                 | Effectiveness of risk management processes                                    | 52-61  |                                      |                                       |
| 102-31                 | Review of economic, environmental, and social topics                          | 21-23, 30-33, 40   |                                      |                                       |
| 102-32                 | Highest governance body's role in sustainability reporting                    | 21-23  |                                      |                                       |
| 102-33                 | Communicating critical concerns   | 21-23, 52-61   |                                      |                                       |
| 102-34                 | Nature and total number of critical concerns                                  | None.  |                                      |                                       |
| 102-35                 | Remuneration policies   | 37, 71-73  |                                      |                                       |
| 102-36                 | Process for determining remuneration  | 37, 71-73  |                                      |                                       |
| 102-37                 | Stakeholder's involvement in remuneration                                     | There are currently no mechanisms for stakeholder consultation in the area of remuneration. Responsibility for this lies with the Appointments and Remuneration Committee. |                                      |                                       |
| 102-38                 | Annual total compensation ratio   | 72-73  |                                      |                                       |
| 102-39                 | Percentage increase in annual total compensation ratio                        | 72-73  |                                      |                                       |

## GRI content

| GRI Standard                  | Content  | Page number/Direct response                                 | Justification for possible omissions | Reasons for omitting this explanation |
|-------------------------------|--|---|--------------------------------------|---------------------------------------|
| <b>GENERAL CONTENT</b>        |  |   |                                      |                                       |
| <b>Stakeholder engagement</b> |  |   |                                      |                                       |
| 102-40                        | List of stakeholder groups                                 | 24-29   |                                      |                                       |
| 102-41                        | Collective bargaining agreements                           | 24, 80-81, 84   |                                      |                                       |
| 102-42                        | Identifying and selecting stakeholders                     | 24-29   |                                      |                                       |
| 102-43                        | Approach to stakeholder engagement                         | 24-29   |                                      |                                       |
| 102-44                        | Key topics and concerns raised                             | 24-29, 30-33  |                                      |                                       |
| <b>Reporting practice</b>     |  |   |                                      |                                       |
| 102-45                        | Entities included in the consolidated financial statements | 137   |                                      |                                       |
| 102-46                        | Defining report content and topic Boundaries               | 137-138   |                                      |                                       |
| 102-47                        | List of material topics                                    | 24-29, 140  |                                      |                                       |
| 102-48                        | Restatements of information                                | There have been no significant restatements of information. |                                      |                                       |
| 102-49                        | Changes in reporting                                       | 139   |                                      |                                       |
| <b>Report profile</b>         |  |   |                                      |                                       |
| 102-50                        | Reporting period   | 2021  |                                      |                                       |
| 102-51                        | Date of most recent report                                 | 2020  |                                      |                                       |
| 102-52                        | Reporting cycle  | Annual  |                                      |                                       |
| 102-53                        | Contact point for questions regarding the report           | <a href="mailto:ESG@allfunds.com">ESG@allfunds.com</a>      |                                      |                                       |
| 102-54                        | Claims of reporting in accordance with the GRI Standards   | 139   |                                      |                                       |
| 102-55                        | GRI content index  | 146-155   |                                      |                                       |
| 102-56                        | External assurance   | 139   |                                      |                                       |

## GRI content

| GRI Standard                              | Content  | Page number/Direct response                                    | Justification for possible omissions | Reasons for omitting this explanation |
|---|--|--|--------------------------------------|---------------------------------------|
| <b>MATERIAL ASPECTS</b>                   |  |  |                                      |                                       |
| <b>GRI 103: Management approach</b>       |  |  |                                      |                                       |
| 103-1                                     | Explanation of the material topic and its Boundary                             | 17-33, 44-48, 101, 122-124                                     |                                      |                                       |
| 103-2                                     | The management approach and its components                                     | 17-33, 44-51, 66-67, 101, 122-124                              |                                      |                                       |
| 103-3                                     | Evaluation of the management approach  | 21-23, 40, 46, 52-65   |                                      |                                       |
| <b>GRI 201: Economic performance</b>      |  |  |                                      |                                       |
| 201-1                                     | Direct economic value generated and distributed                                | 120-121, 141   |                                      |                                       |
| 201-2                                     | Financial implications and other risks and opportunities due to climate change | 59-61, 124-127   |                                      |                                       |
| 201-3                                     | Defined benefit plan obligations and other retirement plans                    | 80   |                                      |                                       |
| 201-4                                     | Financial assistance received from government                                  | 121  |                                      |                                       |
| <b>GRI 202: Market presence</b>           |  |  |                                      |                                       |
| 202-1                                     | Ratios of standard entry level wage by gender to local minimum wage            | 73   |                                      |                                       |
| 202-2                                     | Proportion of senior management hired from the local community                 | No members of the Executive Committee have been hired in 2021. |                                      |                                       |
| <b>GRI 203: Indirect economic impacts</b> |  |  |                                      |                                       |
| 203-1                                     | Infrastructure investments and services supported                              | 101-119  |                                      |                                       |
| 203-2                                     | Significant indirect economic impacts  | 52-61, 101-119   |                                      |                                       |
| <b>GRI 204: Procurement practices</b>     |  |  |                                      |                                       |
| 204-1                                     | Proportion of spending on local suppliers                                      | 119  |                                      |                                       |
| <b>GRI 205: Anti-corruption</b>           |  |  |                                      |                                       |
| 205-1                                     | Operations assessed for risks related to corruption                            | 52-54, 62-65   |                                      |                                       |
| 205-2                                     | Communication and training about anti-corruption policies and procedures       | 44-51, 74, 144   |                                      |                                       |
| 205-3                                     | Confirmed incidents of corruption and actions taken                            | There have been no cases of corruption in 2021.                |                                      |                                       |

## GRI content

| GRI Standard                               | Content   | Page number/Direct response                        | Justification for possible omissions | Reasons for omitting this explanation |
|--|---|--|--------------------------------------|---------------------------------------|
| <b>MATERIAL ASPECTS</b>                    |   |  |                                      |                                       |
| <b>GRI 206: Anti-competitive behaviour</b> |   |  |                                      |                                       |
| 206-1                                      | Legal actions for anti-competitive behaviour, anti-trust and monopoly practices | In 2021, there were no legal actions of this type. |                                      |                                       |
| <b>GRI 207: Tax</b>                        |   |  |                                      |                                       |
| 207-1                                      | Approach to tax   | 120-121  |                                      |                                       |
| 207-2                                      | Tax governance, control, and risk management                                    | 52-61, 120-121                                     |                                      |                                       |
| 207-3                                      | Stakeholder engagement and management of concerns related to tax                | 24-29, 120-121                                     |                                      |                                       |
| 207-4                                      | Country-by-country reporting  | 120-121  |                                      |                                       |
| <b>GRI 301: Materials</b>                  |   |  |                                      |                                       |
| 301-1                                      | Materials used by weight or volume  | 131  |                                      |                                       |
| 301-2                                      | Recycled input materials used   | Not applicable.                                    |                                      |                                       |
| 301-3                                      | Reclaimed products and their packaging materials                                | Not applicable.                                    |                                      |                                       |
| <b>GRI 302: Energy</b>                     |   |  |                                      |                                       |
| 302-1                                      | Energy consumption within the organisation                                      | 132  |                                      |                                       |
| 302-2                                      | Energy consumption outside the organisation                                     | 126  |                                      |                                       |
| 302-3                                      | Energy intensity  | 125-126  |                                      |                                       |
| 302-4                                      | Reduction of energy consumption   | 127-128  |                                      |                                       |
| 302-5                                      | Reductions in energy requirements of products and services                      | 127-128  |                                      |                                       |
| <b>GRI 303: Water</b>                      |   |  |                                      |                                       |
| 303-1                                      | Water withdrawal by source  | 130  |                                      |                                       |
| 303-2                                      | Water sources significantly affected by withdrawal of water                     | Not applicable.                                    |                                      |                                       |
| 303-3                                      | Water recycled and reused   | Not applicable.                                    |                                      |                                       |

## GRI content

| GRI Standard                             | Content  | Page number/Direct response            | Justification for possible omissions | Reasons for omitting this explanation |
|--|--|--|--------------------------------------|---------------------------------------|
| <b>MATERIAL ASPECTS</b>                  |  |  |                                      |                                       |
| <b>GRI 304: Biodiversity</b>             |  |  |                                      |                                       |
| 304-1                                    | Operational sites in or adjacent to protected areas or areas of high biodiversity value                    | None.                                  |                                      |                                       |
| 304-2                                    | Significant impacts of activities, products, and services on biodiversity                                  | None.                                  |                                      |                                       |
| 304-3                                    | Habitats protected or restored   | None.                                  |                                      |                                       |
| 304-4                                    | IUCN Red List species and national conservation list species with habitats in areas affected by operations | None.                                  |                                      |                                       |
| <b>GRI 305: Emissions</b>                |  |  |                                      |                                       |
| 305-1                                    | Direct (Scope 1) GHG emissions   | 125-126                                |                                      |                                       |
| 305-2                                    | Energy indirect (Scope 2) GHG emissions  | 125-126                                |                                      |                                       |
| 305-3                                    | Other indirect (Scope 3) GHG emissions   | 126                                    |                                      |                                       |
| 305-4                                    | GHG emissions intensity  | 125-126                                |                                      |                                       |
| <b>GRI 306: Effluents and waste</b>      |  |  |                                      |                                       |
| 306-1                                    | Water discharge by quality and destination   | Not applicable.                        |                                      |                                       |
| 306-2                                    | Waste by type and disposal method  | 129                                    |                                      |                                       |
| 306-3                                    | Significant spills   | There have been no spills during 2021. |                                      |                                       |
| 306-4                                    | Transport of hazardous waste   | 129                                    |                                      |                                       |
| 306-5                                    | Water bodies affected by water discharges and/or runoff  | None.                                  |                                      |                                       |
| <b>GRI 307: Environmental compliance</b> |  |  |                                      |                                       |
| 307-1                                    | Non-compliance with environmental laws and regulations   | 124                                    |                                      |                                       |

## GRI content

| GRI Standard                                      | Content   | Page number/Direct response   | Justification for possible omissions | Reasons for omitting this explanation |
|---|---|---|--------------------------------------|---------------------------------------|
| <b>MATERIAL ASPECTS</b>                           |   |   |                                      |                                       |
| <b>GRI 308: Supplier environmental assessment</b> |   |   |                                      |                                       |
| 308-1   | New suppliers that were screened using environmental criteria   | 118-119   |                                      |                                       |
| 308-2   | Negative environmental impacts in the supply chain and actions taken  | None.   |                                      |                                       |
| <b>GRI 401: Employment</b>                        |   |   |                                      |                                       |
| 401-1   | New employee hires and employee turnover  | 68-70   |                                      |                                       |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees            | There is no distinction in benefits for full-time or part-time employees.<br>80-81  |                                      |                                       |
| 401-3   | Parental leave  | 78  |                                      |                                       |
| <b>GRI 402: Labor/management relations</b>        |   |   |                                      |                                       |
| 402-1   | Minimum notice periods regarding operational changes  | There is no pre-defined notice, consultation, and negotiation period for significant operational changes. In practice, it is communicated as soon as possible and always in compliance with legal limits. |                                      |                                       |
| <b>GRI 403: Occupational health and safety</b>    |   |   |                                      |                                       |
| 403-1   | Health and safety Occupational health and safety management system  | 82-84   |                                      |                                       |
| 403-2   | Hazard identification, risk assessment, and incident investigation  | 82  |                                      |                                       |
| 403-3   | Occupational health services  | 82  |                                      |                                       |
| 403-4   | Worker participation, consultation, and communication on occupational health and safety                       | 84  |                                      |                                       |
| 403-5   | Worker training on occupational health and safety   | 74-75   |                                      |                                       |
| 403-6   | Promotion of worker health  | 80, 82-84   |                                      |                                       |
| 403-7   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 82  |                                      |                                       |



## GRI content

| GRI Standard   | Content  | Page number/Direct response | Justification for possible omissions                | Reasons for omitting this explanation |
|--|--|-----------------------------|---|---------------------------------------|
| <b>MATERIAL ASPECTS</b>  |  |                             |   |                                       |
| <b>GRI 403: Occupational health and safety</b>                   |  |                             |   |                                       |
| 403-8  | Workers covered by an occupational health and safety management system   | 82-83                       |   |                                       |
| 403-9  | Work-related injuries  | 83                          |   |                                       |
| 403-10   | Work-related ill health  | 83                          |   |                                       |
| <b>GRI 404: Training and education</b>                           |  |                             |   |                                       |
| 404-1  | Average hours of training per year per employee  | 75                          |   |                                       |
| 404-2  | Programs for upgrading employee skills and transition assistance programs  | 74                          |   |                                       |
| 404-3  | Percentage of employees receiving regular performance and career development reviews   | 76                          |   |                                       |
| <b>GRI 405: Diversity and equal opportunity</b>                  |  |                             |   |                                       |
| 405-1  | Diversity of governance bodies and employees   | 38-39, 68-69, 78            |   |                                       |
| 405-2  | Ratio of basic salary and remuneration of women to men   | 72-73                       |   |                                       |
| <b>GRI 406: Non-discrimination</b>                               |  |                             |   |                                       |
| 406-1  | Incidents of discrimination and corrective actions taken   |                             | There have been no cases of discrimination in 2021. |                                       |
| <b>GRI 407: Freedom of association and collective bargaining</b> |  |                             |   |                                       |
| 407-1  | Operaciones y Suppliers cuyo derecho a la libertad de asociación y la negociación colectiva puedan infringirse o corran riesgo | None.                       |   |                                       |
| <b>GRI 408: Child labour</b>                                     |  |                             |   |                                       |
| 408-1  | Operaciones y Suppliers con consideración de riesgo de trabajo infantil  | None.                       |   |                                       |
| <b>GRI 409: Forced or compulsory labour</b>                      |  |                             |   |                                       |
| 409-1  | Operations and suppliers at significant risk for incidents of forced or compulsory labour                                      | None.                       |   |                                       |

## GRI content

| GRI Standard                                | Content  | Page number/Direct response  | Justification for possible omissions | Reasons for omitting this explanation |
|---|--|--|--------------------------------------|---------------------------------------|
| <b>MATERIAL ASPECTS</b>                     |  |  |                                      |                                       |
| <b>GRI 410: Security practices</b>          |  |  |                                      |                                       |
| 410-1                                       | Security personnel trained in human rights policies or procedures  | Not applicable.  |                                      |                                       |
| <b>GRI 411: Rights of indigenous people</b> |  |  |                                      |                                       |
| 411-1                                       | Incidents of violations involving rights of indigenous peoples   | None, not applicable to Allfunds.  |                                      |                                       |
| <b>GRI 412: Human rights assessment</b>     |  |  |                                      |                                       |
| 412-1                                       | Operations that have been subject to human rights reviews or impact assessments  | 44-51, 118-119   |                                      |                                       |
| 412-2                                       | Employee training on human rights policies or procedures   | 44-51, 74, 144   |                                      |                                       |
| 412-3                                       | Significant investment agreements and contracts that include human rights clauses or subject to human rights screening | 118-119, 94-100  |                                      |                                       |
| <b>GRI 413: Local communities</b>           |  |  |                                      |                                       |
| 413-1                                       | Operations with local community engagement, impact assessments, and development programs                               | 101-119  |                                      |                                       |
| 413-2                                       | Operations with significant actual and potential negative impacts on local communities                                 | No negative impact of the company's activities on the various local communities has been reported. |                                      |                                       |
| <b>GRI 414: Supplier social assessment</b>  |  |  |                                      |                                       |
| 414-1                                       | New suppliers that were screened using social criteria   | 118-119  |                                      |                                       |
| 414-2                                       | Negative social impacts in the supply chain and actions taken  | No negative impacts from the supply chain have been reported.                                      |                                      |                                       |
| <b>GRI 415: Public policy</b>               |  |  |                                      |                                       |
| 415-1                                       | Political contributions  | No contributions have been made to political parties.  |                                      |                                       |

## GRI content

| GRI Standard                             | Content  | Page number/Direct response  | Justification for possible omissions | Reasons for omitting this explanation |
|--|--|--|--------------------------------------|---------------------------------------|
| <b>MATERIAL ASPECTS</b>                  |  |  |                                      |                                       |
| <b>GRI 416: Client health and safety</b> |  |  |                                      |                                       |
| 416-1                                    | Health and safety impact assessment of product or service categories                           | Not applicable.  |                                      |                                       |
| 416-2                                    | Cases of non-compliance concerning health and safety impacts of product and service categories | Not applicable.  |                                      |                                       |
| <b>GRI 417: Marketing and labelling</b>  |  |  |                                      |                                       |
| 417-1                                    | Requirements for information and labelling of products and services                            | Allfunds has a Sales Manual by which the company's entire sales team is guided and governed; it contains all the social precepts and principles that the company understands as its own. |                                      |                                       |
| 417-2                                    | Cases of non-compliance related to product and service information and labelling               | No cases of non-compliance with regulations or voluntary codes relating to product and service information and labelling have been identified in 2021.                                   |                                      |                                       |
| 417-3                                    | Cases of non-compliance related to marketing communications                                    | No non-compliance cases related to marketing communications have been identified in 2021.  |                                      |                                       |
| <b>GRI 418: Client privacy</b>           |  |  |                                      |                                       |
| 418-1                                    | Substantiated complaints regarding breaches of client privacy and loss of client data          | No complaints regarding breaches of client privacy and loss of client data have been received in 2021.   |                                      |                                       |
| <b>GRI 419: Socioeconomic compliance</b> |  |  |                                      |                                       |
| 419-1                                    | Non-compliance with laws and regulations in the social and economic area                       | The Compliance Department did not detect any material non-compliance with laws and regulations in the financial year 2021.   |                                      |                                       |

## Global Compact and SDG

In 2020 we adhered to the Principles of the Global Compact. Our commitment to these principles related to Human and Labour Rights, Environment and Anti-corruption is outlined each year on the Sustainability Report and the progress report we publish every year, which is available on the [Global cCompact website](#) y and [UN Global Compact](#).

We also go one step further by linking the Global Compact Principles with the GRI sustainability indicators and the SDGs, thus obtaining a more defined and specific vision of our responsibility and commitment.

| Aspects         | Global Compact Principles   | GRI Standards   | SDG                                    |
|-----------------|---|---|--|
| Human Rights    | 1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence | 102-41, 403-2, 403-3, 405-1, 405-2, 412-3, 406-1, 409-1, 414-1, 416-1             | 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17 |
|                 | 2. Businesses should make sure that they are not complicit in human rights abuses   | 412-3, 414-1, 406-1-409-1   | 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 16, 17 |
| Labour Rights   | 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining          | 102-41, 402-1, 407-1, 412-3, 414-1  | 1, 3, 5, 8, 9, 10, 16, 17              |
|                 | 4. Businesses should uphold the elimination of all forms of forced and compulsory labour  | 409-1, 412-3, 414-1   | 1, 3, 5, 8, 9, 10, 16, 17              |
|                 | 5. Businesses should uphold the effective abolition of child labour   | 409-1, 412-2, 412-3   | 1, 3, 5, 8, 9, 10, 16, 17              |
|                 | 6. Businesses should support the elimination of discrimination in respect of employment and occupation                              | 202-2, 401-1, 405-1, 405-2, 406-1, 412-3, 414-1                                   | 1, 3, 5, 8, 9, 10, 16, 17              |
| Environment     | 7. Businesses should support a precautionary approach to environmental challenges   | 301-3, 302-1, 303-1, 304-1, 304-2, 305-1-305-3, 306-1, 306-2, 307-1, 416-1, 417-1 | 2, 6, 7, 9, 11, 12, 13, 14, 15, 17     |
|                 | 8. Business should undertake initiatives to promote greater environmental responsibility  | 201-2   | 2, 6, 7, 9, 11, 12, 13, 14, 15, 17     |
|                 | 9. Businesses should encourage the development and diffusion of environmentally friendly technologies                               | 301-3   | 2, 6, 7, 9, 11, 12, 13, 14, 15, 17     |
| Anti-corruption | 10. Businesses should work against corruption in all its forms, including extortion and bribery                                     | 205-1-205-3   | 3, 10, 16, 17                          |

## SASB

The Sustainability Accounting Standards Board (SASB) Standards are outlined below corresponding to the Financials/Industry Sector: Security & Commodity Exchanges

| Dimension      | Topic  | Financials/Industry Sector SASB Standards: Security & Commodity Exchanges | Page           |
|----------------|--|---|----------------|
| Environment    | GHG emissions                                |   | 125-128        |
|                | Air quality                                  |   | 125-128        |
|                | Energy management                            |   | 132            |
|                | Water and wastewater management              |   | 130            |
|                | Waste and hazardous materials management     |   | 129            |
|                | Ecological and biodiversity impacts          |   | Not applicable |
| Social Capital | Human rights                                 |   | 44-47          |
|                | Community relations*                         |   | 101-117        |
|                | Customer privacy                             |   | 89-92          |
|                | Data security                                |   | 89-92          |
|                | Access and affordability                     |   | 6-15           |
|                | Product quality and safety                   |   | Not applicable |
|                | Customer welfare                             |   | 25             |
|                | Selling practices and product labelling      |   | Not applicable |
| Human capital  | Labour practices                             |   | 66-76          |
|                | Employee health and safety                   |   | 82-84          |
|                | Employee engagement, diversity and inclusion |   | 77-81          |

\* Community relations is included along with Human rights in the SASB Materiality Map, but we have decided to address this topic separately.

| Dimension                     | Topic                                   | Financials/Industry Sector SASB Standards: Security & Commodity Exchanges  | Page                     |
|-------------------------------|---|--|--------------------------|
| Business model and innovation | Product design and lifecycle management | <p><b>Promoting transparent &amp; efficient capital markets</b></p> <p>FN-EX-410a.1 (1) Number and (2) average duration of (a) halts related to public release of information and (b) pauses related to volatility</p> <p>FN-EX-410a.2 Percentage of trades generated from automated trading systems (The entity shall discuss risks and opportunities (short and long-term) associated with automated trading systems including algorithmic or high frequency trading.</p> <p>FN-EX-410a.3 Description of alert policy regarding timing and nature of public release of information</p> <p>FN-EX-410a.4 Description of policy to encourage or require listed companies to publicly disclose environmental, social, and governance (ESG) information</p> | <p>6-15</p> <p>17-23</p> |
|                               | Business model resilience               |  | 6-15, 30-33              |
|                               | Supply chain management                 |  | 118-119                  |
|                               | Materials sourcing                      |  | 118-119                  |
|                               | Physical impacts of climate change      |  | Not applicable           |
| Leadership and governance     | Business ethics                         | <p><b>Gestión de conflictos de intereses</b></p> <p>FN-EX-510a.1 Cuantía total de pérdidas monetarias como resultado de procedimientos legales asociados con fraude, uso de información privilegiada, conducta antimonopolio, anticompetitiva, manipulación del mercado, negligencia u otras leyes o regulaciones relacionadas con la industria financiera (La entidad describirá brevemente la naturaleza, el contexto y cualquier acción correctiva tomada como resultado de las pérdidas monetarias)</p> <p>FN-EX-510a.2 Discusión de procesos para identificar y evaluar conflictos de interés</p>   | 36-51                    |
|                               | Competitive behaviour                   |  | 36-51                    |
|                               | Regulatory compliance                   |  | 52-54                    |
|                               | Critical incident risk management       | <p><b>Managing business continuity and technology risks</b></p> <p>FN-EX-550a.1 (1) Number of significant disruptions and (2) duration of downtime (Please indicate the type and duration of downtime in each case, the main cause and any corrective action taken as a result)</p> <p>FN-EX-550a.2 (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected (The information shall include a description of the corrective actions taken as a result of data breaches)</p> <p>FN-EX-550a.3 Description of efforts to prevent technology errors, security breaches, and market disruptions</p>  | 55-61                    |

## Non-financial Reporting

### Contents of Act 11/2018 EINF

|  | Contents of Act 11/2018 EINF  | Standard used  | Page           |
|--|---|--|----------------|
| Business Model                                       |   |  |                |
| Description of the group's business model            | Description of the business model.  |  | 6-15           |
|  | Geographical presence.  | GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-15                                 | 10             |
|  | Objectives and strategies.  |  | 11             |
|  | Main factors and trends affecting future development.   |  | 13-15          |
| Information about environmental issues               |   |  |                |
| Policies   | Management approach.  | GRI103-2, GRI 103-3  | 122-124        |
| Main risks   | Main risks and impacts arising from the group's activities and their management.                                  | GRI 102-11, GRI 102-15   | 52-61          |
| Environmental management                             | Effects of the company's activities on the environment, health, and safety.                                       | GRI 102-15, GRI 102-29, GRI 102-31   | 122-124        |
|  | Environmental assessment or certification procedures.   | GRI 102-11, GRI 102-29, GRI 102-30   | 122-124        |
|  | Resources dedicated to the prevention of environmental risks.   | GRI 102-29   | 124            |
|  | Application of the precautionary principle.   | GRI 102-11   | 122-124        |
|  | Provisions and guarantees for environmental risks.  | GRI 307-1  | 122-124        |
| Pollution  | Measures to prevent pollution.  | GRI 103-2, GRI 302-4, GRI 302-5, GRI 305-5   | 125-128        |
| Circular Economy and waste prevention and management | Waste prevention and management measures.   | GRI 103-2, GRI 301-1, GRI 301-2, GRI 301-3, GRI 303-3, GRI 306-1, GRI 306-2, GRI 306-3 | 129            |
| Sustainable use of resources                         | Water consumption.  | GRI 303-1  | 130            |
|  | Consumption of raw materials.   | GRI 103-2, GRI 301-1, GRI 301-3  | 131            |
|  | Energy: Consumption, direct and indirect; Measures taken to improve energy efficiency, Use of renewable energies. | GRI 103-2, GRI 302-1, GRI 302-4, GRI 302-5   | 132            |
| Climate Change                                       | Greenhouse Gas Emissions (GHG).   | GRI 305-1, GRI 305-2, GRI 305-3  | 125-128        |
|  | Measures to adapt to Climate Change.  | GRI 102-15, GRI 103-2, GRI 305-5   | 125-128        |
|  | GHG emission reduction targets.   | GRI 103-2  | 125-128        |
| Protection of biodiversity                           | Measures taken to preserve or restore biodiversity.   | Not applicable to the Group  | Not applicable |
|  | Impacts caused by the activity.   | Not applicable to the Group  | Not applicable |

## Non-financial Reporting

### Contents of Act 11/2018 EINF

|                             | Contents of Act 11/2018 EINF   | Standard used   | Page                             |       |
|-----------------------------|--|---|----------------------------------|-------|
|                             | Information about social and personnel issues  |   |                                  |       |
| <b>Policies</b>             | Management approach.   | GRI103-2, GRI 103-3                                   | 66-67                            |       |
| <b>Main risks</b>           | Main risks and impacts arising from the group's activities and their management.                                 | GRI 102-15, GRI 102-30                                | 52-61                            |       |
| <b>Employment</b>           | Total number and distribution of employees by gender, age, country, and professional classification.             | GRI 102-7, GRI 102-8, GRI 401-1, GRI 405-1            | 68-70                            |       |
|                             | Total number and distribution of types of employment contract.   |   | 68-69                            |       |
|                             | Annual average of permanent, temporary, and part-time contracts by gender, age, and professional classification. |   | 68-69                            |       |
|                             | Number of dismissals by gender, age, and professional classification.  |   | 70                               |       |
|                             | Average salaries by gender, age, and professional classification or equal value.                                 |   | GRI 102-36, GRI 201-3, GRI 405-2 | 71-73 |
|                             | Wage gap.  |   |                                  | 71-73 |
|                             | Compensation for equal or average jobs in the company.   |   |                                  | 73    |
|                             | Average remuneration of directors and managers, broken down by gender.   |   | 72                               |       |
| <b>Organisation of work</b> | Work disconnection measures.   | GRI 103-2   | 81                               |       |
|                             | Employees with disabilities.   | GRI 405-1   | 79                               |       |
|                             | Organisation of working time.  | GRI 102-8, GRI 103-2                                  | 66-70                            |       |
| <b>Health and safety</b>    | Number of absenteeism hours.   | GRI 403-2   | 83                               |       |
|                             | Measures to facilitate work-life balance.  | GRI 103-2, GRI 401-3                                  | 80-81                            |       |
|                             | Health and safety conditions at work.  | GRI 403-1, GRI 403-2, GRI 403-7, GRI 403-6, GRI 403-8 | 82-85                            |       |
| <b>Health and safety</b>    | Accident rates disaggregated by gender.  | GRI 403-9   | 84                               |       |
|                             | Occupational diseases.   | GRI 403-10  | 84                               |       |
| <b>Social relations</b>     | Organisation of social dialogue.   | GRI 102-43, GRI 403-4                                 | 78, 84                           |       |
|                             | Percentage of employees covered by a collective bargaining agreement.  | GRI 102-41  | 84                               |       |
|                             | Balance of collective agreements in the field of health and safety at work.                                      | GRI 403-4, GRI 403-4                                  | 84                               |       |
| <b>Training</b>             | Training policies.   | GRI 103-2, GRI 404-2                                  | 74-76                            |       |
|                             | Total hours of training by professional categories.  | GRI 404-1, GRI 403-5                                  | 75-76                            |       |
| <b>Accessibility</b>        | Universal accessibility for people with disabilities.  | GRI 103-2, GRI 406-1                                  | 79                               |       |



## Non-financial Reporting

### Contents of Act 11/2018 EINF

|  | Contents of Act 11/2018 EINF   | Standard used                   | Page      |
|--|--|---------------------------------|-----------|
| Information on respect for human rights                        |  |                                 |           |
| Equality   | Measures for equality for men and women.   |                                 | 77-78     |
|  | Equality plans.  |                                 | 78        |
|  | Measures to promote employment.  |                                 | 66-67     |
|  | Protocols against sexual and gender-based harassment.                            | GRI 103-2, GRI 406-1            | 78        |
|  | Integration and universal accessibility for people with disabilities.            |                                 | 79        |
|  | Policy against discrimination and diversity management.                          |                                 | 77        |
| Information on respect for human rights                        |  |                                 |           |
| Policies   | Management approach.   | GRI 103-2, GRI 103-3            | 44-48     |
| Main risks   | Main risks and impacts arising from the group's activities and their management. | GRI 102-15, GRI 102-30          | 52-61     |
|  | Application of due diligence procedures.   |                                 | 44-48     |
| Human Rights   | Measures for the prevention and management of possible abuses.                   | GRI 102-17, 103-2, GRI 419-1    | 44-48     |
|  | Complaints for cases of human rights violations.                                 |                                 | 47        |
|  | Promotion and compliance with the provisions of the ILO.                         |                                 | 47        |
| Information regarding the fight against corruption and bribery |  |                                 |           |
| Policies   | Management approach.   | GRI 103-2, GRI 103-3, GRI 205-2 | 50-51     |
| Main risks   | Main risks and impacts arising from the group's activities and their management. | GRI 102-15, GRI 102-30          | 52-61     |
|  | Measures to prevent corruption and bribery.                                      |                                 | 50, 64-65 |
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## Non-financial Reporting

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