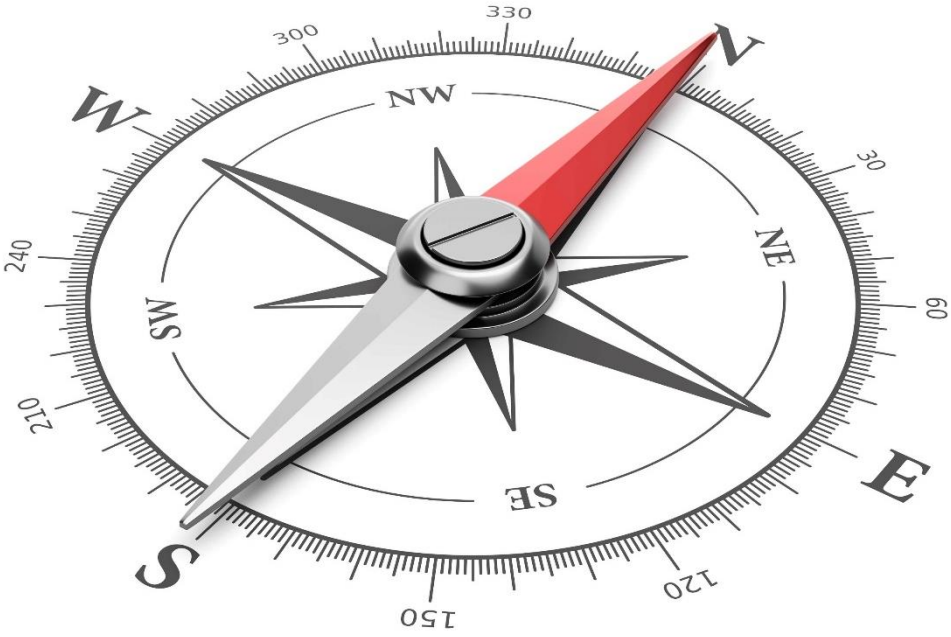


Due Diligence policy in respect of the Principal Adverse Impact



MAPFRE ASSET MANAGEMENT, SGIIC, SA

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1. INTRODUCTION

One of the main goals of the MAPFRE Group is to maximize its contributions for sustainable development, create a positive impact of its activities, and be mindful of the goal to always act in the best interest of its customers.

MAPFRE, in accordance with the United Nations (UN), sees sustainable development as meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.

As shown by its commitment, MAPFRE adheres to the UN Global Compact, the United Nations Environment Programme Finance Initiative (UNEP FI), the Principles for Sustainable Insurance (PSI), the UN Principles for Responsible Investment (PRI), and the UN Women's Empowerment Principles. In addition, MAPFRE has made a public commitment to contribute to the UN 2030 Agenda for Sustainable Development.

MAPFRE understands that being sustainable means acting on the three pillars of sustainability (environmental, social and governance).

In this context, MAPFRE Asset Management S.G.I.I.C., SA (hereinafter "MAM" or "Management Firm") has developed a holistic framework for sustainable investment that it applies to its asset management activities.

This sustainable investment framework is based on:

- The implementation of environmental, social and corporate governance (ESG) factors into the decision-making and analysis process, and the traditional financial criteria.
- The long-term engagement of the Management Firm with the companies in which it invests, with a greater participation in corporate governance decisions through, among other instruments, the exercise of active voting rights.
- Fostering stable relationships and open dialog with listed companies or issuers of financial, public or private products regarding ESG topics. As well as establishing communication channels with different stakeholders.

MAM considers that its investment model may help the companies' results and contribute to greater and sustainable progress.

The Management Firm is also aware that certain investment activities may cause adverse impacts within the sustainability factors. In this sense, it attempts to minimize them whenever possible, utilizing its investment strategies.

2. THE DUE DILIGENCE PROCESS

Contributes to the anticipation, prevention and mitigation of adverse impacts. Should be proportionate to risk and adjust to the circumstances and conditions of each company. Therefore, MAM's investment decision-making process takes the following steps:

- Identifying the major negative impacts, both real and potential.
- Adopting the necessary measures to prevent and/or mitigate the negative impacts.
- Monitoring the implementation of measures and results achieved.
- Reporting on how they act and evolve.

Due diligence is an ongoing process.

3. IDENTIFY PRINCIPAL ADVERSE IMPACTS

The process to identify principal adverse impacts directly linked to the investment decision-making process. The relevant sustainability factors are identified in a specific area, industry, sector or company.

MAPRE's commitment to combating **climate change** has prioritized the environmental factors. Additionally, social aspects, and in particular the inclusion of disabled people, are a part of MAPFRE's priorities. The Management Firm and MAPFRE generally strive to develop measures and controls that comply with the regulation.

Indicators such as carbon footprint, the exposure of our portfolios to fossil fuel or accessibility to work positions, and improvements in using energy sources are analyzed.

In order to take these indicators and criteria into consideration in management, they are reviewed continuously to ensure compliance with new regulatory requirements. As the issuers and companies that MAM invests provide improved and additional information, such data will be incorporated into the decision-making process.

MAM's objective as a long-term investor is to develop engagement activities (voting and dialog) that support the purposes of the specific policies. These activities are key to detecting potential adverse impacts, knowing how companies manage such impacts and establishing processes so companies can take measures to improve.

4. ENGAGEMENT

With the dialog and engagement with the companies, MAM aims to understand the companies' business models, risks, and opportunities and promote change to improve the strategy, management, and ESG data, particularly in the material aspects of each company. In this way, they can determine and mitigate adverse impacts.

MAM also collaborates with other agents (members of financial markets, associations, regulators, etc.) to promote socially responsible investment.

Additionally, MAM exercises its right to vote in general shareholder meetings.

5. VOTING

MAM's voting policy establishes the general standards to consider in the voting process at the annual general meetings. The policy aligns with the Management Company's vision of socially responsible investment matters and governance aspects.

The data to determine the vote derives from analyzing it and different sources, including our own analysis. MAM will exercise its right to vote by considering environmental, social, and governance issues and act in the parties' and clients' exclusive best interest.