

11/12/2023

# ESG Policy

**Renta 4 Group**





## Version control

Version	Date	Changes	Affected pages
1.0	15/02/2022	ESG Policy	
2.0	11/12/2023	Actualization	

Prepared by		Reviewed by		Approved by	
ESG Committee		Areas involved		CAC	
Signature		Signature		Signature	
Date	11/12/2023	Date		Date	



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## 1. Introduction

The Renta 4 Group, through various companies, offers brokerage services, underwriting, management and marketing of mutual funds and other collective investment schemes, portfolio management, pension fund management and financial advisory services.

Sustainability has become a priority for the various stakeholders that make up the financial market: investors are increasingly taking environmental, social and governance (ESG) criteria into account when making their investments, and authorities and supervisors have launched various initiatives aimed at promoting sustainable investments.

The Renta 4 Group considers that ESG criteria are part of the risks and opportunities faced by companies in today's world and, therefore, the integration of these aspects into their business strategy and corporate culture is not only a positive action, but a necessary one. Sustainable investment is one of the main levers for the progress of companies and society.

The Renta 4 Group establishes, maintains and advances in different actions that demonstrate its commitment to the integration of ESG criteria, among them:

- Adherence to the United Nations Principles for Responsible Investment (UNPRI) by Renta 4 Group. These principles are:
  1. Incorporate ESG factors in investment analysis and decision-making processes.
  2. Be active owners and incorporate ESG issues into our practices and ownership policies. Seek appropriate disclosure of ESG issues by investees.
  3. Work collaboratively to increase the effectiveness of the application of the Principles.
  4. Present reports on how these principles are being applied, in an exercise of transparency in view of the commitments made in the previous points.

- La Joining the Net-Zero Banking Alliance (NZBA), a key alliance for the financial sector in driving the transition to greenhouse gas (GHG) neutrality.

This Policy is aligned with the regulatory developments and supervisory expectations in the ESG area indicated in the annex to this policy.

## 2. Objective

The purpose of this Policy is to provide a global reference framework for the Renta 4 Group's entities in which the general principles and action procedures for the incorporation of ESG criteria in the following areas are included in a harmonized and homogeneous manner:

- Strategy and business: the Renta 4 Group is committed to promoting investments that minimize negative impacts and to promoting the integration of ESG criteria in the development of its activity at the corporate level (diversity, equality, accessibility, the fight against climate change, etc.).
- Products and services to market: development of a catalog of sustainable products and services to complement its current offering and respond to current market demands within the ESG field.
- Risk management: integration of ESG risks in the Renta 4 Group's strategic or investment decision making.
- Transparency: both towards our clients and stakeholders, communicating the positioning and performance of the Renta 4 Group in the ESG area.
- Governance: Integration of ESG criteria in the strategy, decision-making, roles and responsibilities of the Renta 4 Group.

## 3. Scope of application

### 3.1. Definition of sustainable finance

Renta 4 Group has adopted the European Commission's definition of sustainable finance as its own: a process of integrating ESG criteria into investment decision-making that promotes long-term investment in sustainable activities and projects..

- Environmental considerations:
  - Climate change mitigation.
  - Adaptation to climate change.
  - Pollution prevention and control.
  - Transition to a circular economy.
  - Sustainability and protection of water and marine resources.
  - Biodiversity and ecosystem protection and restoration.
- Social considerations.
  - Reduction of inequalities.
  - Inclusion.
  - Labor relations.
  - Community investment.
  - Respect for human rights.
- Governance considerations.
  - Governance structure.
  - Remuneration.
  - Anti-corruption and anti-bribery.
  - Ethics and transparency.

## 3.2. Scope

This Policy shall apply to:

### **ALL ENTITIES COMPRISING THE RENTA 4 GROUP**

Without prejudice to the adaptations necessary to comply with the regulatory requirements of each entity, as well as their particularities. The most relevant entities for the scope of this Policy:

- Renta 4 Banco, S.A.
- Renta 4 SV, S.A.
- Renta 4, Corredores de bolsa S.A (Santiago de Chile).
- Renta4 Gestora, SGIIC, S.A.
- Renta4 Perú, SAB (Lima).
- Renta 4 Pensiones, S.A.
- Oficina de representación en Bogotá de Renta 4 Banco, S.A.
- Renta4&Global Fiduciaria, S.A.(Bogotá).
- Renta 4 Corporate, S.A.
- Renta 4 Luxemburgo.

The Renta 4 Group shall encourage its subsidiaries and investees to abide by principles and values similar to those set forth in this Policy.

### **ALL EMPLOYEES, OFFICERS AND MEMBERS OF THE BOARD OF DIRECTORS OF THE RENTA 4 GROUP.**

In addition, the Renta 4 Group will encourage other external participants (management companies, brokers, etc.) to abide by general principles similar to those set forth in this Policy.



## 4. General principles

This Policy is based on the following principles:

- Responsibility and commitment to its employees, promoting job stability and ensuring the well-being of the workforce in the work environment.
- Honesty with its customers, working at all times with a customer focus and a willingness to maintain their trust at all times in order to establish a long-term relationship.
- Commitment to the social and environmental impact of investments in society.
- Investment as an instrument of progress for society and people.
- Transparency: through the clear, simple, intuitive, orderly and understandable presentation of the Renta 4 Group's public information.
- Compliance and anticipation of regulatory requirements and supervisory expectations to strengthen relations with supervisors.
- Communication, promoting that its employees are aware of this Policy and procedures applicable to them and that they have the necessary information for the exercise of their responsibilities.
- Training and education, promoting ESG knowledge not only to employees but also to the rest of society.
- Proportionality, serving as an inspiration to all Renta 4 Group entities in proportion to the particularities of each one, taking into account factors such as size, internal organization and nature, scale and complexity.

This Policy is developed and complemented by other specific policies, standards and commitments related to its areas of application, as well as in the adherence to international ESG initiatives, which are detailed on the corporate website.

## 5. Corporate Governance

Renta 4 Group has established a governance structure based on the creation of committees whose functions and responsibilities in ESG matters are detailed below.

### 5.1. Board of Directors

The Board of Directors shall be responsible for:

- Integrar los riesgos ESG en la toma de decisiones del Grupo Establishing the principles on which the management of ESG criteria in the entity must be based.
- Approving the ESG criteria management strategy applicable to the Renta 4 Group's activity, as well as its development regulations, including this Policy.
- Promote employee awareness with the aim of consolidating an organizational culture that integrates ESG values, ensuring knowledge of and commitment to ESG initiatives.
- Promote, assess and approve proposals for ESG objectives, increasing the integration of ESG criteria in the organization's processes.
- Promote, assess and approve proposals for the Renta 4 Group's participation in initiatives that drive the integration of ESG criteria.
- Integrating ESG risks in the Renta 4 Group's decision-making.

### 5.2. Audit and Control Committee

The Audit and Control Committee shall assume the following ESG responsibilities:

- Supervise the information process (elaboration, consolidation, reporting...) in ESG matters and internal control systems.
- To submit ESG information to the Board of Directors for approval prior to the publication that the entity must periodically make public.

### 5.3. Sustainability Committee

The ESG committee is responsible for overseeing the development and implementation of a sustainable investment policy, and its functions include:

- Follow up and ensure communication among all stakeholders.
- Propose to the Board the approval of new areas and/or lines of action to comply with the sustainability strategy.
- Approving new measures without prejudice to informing the Board about them.
- Evaluating and analyzing stakeholder expectations.
- Reviewing the report on the non-financial information statement.
- To inform the Board of the results of the indicators, the expectations and interests of the different stakeholders, the need for more resources, if necessary, proposing specific measures, the approval of new areas and/or lines of action, etc.
- Evaluate the degree of progress/compliance with the defined milestones and propose any adjustments deemed necessary and assess whether the Monitoring Indicators provide adequate information to understand the degree of progress/compliance.

### 5.4. Sustainability Manager

Renta 4 Group has a sustainability manager, whose main functions are::

- To ensure the integration of ESG factors in the Renta 4 Group, as well as the proper execution of its sustainability strategy.
- Identify the different regulatory requirements that, within the entity's operations and in the area of sustainability, require monitoring of their degree of integration and compliance.
- Promover y Promote and follow up on the actions aimed at achieving the sustainability objectives established for the period.

- Proposing and establishing initiatives to improve the Renta 4 Group's performance in the area of sustainability.
- Coordination of the carbon footprint calculation.
- Establishing and leading the ESG Committee sessions.

## 6. Roles and Responsibilities

Renta 4 Group has adopted an organizational and control model based on the 3 lines of defense, where ESG risk management will be integrated with the general risk function. The roles and responsibilities of each of these lines of defense within the ESG scope are indicated below.

### 6.1. First line of defense

The first line of defense is the business units and support areas. In relation to ESG criteria, it will be responsible for the different activities:

- Execute the established plans.
- Identifying and assessing ESG risks within the scope of action of each of the areas.
- Collecting and monitoring data and indicators.
- Reporting such data at all levels and through the channels established for such purposes.
- Carrying out operational monitoring of sustainability objectives for each type of investment.
- Analyze ESG market trends and best practices within the scope of action of each of the areas.
- Identify the sustainability risks to which the business units and support areas are subject.

## 6.2. Second line of defense

The second line of defense is the Risk and Compliance departments. In relation to ESG criteria, it will be responsible for the various activities:

- Carrying out the supervision of all the business areas involved to corroborate that the objectives and strategies set for the inclusion of these sustainability criteria in the analysis for each asset or investment incurred are met.
- Monitor regulatory developments in ESG matters and analyze their impact on the Renta 4 Group.
- Calculation of the carbon footprint.

## 6.3. Third line of defense

The third line of defense is the Internal Audit function. Among its ESG functions are:

- Periodically verify compliance with policies, methodologies and procedures.
- Conduct an independent review of the other two lines of defense.

## 7. Integration of ESG criteria at Renta 4

Renta 4 Group aims to implement an ESG culture throughout the group aligned with its strategic vision, its existing policies and measures and focused on the Group's relationship with the different stakeholders based on responsibility and sustainability. To this end, the Renta 4 Group has implemented lines of action in its three dimensions (corporate, clients and products and society).

- Corporation:
  - Responsabilidad del Grupo Renta 4 con sus empleados ya que dispone de políticas destinadas a retener y atraer el talento, promoviendo en todo momento la igualdad en los procesos de selección y contratación.
  - Respecto a la estructura y los procedimientos de gobierno, el Grupo Renta 4 ha establecido un comité ESG para la coordinación y supervisión de las iniciativas relacionadas con la inversión sostenible.
- Customers/ products:
  - Relating to the relationship with its clients, giving priority to the interests of its clients, "we are not investment managers, but investor managers".
  - To strengthen the image of the Renta 4 Group, it has approved the MAS Plan with the objective, among others, of promoting the development of thematic and ESG investments.
- Society:
  - In its commitment to society, Renta 4 establishes lines of training activity in financial matters with the aim of bringing aspects of financial culture closer to civil society..

Renta 4 Group contributes with different lines of action in the field of the Sustainable Development Goals (SDGs), both through its activity and through its Renta 4 Foundation.

The initiatives and their alignment with the SDGs, on which the Renta 4 Group has the greatest capacity to influence, are listed below, arranged according to their three axes:

**CORPORATION:**

- Health and welfare. In the area of occupational health and well-being, the Renta 4 Group favors the prevention of occupational risks by contracting services with specialized external companies for preventive activities in the area of health surveillance, as well as occupational risks (Actions that are incorporated within the framework of SDG 3 of the United Nations).
- Gender equality. The equality plan, published on the employee portal, reflects the Renta 4 Group's commitment to promote and guarantee equal opportunities for entry and professional development at all levels of the company between men and women. In addition, a protocol has been established for the prevention, treatment and elimination of sexual harassment based on gender and discriminatory acts (actions that are incorporated within the framework of SDG 5 of the United Nations).
- Decent work and economic growth. The Renta 4 Group bases its talent selection policy on the recruitment of professionals with a high level of training and experience appropriate to each position, assessing the suitability, training and professional merits, thus ensuring the suitability of each candidate for the position, in order to provide specialized and quality banking services. In terms of talent management, the Renta 4 Group has implemented various measures to improve the work-life balance of all its employees. The Renta 4 Group also has a remuneration policy aimed at attracting and retaining talent, applying remuneration levels in line with the market and taking into account the level of responsibility, experience, qualifications and performance. The Renta 4 Group has a continuous training plan aimed at all areas and departments of the group (Actions that are incorporated within the framework of SDG 8 of the United Nations).
- Responsible production and consumption. The Renta 4 Group carries out various actions to protect the environment; efficiency on water use, digitalization of the office by reducing paper consumption, waste management, promotion of a transition to a low-carbon economy and reduction in energy consumption.

**CLIENTS/ PRODUCTS:**

- Principles of sustainable investment. This is one of the most important pillars of the ESG policy due to its relevance in the good governance of the entity. Compliance with all the requirements and regulations that are being published in the field of sustainable investment is a priority when dedicating company resources to ESG.

**SOCIETY:**

- Quality education. The entity is committed to education and culture, as it considers them to be the driving force behind the development of society and people. In this area, Renta 4 Banco establishes specific objectives and commitments that can be consulted in the Sustainability Report (Actions included within the framework of the United Nations SDG 4).
- Climate action. By joining NZBA, Renta 4 has made a commitment to greenhouse gas emissions neutrality. An objective that establishes specific milestones to be met, which can be consulted in the Sustainability Report (Actions that are incorporated within the framework of the United Nations SDG 13).
- Reducing inequalities. At Renta 4 we are convinced that the other fundamental driver for the development of society and people is investment. This is because it is thanks to investment that people, companies and even institutions have the necessary capital to be able to develop their strategic plans and, with it, their growth and evolution. If investment is a driver of development, everyone should have access to it and, therefore, at Renta 4 we have made a commitment to raise awareness of the reality that "investing is for everyone", and to provide the solutions that make this possible. These objectives can be consulted in the Sustainability Report (Actions that are incorporated within the framework of SDG 10 of the United Nations).

In order to identify the most relevant issues for the company and define the strategic priorities based on them, the Renta 4 Group carries out a materiality analysis from a dual perspective: internal (through interviews with the heads of the most relevant departments from a sustainability point of view) and external (considering the most relevant stakeholders for the company sustainability) and external (considering the most relevant stakeholders for the entity).



Furthermore, in order to evaluate its own performance in the area of sustainability, the Renta 4 Group periodically analyzes the rating given to Renta4 by one of the ESG rating platforms.

## 7.1. Integration of ESG criteria in investment

Renta 4 Group pursues the integration of ESG criteria into its investment process.

The progress in the process of integrating ESG criteria is shown below:

- Renta 4 Banco: the Asset Management department carries out a qualitative analysis on the application of ESG criteria, both at management and investment fund level. For this analysis, the department uses information provided by third-party information systems, as well as by the managers themselves. This analysis is complemented with quantitative ESG information provided by external providers.

In the case of investment funds, the bank has acquired a tool from a third party to provide information on their ESG impact, which is used by advisors for portfolio management and advice. This information is available to clients through the online channel. Additionally, the advisors, have an internal tool that, using the above information, performs a comparative analysis of investment funds.

- Renta Renta 4 Gestora: has established its own ESG Policy with the aim of integrating the environmental, social and governance information available on each company into the analysis and investment decision-making process, complementing traditional financial information. This policy is governed by principles and values similar to those established in this Policy.

Renta 4 Group continues to work on the inclusion of ESG criteria in all its products and services for both Renta 4 Banco and Renta 4 Gestora.

## 7.2. Integration of ESG risks in the entity's management

The Renta 4 Group has carried out various actions to integrate ESG risks into the entity's management:

- Incorporation within the Risk Appetite Framework of a risk statement in qualitative terms.
- Consideration of ESG risk in various regulatory reports, including:
  - Prudential Relevance Report (PRR).
  - In Capital and Liquidity Self-Assessment Report (CLAR).

## 7.3. Consideration of the main adverse events (PIA)

The Renta 4 Group is committed to integrating environmental, social and governance (ESG) factors into its investments. These negative impacts are also referred to as adverse events and, the most significant of these, principal adverse events (PIAs). Therefore, the Group analyzes the impacts of investments both on its own account and in the provision of services to third parties.

- The calculation of the main adverse impacts on the company's own portfolio is performed through a third-party tool. In the event that high adverse impacts are detected, the assets that are causing them will be identified and the necessary actions will be taken for their mitigation.
- In the case of the provision of services, an analysis of the main adverse incidents is carried out by the Asset Management department.

The methodology adopted by the Renta 4 Group is flexible, adapting to possible regulatory developments that may arise in the field of sustainability, as well as to the strategies and asset classes managed.

## 7.4. Remuneration policy

Renta 4 Group has a remuneration policy aligned with the integration of sustainability risks, with the ESG Policies approved, and with the regulations established from time to time, all with the aim of integrating ESG criteria into investment decisions, promoting long-term investment in sustainable activities and projects.

The Remuneration Policy applies to the Board, Management Committee and senior management, as well as to risk-taking employees whose professional activities have a



significant impact on the risk profile of the company and those who perform control functions.

## **7.5. Involvement policy**

Renta 4 Group believes that engagement is part of the best practices that should help improve corporate and governmental governance. The purpose of its engagement activities is to promote long-term value creation and mitigate risk as a present shareholder. To this end, Renta 4 Gestora has a voting rights policy on ESG issues at meetings. In the case of discretionary portfolio management, the Renta 4 Group ensures that the managers of the funds included in these portfolios have an engagement policy.

## **7.6. Sustainability objectives**

Renta 4 Group's ESG policy has a transversal approach that establishes clear criteria and sets achievable objectives, contributing to its commitment to sustainability. The sustainability committee is in charge of periodically monitoring the level of compliance with the objectives established and approved by the Board of Directors, as well as planning and monitoring the different measures necessary to improve environmental, social and good governance issues.

## 8. Reporting

Communication of ESG positioning and performance is one of the objectives defined in this Policy, as well as one of the principles established by the United Nations in the Principles for Responsible Investment. To this end, the Renta 4 Group is carrying out the following activities:

- Preparation of the specific reporting required by UNPRI following the Renta 4 Group's accession, called "Transparency Report", which must also be available on the Renta 4 Group's website. This document includes all the indicators defined as mandatory by PRI, as well as the voluntary indicators that the Renta 4 Group decides to make public. Following the publication of this report, PRI conducts an assessment of the information reported by signatories and issues a PRI Assessment Report. Through this report, members are graded according to their ESG commitment and assigned a grade, with A+ being the highest grade and E the lowest. In this way, the PRI member is provided with the necessary tools to evaluate its own performance in the application and integration of ESG principles, and allows it to improve its commitment each year
- Preparation of the annual Statement of Non-Financial Information, reporting on the main ESG developments during the year.
- Inclusion of ESG-related questions in the Due Diligences that the Asset Management Department conducts with asset managers.
- Preparation of the Sustainability Report reflecting the Group's commitment to sustainability, and publication of this on its website.
- Calculation of the carbon footprint and implementation of a decarbonization plan.
- Periodic ESG rating by a specialized entity.

In addition, the Renta 4 Group undertakes to prepare and report:

- Information required in the regulatory developments and supervisory expectations in the ESG area detailed in the annex to this policy.

- All information that promotes the integration of ESG criteria both in the corporate culture of the Renta 4 Group and in society.

## 9. ESG Awareness Raising

The Renta 4 Group carries out various measures to raise ESG awareness among employees and society at large:

- Employee training: given the rapid evolution of market trends in relation to the integration of ESG criteria, the Renta 4 Group has established training sessions.
- Delivery of face-to-face and online seminars to boost the company's knowledge in the ESG field.
- Collaboration in round tables on ESG criteria, which have repercussions in the media.
- Collaboration with AEB and Junior Achievement Foundation for financial education with training in schools.
- Generation of training events, audiovisual and multimedia content on ESG matters, available to both customers and non-customers.
- Participation in conferences to promote an ESG culture in society.



## 10. Policy Governance

This Policy shall be subject to revisions with the main objective of keeping it updated in accordance with regulatory requirements and supervisory expectations. In the event that a modification or update is required, the person in charge of this task shall make the change in the document and indicate the new version in the "version control" section.

This Policy shall be approved by the Board of Directors as part of its statutory obligations to approve the general policies and strategies of the Renta 4 Group. Likewise, the Board of Directors and Management of the Renta 4 Group shall promote its communication and knowledge, ensuring that the staff is aware of the obligations of this Policy.

This Policy is of a public nature and will be permanently published on the Renta 4 Group's website, as well as its subsequent modifications.

The Policy has been signed on December xx, 2023.

Chairman of the Board of Directors

Renta 4 Group

## 11. Annex

This policy shall be governed by the regulations applicable to the Renta 4 Group:

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector (SFDR).

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088.

Law 7/2021, of May 20, on climate change and energy transition.

Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investments (EU Taxonomy).

Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021 amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organizational requirements and operating conditions for investment firms (Green MiFID).

Law 11/2018 of December 28 on non-financial information and diversity (EINF Law).

Supervisory Review and Evaluation Process (SREP).