INVESTMENT MANAGEMENT

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SUSTAINABLE INVESTMENT POLICY

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SUSTAINABLE INVESTMENT POLICY

1. Introduction

Our purpose, at SURA Investment Management, is to deliver the best possible investment solutions to our clients, thereby contributing to sustainable development throughout Latin America. In order to achieve this, we realize that it is essential to include environmental, social and corporate governance (ESG) issues in our investment processes. Hence our commitment to the continuous development of our sustainable investing capabilities and their incorporation into our investment processes, across all asset classes and geographies where we operate.

Our sustainable investment strategy lays out two objectives:

- **Strengthening our investment capabilities by identifying and managing risks and opportunities associated with the ESG performance of the assets in which we invest.** We believe that complementing our financial analysis with an assessment of how the assets in which we invest impact their stakeholders, along with long-term environmental and social trends, allows us to make better-informed investment decisions, in line with our fiduciary duty and investment objectives.

- **Creating investment products and solutions in assets with high ESG performance or a significant contribution to sustainability** objectives, and in this way channelling capital towards economic activities that have a positive impact on both society and the environment.

This document defines our sustainable investment framework and the general guidelines for its implementation, in keeping with the general principles laid out in the Responsible Investment Framework Policy of Grupo de Inversiones Suramericana (Grupo SURA), as well as the guidelines defined for the companies belonging to SURA Asset Management, provided that the nature of their business and markets so permit. Its content is based on the United Nations´ Principles for Responsible Investment (PRI), best market practices, international protocols and various relevant initiatives, including those spearheaded by multilateral and national entities and associations that promote sustainable investment.

This Policy was drawn up by SURA Investment Management's Investment and Products team and was reviewed and approved by the Sustainability and Corporate Governance Board Committees that provide their support to SURA Asset Management's Board of Directors. The Policy is in force and therefore applicable from the date indicated at the end of the document and any modification to that herein contained shall be applicable prospectively as of the date of its approval.

2. *Definitions*

ESG criteria

Environmental, social and corporate governance considerations that are taken into account when managing investments. For example:

- **Environmental criteria:** relating to the use of natural resources, the corresponding impact on ecosystems and biodiversity, waste management, greenhouse gas emissions or climate change[1].

- **Social criteria:** relating to human rights, well-being and the expectations of different stakeholders.

- **Corporate governance criteria:** relating to corporate policies, the structuring and working order of governing bodies, shareholders' rights, control environment and standards of conduct and business development.

[1] Although the risks and opportunities associated with climate change are recognized as being included in the environmental criteria, the initiatives for their mitigation can be extended to social factors.

Teams participating in the investment process

These include, but not limited to and as applicable, individuals who are involved in investment processes at SURA Investment Management, mainly from the Investment and Products[2], Risk and Legal and Compliance teams.

External management

This type of investment management is where investment decisions (buying, selling, holding, reallocating, over/underweighting) are made by an external third party through vehicles that form part of multi-asset portfolios, managed by SURA Investment Management's Solutions and Strategy team.

Internal management

This type of investment management is where investment decisions (buying, selling, holding, reallocating, over/underweighting) are the responsibility of SURA Investment Management's own Investment and Product teams.

Sustainable investing

Incorporation of environmental, social and corporate governance criteria to investment and/or financing decisions, asset management and development of investment strategies, so as to better manage risk, seek long-term sustainable returns and offer investment alternatives that are well-aligned with sustainability objectives.

Thematic investments with an ESG focus

Investments in assets that, in addition to providing attractive potential returns while carrying adequate levels of risk, have a positive impact on specific environmental and/or social aspects.

SURA Investment Management

SURA Asset Management´s business unit providing specialized investment management services for institutional investors.

The taxonomy of SURA Asset Management´s sustainable investments

A proprietary standard that objectively defines the terms and conditions for investments to be considered as meeting superior sustainability standards and/or having a positive impact on sustainability. This taxonomy is referenced in various global standards including, but not limited to: The European Union Taxonomy for Sustainable Activities, Climate Bonds Initiative, the Principles of the International Capital Market Association (ICMA), the Principles for Responsible Investment (PRI) as well as globally recognized ESG data providers.

[2] Including SURA Investment Management's Sustainable Investment team.

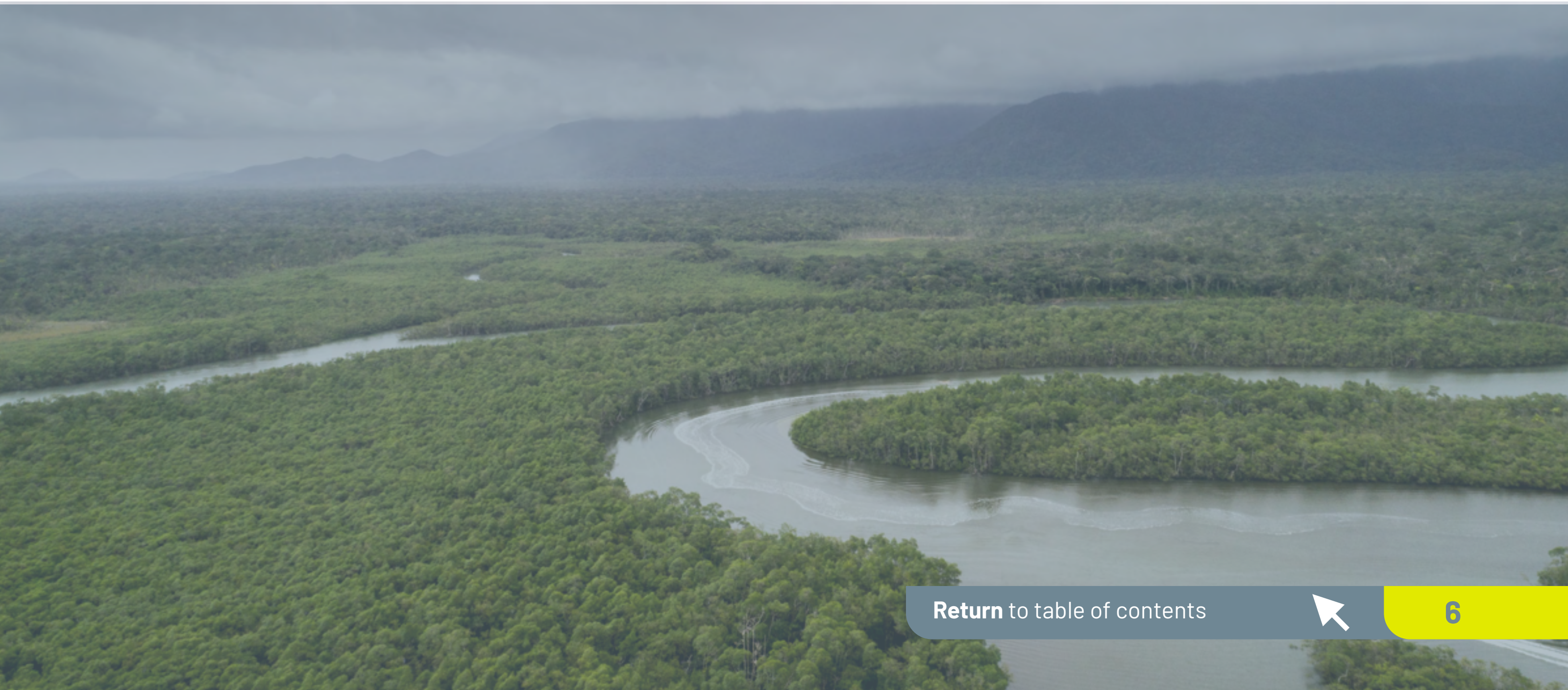
3. Scope

This Policy shall apply to all investment processes carried out by SURA Investment Management, acting as a guide for including ESG criteria in the processes associated with investment analysis and decision-making, asset management and drawing up thematic investment strategies based on sustainability objectives. These policy guidelines shall apply to direct investments in equity, credit (fixed income and private debt), infrastructure, real estate and investments through vehicles managed by third parties, bearing in mind the characteristics of each type of asset.

ESG criteria shall be incorporated and applied in the case of all those investments in which decision-making power is directly held. For investments in strategies managed by third parties, the company shall evaluate the corresponding ESG factors when selecting the fund as well as the fund manager. In any event, all those cases where it is not possible to apply the ESG criteria shall be documented and justified.

Whenever any policy, investment mandate or regulatory provision of mandatory compliance should establish or mandate stricter terms than those set forth herein, such provisions shall prevail. In the event that there should be new lines of investment business, the application of this Policy shall be reviewed and updated as appropriate, while respecting the defined governing bodies.

This document also determines the governance applicable to these processes and shall serve as a means of communication for both employees and stakeholders regarding our vision and commitment to upholding sustainable investment practices.



4. Sustainable Investment Framework

This framework that defines our approach to implementing sustainable investment practices is based on the following three points of connection with our investment processes:

- **Pre-investment:**
consisting of integrating ESG analysis capabilities into our investment decision-making.

- **Post-investment:**
including engaging with companies regarding their ESG performance as well as with respect to any ESG controversy that should arise; managing the ESG performance of real assets where applicable, and monitoring the incorporation of ESG criteria in vehicles managed by third parties.

- **Thematic investment strategies:**
this involves drawing up investment strategies in assets with high levels of ESG performance or with a significant contribution to specific sustainability objectives.

EXCLUSIONS	ESG INTEGRATION	ACTIVE OWNERSHIP	THEMATIC INVESTMENTS
Avoid investing in sectors/ activities/countries that have a significantly negative impact on sustainability objectives.	Incorporating ESG criteria in our investment processes.	• Engaging with Companies regarding their ESG performance and any ESG controversy that should arise. • Management of ESG performance in the case of real assets.	Drawing up investment strategies with high-ESG performing assets or those that could make a significant contribution to sustainability.

Avoiding the negative ↔ **Looking out forthe positive**

The ability to incorporate ESG criteria in investment decision making varies depending on multiple factors such as the asset class, the market in which the assets are traded, the discretion applied when implementing investment decisions as well as the regulatory environment. SURA Investment Management shall incorporate ESG criteria in its investment management processes as stipulated in this section and in accordance with mandatory rules and regulations in the corresponding jurisdiction.

4.1. Exclusions

In the case of investments that come under our own internal portfolio management for which the investment policy is directly established by the Company, all those sectors, activities or investments that are not consistent with Grupo SURA's Responsible Investment Framework Policy as well as the contents of this Policy shall be excluded. To that extent, SURA Investment Management shall refrain from investing in companies, projects or vehicles that are directly related[3] to the businesses or activities listed below:

- Producing and/or marketing pornography,
- Planting, producing, manufacturing and/or marketing tobacco,
- Coal mining and coal sales,
- Producing and/or marketing of controversial arms[4].
- Producing or marketing any product or activity that is considered illegal or unlawful according to local legislation.
- Sovereign debt issued by countries subject to general embargoes for sales of arms to their governments or the freezing of their international assets by the United Nations.

[3] A direct link shall be understood as existing when 10% or more of the corresponding income (or any other indicator that should be established) is related to a listed activity. Public information or information obtained from stakeholders or talks with senior management shall be used to map the income generation factor (or any other indicator that should be established for the operation in question, depending on the industry or activity, wherever the required income information is not available) corresponding to the company, project or vehicle and their respective lines of business or activities.

[4] Cluster weapons, nuclear weapons, anti-personnel mines, chemical weapons, biological weapons, incendiary bombs, depleted uranium munitions.

The exclusion applicable to sovereign debt indicated in the previous list shall not be applicable in all those cases in which SURA Investment Management, through its managed funds or the mandates of its clients, must invest in instruments issued by the Governments, Central Banks, Ministries of Finance (or the equivalent) of the jurisdictions in which they have direct presence. Should this situation arise, the matter shall be escalated to and discussed by the governing body defined in the Governance section of this document, according to the definitions established in Annex 1 "Process for analyzing exclusions and ESG controversies".

In the case of internally managed investments in infrastructure, this exclusion analysis shall apply to the relevant counter parties, that is to say the concession companies, partners and key third parties involved in the infrastructure project in question (builders and operators) as applicable. In the case of real estate assets, this analysis shall apply to tenants, builders and property managers.

With respect to externally managed investments in traditional assets, this list of exclusions shall be applicable to all those vehicles whose investment policy is mainly focused on investing in the aforementioned sectors or activities. In the case of externally-managed investments in alternative assets, we shall ensure that these exclusions are included in the legal documents governing the investment in question, or any supplementary letters that are attached to the corresponding investment commitment, as appropriate. These exclusions shall also apply to mandates where SURA Investment Management acts as principal.

4.2. ESG Integration

The PRI defines ESG Integration as the explicit and systematic inclusion of ESG criteria in the investment analysis and decision-making process. ESG integration takes into consideration the analysis of financially material ESG criteria when conducting appraisals (qualitative and/or quantitative) of investment opportunities.

ESG Criteria Analysis

With regard to internally-managed investments, an assessment of the ESG performance of the assets shall be carried out in order to obtain a more complete perspective of the risks to which these are exposed, along with the policies or mechanisms deployed to mitigate such risk. In accordance with the above, the financial analysis of investments shall be complemented with an evaluation of the sector-specific material ESG, and this shall be included in the qualitative and/or quantitative appraisals of investment opportunities. In the event that it is not possible to apply this type of analysis, the reasons preventing such shall be duly documented.

Information to be used for mapping out these criteria may be taken from our own or external materiality matrices, from data provided by external providers, the material collected from public sources or provided directly by companies or counterparts.

For investments in products managed by third parties, a due diligence process shall be carried out to evaluate the approaches used for including ESG criteria in the corresponding decision-making processes, both from the perspective of the asset manager as well as the vehicle in question.

ESG controversies

ESG controversies shall be evaluated across the board for any asset that forms part of internally managed investments, so as to be able to identify relevant alerts and warnings with the investment decision.

These controversies can arise from two sources:

• **Controversies due to ESG incidents:** Incidents, sanctions or investigations arising from causes associated with any breach of the principles of the United Nations Global Compact, and that have occurred in the last 3 years. This includes, but is not limited to:

- Human rights violations.
- Discrimination (racial, sexual, religious, among others).
- Violations of the right to free association and collective bargaining.
- All forms of forced or coerced child labor.
- Threats to public health.
- Impact on animal welfare.
- Water security (availability and quality).
- Negative impacts derived from bioscience.
- Threats to vulnerable communities or minorities.
- Ecosystem pollution and impairment and failure to comply with applicable environmental regulations.
- Negative impact on shareholders' rights.
- False information made available to the public.
- Lack of transparency with Corporate Governance information.
- Corruption and bribery.
- Asset laundering and the financing of terrorism.
- Anti-competitive practices.

• **Controversial sectors or economic activities:** Economic activities that, due to their potential negative impacts on both society and the environment, as well as particular challenges in terms of corporate governance issues, are considered sensitive and require additional consideration when deciding on the investment in question (see Annex 2 "Sensitive economic activities").

Any ESG controversies that are detected at the end of this stage shall be analyzed in greater depth to determine their critical nature or to identify aggravating or mitigating factors; and these must be escalated and discussed with the governing body indicated in the Governance section, according to the definitions established in Annex 1 "Process for analyzing ESG exclusions and controversies".

In the case of internally managed infrastructure investments, this ESG controversy analysis shall apply to the relevant counter parties: concession companies, partners and key third parties for carrying out the projects (builders and operators) as applicable. This analysis, in the case of real estate assets, shall apply to tenants, builders and property managers.

In the case of investments in third-party managed strategies, controversies relating to ESG incidents shall be analyzed as applicable to the corresponding manager, while those relating to a particular sector or economic activity shall apply when investments are made in vehicles whose main purpose is to invest in these sensitive economic activities, as listed in Annex 2 "Sensitive economic activities".

The provisions of this section apply to investments that do not form part of the portfolios that exist when this Policy is duly approved, or for identifying new controversies with existing investments.

Controversies shall be identified based on information obtained from external providers, our own questionnaires, information provided by the companies or vehicles in which investments are made, content created by stakeholder groups or opportunities to interact with these, as well as general sources of public information.

4.3. Active Ownership

Active ownership shall be used as a mechanism to influence the companies in which investments are made, as part of our fiduciary duty while seeking a positive impact for both society and the environment. With this approach, we aim to assist and encourage changes and improvements to be made prior to deciding to divest.

These activities may be aimed, for example, at encouraging talks regarding the ESG performance of investments, promoting ESG best practices, following up on controversial cases or eliciting commitments for handling aspects that could affect the ability of the assets in question to create value in the long term.

The results of the assets' ESG performance and controversies shall provide the input for prioritizing the topics and initiatives to be taken as part of our active ownership approach.

Active ownership activities shall be drawn up by SURA Investment Management's Investment and Products team, and in coordination with SURA Asset Management's Investment, Legal, Sustainability or Risk teams, when appropriate. Furthermore, they could include the leadership or engagement of collective bodies such as trade unions, regulatory authorities, the academia, investor or stakeholder groups, or the company's representation could be delegated to a third party, in any event with the possibility of seeking independent third-party advice. This shall be applicable even in cases where there are no investments in the assets targeted by our active ownership strategies.

4.4. Thematic investing

This consists of creating investment strategies focused on assets with an outstanding ESG performance, that provide a significant contribution to Sustainable Development Goals, or that take into account long-term environmental and social trends. This also includes investing in vehicles managed by third parties that carry sustainability labels, such as: ESG Aware, SRI, Low Carbon, Social, ESG Screened, Gender Diversity, ESG activist funds, or vehicles that explicitly pursue specific and measurable objectives ensuring positive social and/or environmental impacts.

SURA Asset Management's Sustainable Investment Taxonomy, ratings from ESG information providers, external certifiers, or internal assessment models shall be used to implement this approach. The Exclusions, ESG Integration ESG and Active Ownership approaches shall also be applied to these investments.

Thematic investing strategies shall be aimed at securing attractive potential returns adjusted for a determined level of risk, while providing a positive sustainability impact. This shall apply as long as market conditions, regulatory factors, risk-return profiles and the structuring of the funds managed by SURA Investment Management and of the invested assets, so permit.

5. Governance

The Sustainability and Corporate Governance Committee of the Board of Directors of SURA Asset Management shall be the authority in charge of discussing and issuing strategic and general guidelines regarding how ESG criteria shall be included in the different investment processes carried out by SURA Investment Management.

At SURA Investment Management, the strategic definitions specific to its business, along with the implementation of the contents of this Policy and the corresponding updates shall be the responsibility of the teams of staff involved in the different investment processes, with the Sustainable Investment team providing the corresponding coordination.

The governing bodies applicable to each implementation approach are as follows:

<table>
<tr><th colspan="2">IMPLEMENTATION APPROACH</th><th>GOVERNING BODY</th><th>ROLE</th></tr>
<tr><td colspan="2">Exclusions</td><td rowspan="2">Regional Risk Committee</td><td>Becoming acquainted with and following up on all those exclusions that cannot be complied with due to regulatory issues or client mandates.</td></tr>
<tr><td rowspan="2">ESG integration</td><td>ESG Controversies</td><td>Becoming acquainted with and deciding on investments subject to ESG controversies.</td></tr>
<tr><td>ESG Performance analysis</td><td rowspan="2">Investment Committee responsible according to asset class</td><td rowspan="2">Monitoring compliance with the provisions of this Policy.</td></tr>
<tr><td colspan="2">Active Ownership</td></tr>
<tr><td colspan="2">Thematic investments</td><td>Products and Solutions Committee</td><td>Managing own thematic investment initiatives.</td></tr>
</table>

The corresponding implementation shall be supervised by SURA Asset Management's ESG Committee, which in turn shall be in charge of approving amendments to the content of this document and authorizing SURA Investment Management's participation in initiatives relating to corporate sustainability or sustainable investment issues.

6. Disclosure and updates

The Sustainable Investment team of SURA Investment Management shall be responsible for maintaining this Policy, and, in this respect, shall manage its updating and coordinate its ratification and implementation with the areas involved; it shall also be responsible for coordinating its disclosure with internal and external stakeholders.

This Policy shall be reviewed at least once a year.

Drawn Up:
June 2019
Validity and latest review:
September 2021
Next review:
September 2022

ANNEX 1:

GENERAL PROCEDURE FOR ANALYZING ESG CONTROVERSIES

Sustainable Investment Policy
SURA Investment Management

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1. Introduction

This document defines the general procedure for analyzing investments in assets, projects and/or vehicles that trigger a controversy due to issues relating to Environmental, Social or Corporate Governance ("ESG") criteria, this in connection with that defined in the "ESG Controversies" section of SURA Investment Management's Sustainable Investment Policy (the "Policy").

The contents herein reflected were drawn up by SURA Investment Management's Investment and Product team and were reviewed and approved by SURA Asset Management's ESG Affairs Committee. The provisions herein contained entered into full force and effect and are therefore applicable as of the date stated at the end of this document. Any amendment to such shall be applied prospectively, as of the date these are approved, with regard to investments in companies, projects, vehicles or managers that do not form part of our portfolios at the time these changes are approved.

2. Analyzing investments with ESG controversies

During the investment process, an ESG controversy analysis shall be conducted as described in this Annex. Should controversies arising from highly critical ESG incidents or in sensitive economic activities be detected, these must be analyzed in greater depth and presented and discussed at SURA Investment Management's Regional Risk Committee (the "Committee"), which is responsible for analyzing and deciding on each case. In the case of internally-managed investments in controversial economic activities or sectors, this analysis shall be based on the provisions contained in Annex 2 "Sensitive economic activities", as previously approved by the Committee.

The performance framework includes a list of minimum criteria for verifying how the issuer, asset or project conducts its business in terms of mitigating the risks of the controversial activity in question and shall be reviewed at least once every year, until such time as the activity or sector is no longer considered controversial.

When ESG controversies associated with incidents, sanctions or investigations are identified for the reasons described in the ESG Controversies section of this Policy, a criticality analysis must be performed following SURA Investment Management's internal methodology, this aimed at evaluating the following aspects:

- **The ESG impact:** How severe are the consequences of the controversial incident for the impacted stakeholder group?
- **Type:** Is the controversy a temporary event (not structural) or does it respond to the usual way of operating the company (structural)?
- **The State:** Is the controversy still open or under investigation, or is it already closed, remedied or settled?

Controversies that, according to our internal methodology, are considered to be a highly critical shall be escalated to the Committee. In the case of investments in real estate assets and whenever this analysis is applicable to tenants, highly critical controversies that exceed a materiality level of 10% of the applicable fund's income shall be escalated. These analyses shall be carried out jointly by each asset class team, the Sustainable Investment team, and the Risk and Legal and Compliance teams when applicable.

The Committee shall discuss each case and decide on one of the following actions:

- Carry out /maintain the investment,
- Carry out / maintain the investment, activating an engagement process that shall include a period of monitoring the improvement / change measures taken by the company or project,
- Carry out / maintain the investment, subject to an exposure limit or investment horizon,
- Refrain from investing or increasing the corresponding exposure,
- Carry out an orderly divestment, providing that market and business conditions so permit.

Portfolio investments held in sectors or incidents that have triggered some type of controversy must be monitored at least once a year until the event that gave rise to the controversy has been resolved.

All cases of ESG exclusions and controversies shall be documented and reported to SURA Asset Management's ESG Committee.

3. *Disclosure and updates*

SURA Investment Management's Sustainable Investment team shall be responsible for maintaining this Annex and in this respect shall manage its updating, coordinate its ratification and implementation with the areas involved; and shall be responsible for coordinating its disclosure to both internal and external stakeholders.

This annex shall be reviewed at least once a year.

Drawn up:
August 2021
Validity and latest review:
September 2021
Next review:
September 2022

ANNEX 2:

SENSITIVE ECONOMIC ACTIVITIES

Sustainable Investment Policy
SURA Investment Management

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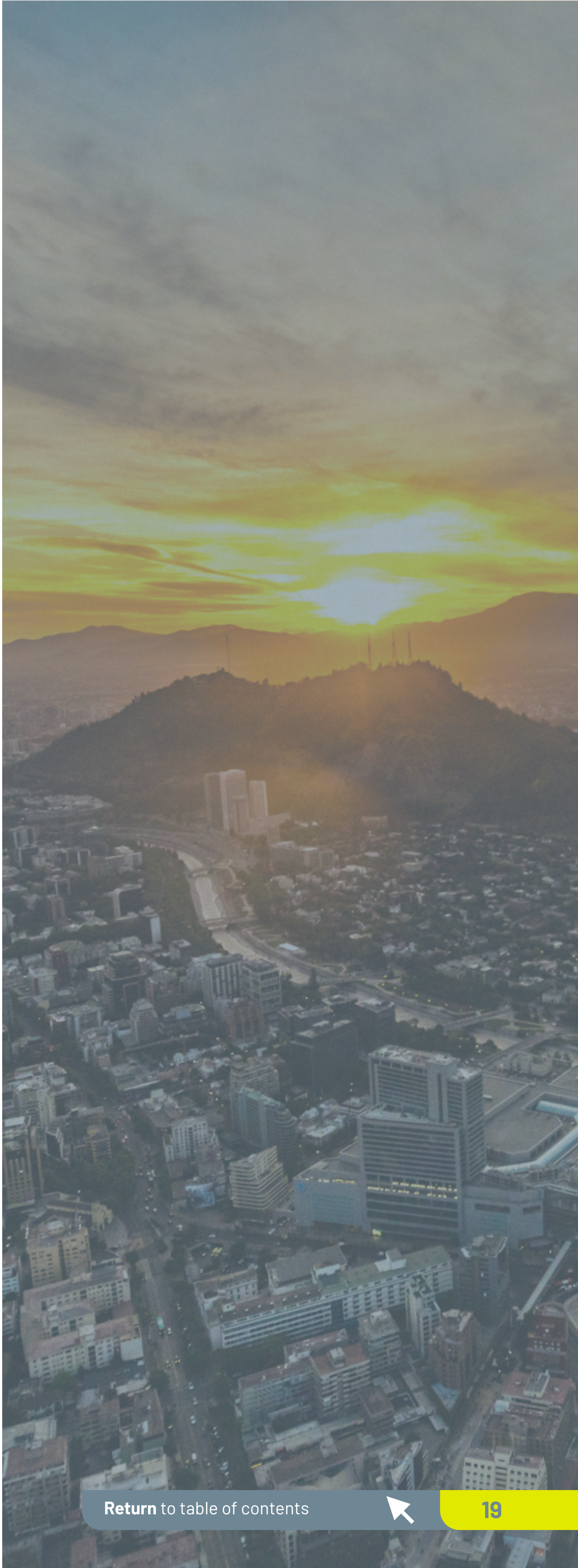
1. *Introduction*

This document defines our approach for evaluating investments in economic activities or sectors that, due to their potential impact on society or the environment or their particular challenges in terms of corporate governance issues or their close association with factors that contribute negatively to climate change, all of which are considered to have a sensitive nature, and require additional considerations when deciding on any investments to be made; in connection with the contents defined for controversies regarding investments in economic sectors or activities in the section titled "Evaluating ESG controversies" of SURA Investment Management's Sustainable Investment Policy. For each economic activity there is a list of criteria that shall be taken into account when evaluating each investment opportunity, this in addition to performing an analysis from the financial standpoint.

The contents herein contained were drawn up by SURA Investment Management's Investment and Product team and were reviewed and approved by SURA Asset Management's ESG Committee. The provisions herein established have been in full force and effect and therefore applicable as of the date indicated at the end of this document, any amendments to such shall be applied prospectively, as of the date these are approved, with regard to investments in companies, projects, vehicles or managers that do not form part of our portfolios at the time these changes are approved.



2. Coal-fired thermal power generation

At SURA Investment Management, we are committed to helping to achieve the goals for mitigating climate change as part of our sustainable investment strategy, and our actions aimed at promoting investments that are more mindful of the challenges and opportunities inherent to Environmental, Social and Corporate Governance (ESG) variables. In this respect, we consider, as a point of reference, the objectives set by the Paris Agreement for limiting the increase in the average global temperature to 2°C, or preferably 1.5°C, this in contrast to the average temperature of the pre-industrial era, which implies the need to achieve net zero emissions by 2050.

Considering that coal-fired power generation accounts for about 40% of global CO_2[6], emissions, and that CO2 accounts for approximately 74% of global greenhouse gas emissions, we are fully aware that this is a deciding factor for the success or failure of the global effort to achieve the Paris Agreement targets. Consequently, different actors in both the public and private sectors have been striving to address energy transition plans for lower-emission energy sources, through mechanisms that include regulations that may pose risks to the operating capacity and economic viability of coal-fired power generation assets.

We are well aware of the economic, logistical and operating challenges involved in an orderly transition for this sector; we are also aware of the positive social component corresponding to the amount of jobs created by the companies dedicated to this activity in the markets in which we are present. To this extent, we have chosen to take a proactive approach to financing entities developing lower-emission sources of energy, so as to be able to identify attractive opportunities with those that already have coherent transition plans in place or are open to their implementation.

2.1. Scope

Entities or projects pertaining to the electric power generation business. To measure the respective exposure to this activity, the installed capacity for generating coal-fired electricity as a share of the total installed capacity of either the company or project in question shall be used as an indicator, and this shall be considered controversial if it is greater than 10%.

[6] According to the data corresponding to 2018, taken from the "Global Energy and CO2 Status Report 2018" issued by the International Energy Agency (IEA).

2.2. United Nations Sustainable Development Goals (SDGs) that are impacted[7]

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2.3. Criteria to consider when reviewing an investment

2.3.1. Level of involvement with the activity and transition plan

•Percentage of installed capacity corresponding to coal-fired thermal power generation.

•Existence of a schedule for closing down coal-fired power plants.

•Aligning the coal-fired power plant closure schedule with current regulations or the plans of comparable entities and/or projects.

•Existence of a CAPEX plan for investing in the coal-fired power plant closure program.

•Percentage of installed capacity corresponding to power generation from renewable sources.

•Existence of a plan for incorporating non-conventional renewable energies in the company's power generation mix.

2.3.2. Comparison with respect to the system

• Comparing the CO2e/GWh emissions[8] indicator of either the emitter or project with the system´s average.

• Comparison between the heat rate[9] of the emitter or project and the system´s average heat rate.

2.3.3. Measuring carbon emissions

• Measuring and disclosing carbon footprint in Scopes 1, 2 and 3.

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[7] Logos taken from the United Nations Sustainable Development Goals website.

[8] CO2e: Greenhouse Gases equivalent to CO2.

[9] Heat rate: Energy efficiency indicator, measured as the amount of energy used in the form of the fuel required to generate one unit of electrical energy.

2.3.4. Existence of environmental impact mitigation and compensation programs

- Do these comply with regulatory requirements?
- Do the practices employed surpass regulatory requirements?
- Does the company participate in a sustainable financing program (green bond or sustainability-linked loan), purchase carbon credits and/or pay carbon taxes?

2.3.5. Aligning incentives and disclosing information

- Are the operation's environmental sustainability indicators monitored on a recurring basis by senior management and/or the Board of Directors?
- Do environmental sustainability indicators form part of the performance evaluation of the members of senior management and/or the Board of Directors?
- Are the environmental sustainability indicators, monitored at the operation, periodically disclosed?

2.3.6. ESG criteria evaluations

- The results of the internal evaluation of the issuer or project carried out in accordance with the definitions established in the section titled "ESG Performance" of SURA Investment Management's Sustainable Investment Policy.

3. Use of coal in the production of cement

In line with our commitment to help achieve the goals relating to mitigating climate change, and as stated in the description of the sensitive economic activity corresponding to coal-fired thermal power generation, we identified that there are productive activities that use coal as a fuel for their industrial processes. For example, coal is a fuel widely used in the production of cement, accounting for 70% of the total fuel burned for this purpose worldwide[10].

3.1. Scope

Cement production companies that use coal as fuel in their production processes.

3.2. United Nations Sustainable Development Goals (SDGs) that are impacted[11]

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[10] According to the data corresponding to 2018 taken from the International Energy Agency (IEA).
[11] Logos taken from the United Nations Sustainable Development Goals website.

3.3. Criteria to be taken into account when performing an investment review

- Coal consumption as a percentage of total fuel consumption.
- Coal consumption as a percentage of total energy consumption.
- Coal consumption versus total cement production.
- Energy intensity: MWh per ton of cementitious material.
- Percentage of alternative fuels used to replace coal.
- Use of recycled material as a fuel versus total fuel consumption.
- Clinker/cement factor
- Percentage of co-generating output using coal (if applicable).
- Carbon intensity: tons of CO2 per ton of cementitious material.
- Furnace technology renewal plans.
- Periodic disclosure of indicators relating to the use of coal.

4. Gambling

Gambling generally consists of games in which the possibility of winning or losing is decisively conditioned by chance, so that they do not depend exclusively on the player's skill. Gambling has an economic dimension that involves running the risk of winning or losing depending on the outcome.

As a sensitive activity, it is mainly linked to social challenges due to its connection with gambling addiction, which can result in material losses for gamblers, and challenges relating to preventing corruption, as well as money laundering and concealment practices. On the other hand, we understand the positive effects that the responsible development of this activity can generate in terms of employment and entertainment, which is why we have approached the gaming industry as a sensitive sector, rather than an excluded investment for the managed portfolios.

4.1. Scope

Entities or projects that conduct gambling and / or casino operations, including those carried out face to face, as well as on-line. In order to measure exposure to this activity, the amount of revenues originating from this activity as a percentage of the total revenues obtained by the issuer or project shall be used as an indicator, and this shall be considered controversial if it is greater than 10%.

4.2. United Nations Sustainable Development Goals (SDGs) that are impacted[12]

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

4.3. Criteria to be taken into account when performing an investment review

4.3.1. Level of involvement with the activity

- Percentage of revenues originating from the gambling business.

4.3.2. Preventing asset laundering and the financing of terrorism (ALFT)

- The existence of anti-corruption and bribery policies governing subsidiaries, suppliers and contractors.

- The existence and public disclosure of policies to prevent fraud, money laundering and the financing of terrorism.

- Internal disclosure and training programs for employees and directors on policies for preventing fraud, money laundering or the financing of terrorism.

- Awareness of all those governing bodies in charge of approving and monitoring policies for the prevention of fraud, money laundering or the financing of terrorism.

- The absence of any prosecutions brought against the investee o sanctions imposed without having been duly remedied in the last 3 years, for having engaged in practices relating to money laundering, the financing of terrorism or facilitating acts of corruption.

- The absence of any prosecutions brought against the investee o sanctions imposed without having been duly remedied in the last 3 years, due to failures in complying with regulations and / or internal protocols for preventing fraud, money laundering or the financing of terrorism.

4.3.3. Responsible handling of games of chance

- The existence of programs and policies for discouraging credit-funded gambling.

- The gambling establishment shall not offer its own lines of credit, or those belonging to related companies, to customers for use in gambling activities.

[12] Logos taken from the United Nations Sustainable Development Goals website.

- Existence of responsible gaming policies, including updated protocols, training for employees and managers, and mechanisms for evaluating their application.

- Existence of advertising campaigns promoting responsible gambling.

- Existence of programs for preventing minors from accessing gambling activities.

- In the case of providing on-line gaming options, evaluate the existence of security mechanisms along with access controls and limits on the number of bets per user.

4.3.4. ESG criteria evaluations

- The results of the internal evaluation of the issuer or project carried out in accordance with the definitions established in the section titled "ESG Performance" of SURA Investment Management's Sustainable Investment Policy.

- Evaluation of any positive impact on the community and job creation, due to the activity being carried out by the issuer or the project.

5. Disclosure and updates

SURA Investment Management's Sustainable Investment team shall be responsible for maintaining this Annex and in this respect shall manage its updating, coordinate its ratification and implementation with the areas involved; and shall be responsible for coordinating its dissemination to both internal and external stakeholders.

This annex shall be reviewed at least once a year.

Drawn up:
August 2021
Validity and latest review:
September 2021
Next review:
September 2022

INVESTMENT MANAGEMENT