Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. This Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Future Generation Fixed Income Portfolio (*Cartera Generación Futura Renta Fija*)

Legal entity identifier: A08188534 / CNMV no.: 1

Environmental or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective**: __% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ **It promoted environmental/social characteristics** and, while it did not have as its objective a sustainable investment, it had **a proportion of 32.23% of sustainable investments** ☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted environmental/social characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The portfolio promotes a number of environmental and social characteristics in keeping with:

- The reduction of environmental risks through the establishment of policies and procedures governing matters such as climate change, waste management, energy efficiency, conservation and use of natural resources, among others;
- The establishment of social practices and policies relating to the observance of human rights, workers' rights, impact on local communities, data security, etc.; and
- The implementation of good practices on corporate governance, including measures on anti-corruption and bribery, tax evasion, transparency, etc.

In this regard, throughout the year, the portfolio promoted environmental and social characteristics via investments in Collective Investment Undertakings (CIUs) which, in turn, promoted the sustainable characteristics described above by investing in financial instruments aligned with best practices in the fight against climate change, respect for human rights, the promotion and guarantee of decent work, alignment with the main international sustainability initiatives, among others.

The exposure to companies whose business is incompatible with the characteristics being promoted has also been reduced through the application of exclusion policies by the underlying CIUs.

100% of the underlying CIUs of the portfolio were classified according to Article 8 of SFDR or EU Regulation 2019/88 as at year-end.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

For monitoring the sustainable characteristics promoted, the portfolio uses the indicators reported by the underlying CIUs themselves to measure their investments' alignment with the characteristics pursued. Indicators include: **ESG rating**, which provides an assessment of the environmental, social and governance profile of the assets; the **contribution to the Sustainable Development Goals (SDGs)**, which measures the alignment or contribution of the business activities of the investee companies to the goals and objectives of the SDGs; and **exposure to controversial sectors or business practices**.

Specifically, during the reporting period, the underlying CIUs submitted the following indicators, among others:

For corporate issuers:

- **High ESG (environmental, social and governance) rating:**
  - Two of the underlying CIUs indicated that their portfolio's weighted average ESG (environmental, social and governance) rating is 'C', taking into account that the rating scale ranges from 'A' (best score) to 'G' (worst score).
  - One of the underlying CIUs determined that its ESG rating was 6.62 compared to the 6.44 of the benchmark, with 0 being the worst rating and 10 the best.
- **Significant contribution to SDGs:**
  - One of the CIUs indicated that 84% of its portfolio significantly contributed to the United Nations' SDGs.
- **Limited exposure to controversial business activities:**
  - During the year, and only for those CIUs that reported this information, the portfolio was not significantly exposed to any controversial business activity, such as the manufacture of controversial weapons, tobacco production or coal mining/power generation.
- **Limited exposure to violations of international rules and/or standards on human rights, labour relations, environmental damage or anti-corruption:**
  - During the year, and only for those CIUs that reported this

information, no exposure to violations of international rules and/or standards was detected during the reporting period.

For public issuers:

- **ABA public score:**
  - A specific model to rate public issuers based on four pillars: governance, environmental, social and societal responsibility. In one of the underlying CIUs, the indicator scored 4.77 out of a maximum of 10, with 0 being the worst score and 10 the best score.
- **Limited exposure to countries with social infractions:**
  - During the year, and only for those CIUs that reported this information, no exposure to countries with social infractions was detected.

... and compared to previous periods?

Insofar as the underlying CIUs that make up the portfolio as at 2023 year-end do not coincide in their entirety with those as at 2022 year-end, we conclude that:

- At the aggregate level, the portfolio improved the promotion of sustainable characteristics, insofar as an improvement has been observed by the underlying CIUs when monitoring the sustainability indicators.
- Furthermore, in relation to the funds held in the portfolio in both years, similar levels of promotion of sustainable characteristics were identified.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Although the portfolio did not pursue a sustainable investment as its objective, it had a proportion of sustainable investments through its underlying funds.

Through these investments, the portfolio sought to invest in economic activities that contribute to environmental and social objectives. Specifically, through investments in other CIUs, the portfolio pursued the following sustainable investment objectives:

- Investments that meet the definition of business activities with environmental or social objectives aligned with the **EU Taxonomy** in terms of **mitigating and/or adapting to climate change**.
- Investments that positively contribute to one or several of the United Nations' **Sustainable Development Goals** (whose aim is to promote a more conscious and long-lasting global development that includes the wellbeing of all people, the protection and preservation of the natural environment and answers to the main social issues).
- Investments in **best performers**, which follow best environmental and social practices and do not manufacture products or provide services that harm the environment and society, such as in the arms, tobacco or gambling sectors.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

To ensure that the sustainable investments did no significant harm (DNSH) to any environmental or social investment objective, the underlying funds applied the following measures:

- Oversight and monitoring of the indicators included in Table 1 of Anne 1 to Regulation (EU) 2022/1288 in relation to **Principal Adverse Impacts**, by means of setting thresholds or specific rules.
- Implementation of an **Exclusions Policy**, which covers issues such as controversial weapons, violations of the principles of the United Nations Global Compact, coal and tobacco.
- Consideration of certain criteria related to **business conduct** through a process of due diligence and continuous supervision in relation human rights, labour rights, protection of the environment and governance practices.
- Assessment of the **issuer's or company's negative contribution to one or several of the Sustainable Development Goals** promoted by the United Nations through quantitative and qualitative measures.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

Principal Adverse Impacts (PAIs) were managed with the aim of mitigating potential negative impacts on the environment and society. Each of the underlying CIUs followed different strategies to manage these indicators. Some of them are described below:

- **Inclusion of PAIs** as part of its due diligence, research and ongoing monitoring of individual issuers, with the aim of using them for investment decision-making.
- **Analysis and regular monitoring of PAIs**, from both a quantitative and qualitative perspective, in order to identify possible deviations and controversial behaviours.
- **Application of lower thresholds for each PAI**, to ensure they remain within given ranges so that they do no significant harm.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Most of the sustainable investments were brought in line with the guidelines set out by the OECD and the UN guiding principles on human rights, by considering ESG factors and controversies. Specifically, the underlying CIUs used the following mechanisms:

- Proprietary ESG analysis methodologies with specific criteria in terms of sectors, human rights, supply chains, working conditions and labour relations.

- Quarterly monitoring of controversies in order to track trends and corrective efforts.

- Alignment of sustainable investments with the Sustainable Development Goals promoted by the United Nations through qualitative and quantitative measures.

- Use of indicators provided by external ESG data providers, which identify companies or issuers that could potentially be in breach of the OECD Guidelines and the UN Guiding Principles so that the indicated companies and/or issuers may be subsequently analysed in detail.

- Monitoring through the consideration of Principal Adverse Impacts.

- Ongoing analysis of investments to identify any breaches of the principles, and analysis of controversies and application of the Exclusions Policy.

As a result of the implementation of these tools and procedures, **no investments were identified** over the reporting period **that were indicative of a breach of these principles**.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The portfolio took into account the Principal Adverse Impacts (PAIs) by making sure that the underlying CIUs measured and assessed a series of metrics or KPIs that warn of the negative effects that the investment can have on environmental and social aspects.

The performance of the indicators measured and reported by some* of the underlying CIUs is set out below:

<u>*For corporate issuers:*</u>

Indicators of Table 1 of Annex 1 to Delegated Regulation (EU) 2022/1288	***Description***	***Portfolio data as at year-end***
	Scope 1 GHG emissions	1,948,631.97 tCO_2eq
PIA 1	*Scope 2 GHG emissions*	239,527.03 tCO_2eq
	Scope 3 GHG emissions	2,280,684.43 tCO_2eq
GHG emissions	*Total (Scope 1+2+3) GHG emissions*	4,384,072.21 tCO_2eq

PIA 2 ***Carbon footprint***	*Carbon footprint (Scope 1+2+3)*	500.18 tCO_2eq/€m invested
PIA 3 ***GHG intensity of investee companies***	*GHG intensity of investee companies (Scope 1+2+3)*	321.73 tCO_2eq/€m of revenue
PIA 4 ***Exposure to companies active in the fossil fuels sector***	*Share of investments in companies active in the fossil fuel sector*	0.02%
PIA 5 ***Share of non-renewable energy consumption and production***	*Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources*	0.57%
	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0.45%
PIA 6 ***Energy consumption intensity per high impact climate sector***	*Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector*	0.73 GWh/€m of revenue
PIA 7 ***Activities negatively affecting biodiversity-sensitive areas***	*Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas*	0.01%
PIA 8 ***Emissions to water***	*Tonnes of emissions to water generated by investee companies per million EUR invested*	0.05 t/€m invested
PIA 9 ***Hazardous waste and radioactive waste ratio***	*Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average*	0.73 t/€m invested
PIA 10 ***Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises***	*Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises*	0%

PIA 11 ***Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises***	*Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises*	0.16%
PIA 12 ***Unadjusted gender pay gap***	*Average unadjusted gender pay gap of investee companies*	0.19%
PIA 13 ***Board gender diversity***	*Average ratio of female to male board members in investee companies, expressed as a percentage of all board members*	0.37%
PIA 14 ***Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)***	*Share of investments in investee companies involved in the manufacture or selling of controversial weapons*	0%

**Through the information available for the underlying CIUs, the data for the KPIs identified have been calculated for 29.22% of the portfolio.*

In addition to the indicators previously reported, **100%** of the underlying CIUs of the portfolio **consider the Principal Adverse Impacts, according to their sustainable investment policy**. Specifically, the following mechanisms apply:

- Definition of exclusion rules based on standards and sectors.
- Integration of ESG factors through the adoption of minimum ESG risk rules, as well as the definition of mitigating actions.
- Tracking controversies through the information provided by external suppliers.
- Engagement and voting activities, through influencing the activities or behaviour of the companies in which the underlying asset invests.
- Assessment of the positive contribution to the United Nations' Sustainable Development Goals.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reporting period which is: **2023**

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
ROBECOSAM EURO SDG CREDITS	*Financial, Industrial, Government*	17.59%	*Australia, Austria, Belgium*
MUZINICH ENHANCED YIELD SHORT TERM	*Financial, Industrial, Telecommunications*	17.02%	*Switzerland, France, Ireland*
AMUNDI ULTRA SHORT ERM BOND	*Financial, Consumer discretionary, Utilities*	15.56%	*France, USA, Mexico*
DNCA ALPHA BONDS	*N/A*	13.38%	*USA, Italy, Spain*
AMUNDI EURO AGGREGATE BOND	*Government, Financial, Real Estate*	13.13%	*France, Spain, Greece*
NORDEA 1 EUROPEAN COVERED BOND	*Financial, Government*	12.20%	*Italy, Denmark, Canada*
EPSILON EURO BOND	*Government, Financial*	11.12%	*Germany, Italy, France*

What was the proportion of sustainability-related investments?

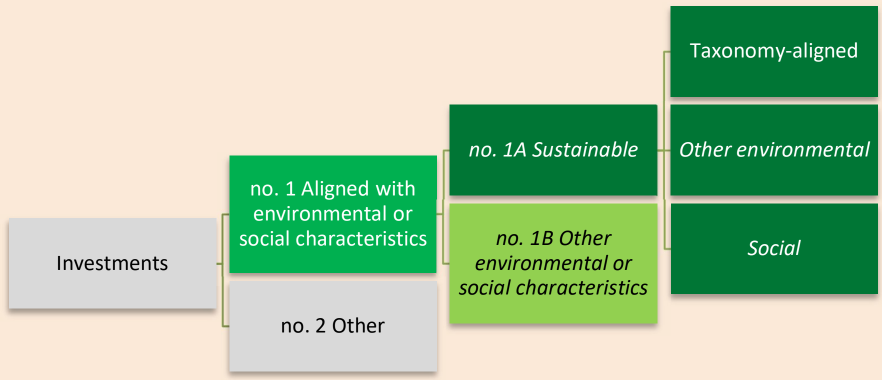
As at 31 December 2023, 95.54% of the portfolio was invested in assets that promoted environmental or social characteristics.

In addition, although the portfolio did not have a sustainable investment as its objective, 32.23% of its investments were sustainable. These were investments aligned with the EU Taxonomy (2.48%), investments with an environmental objective not aligned with the EU Taxonomy (17.53%), and investments with a social objective (12.22%).

The percentages of Taxonomy-aligned investments and investments with a non-EU Taxonomy-aligned environmental objective have been estimated based on the information available from the underlying funds.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



no. 1 Aligned with environmental or social characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

no. 2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor qualified as sustainable investments.

The category **no. 1 Aligned with environmental or social characteristics** includes:
- sub-category **no. 1A Sustainable**, which includes sustainable investments with environmental or social objectives or Taxonomy-aligned.
- sub-category **no. 1B Other environmental or social characteristics**, which covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	Weight
Financials	41.68%
Government	24.64%
Industrials	12.60%
Other	6.49%
Consumer discretionary	3.40%
Real Estate	3.01%
Utilities	2.82%
Telecommunications	2.52%
Consumer staples	1.24%
Energy	0.67%
Information Technology	0.47%
Materials	0.38%
Health Care	0.07%

Weights estimated according to the information available about the underlying funds.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Although the portfolio did not undertake to make a minimum sustainable investment with an environmental objective aligned with the EU Taxonomy, **2.65%** of its investments were sustainable according to the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

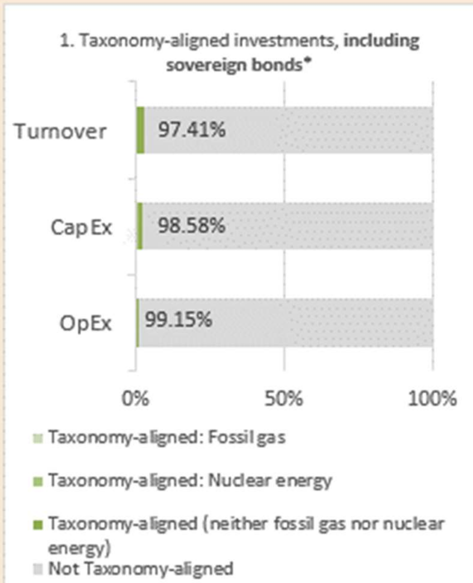
- [x] Yes
  - [x] In fossil gas
  - [x] In nuclear energy
- [ ] No

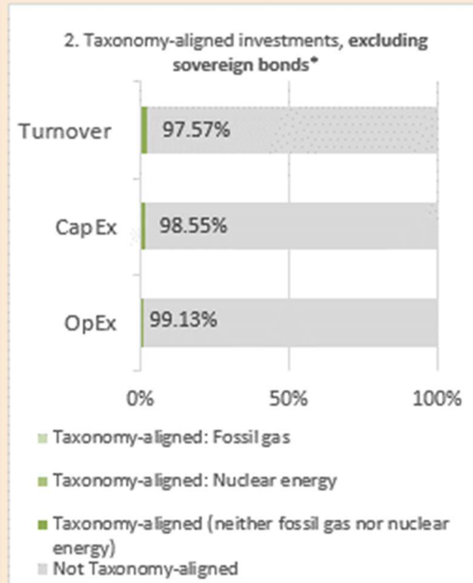
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:
- **Turnover**, which reflects the share of revenue from green activities of investee companies;
- **Capital expenditure** (CapEx), which shows the green investments made by investee companies, e.g. for a transition to a green economy;
- **Operational expenditure** (OpEx), which reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





1. Ajuste a la taxonomía de las inversiones, incluidos los bonos soberanos*

	OpEX	**CapEX**	**Volumen de negocios**
Ajustadas a la taxonomía: Gas fósil	0,005%	0,027%	0,024%
Ajustadas a la taxonomía: Energía nuclear	0,024%	0,039%	0,017%
Ajustadas a la taxonomía (ni gas fósil ni energía nuclear)	0,825%	1,353%	2,552%
No ajustadas a Taxonomía	99,146%	98,581%	97,407%

2. Ajuste a la taxonomía de las inversiones, excluidos los bonos soberanos*

	OpEX	**CapEX**	**Volumen de negocios**
Ajustadas a la taxonomía: Gas fósil	0,007%	0,027%	0,026%
Ajustadas a la taxonomía: Energía nuclear	0,024%	0,039%	0,017%
Ajustadas a la taxonomía (ni gas fósil ni energía nuclear)	0,841%	1,382%	2,390%
No ajustadas a Taxonomía	99,128%	98,552%	97,567%

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic

What was the share of investments made in transitional and enabling activities?

- Transitional activities: **0.0146%**
- Enabling activities: **0.3305%**

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reporting periods?

Knowing that the underlying CIUs that make up the portfolio as at 2023 year-end do not coincide in their entirety with those as at 2022 year-end, an **2.18% increase** in the portfolio's alignment with the EU Taxonomy has been observed for 2023 year-end relative to 2022 year-end.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Although the portfolio did not have a sustainable investment as its objective, **17.53%** of its investments were sustainable with an environmental objective not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

Although the portfolio did not have sustainable investments as its objective, **12.22%** of its investments were socially sustainable.

What investments were included under "other" and what was their purpose? Were there any minimum environmental or social safeguards?

The investments included under "Other" consisted mainly of cash and other instruments whose objective was to manage liquidity and portfolio risk. It also includes securities without ESG information, for which the data necessary to measure compliance with the environmental and social characteristics being pursued is not available.

What actions have been taken to meet the environmental or social characteristics during the reporting period?

The underlying CIUs have been managed and monitored to ensure their alignment with the promoted characteristics. At the same time, measures taken by the various underlying CIUs themselves have been used to ensure the promotion of the desired sustainable characteristics. Specifically, the various underlying CIUs have put the following processes into practice:

- Integration of proprietary ESG indicators into the control framework, allowing for continuous assessment of the impact of investment decisions through checks carried out by the investment team and the environmental and social risk management team.
- Quarterly filtering of the investment universe to prepare a list of eligible issuers that meet the characteristics promoted by the underlying CIU.
- Monthly reporting to ensure the attainment of the defined environmental

objectives.

- Implementation of Sustainable and Responsible Investment Principles in order to adapt to the financial instrument selection strategies of the underlying CIU.
- Issuer selection process based on their positive contribution to the United Nations' Sustainable Development Goals.
- Issuer or company selection process by the underlying CIU provided that these positively contribute to any of the United Nations' Sustainable Development Goals, excluding those companies that positively contribute to these objectives.
- Engagement and active dialogue with the various investee companies to ensure that not only are the promoted characteristics attained but that those companies also improve their ESG practices.
- Implementation of proprietary ESG tools for exclusion, based on four key pillars (shareholder, social, environmental and governance responsibility), as well as exposure to severe controversies.

Reference benchmarks are indexes used to measure whether the financial product attains the environmental or social characteristics that it promotes.

How did this financial product perform compared to the reference benchmark?

No specific reference benchmark has been designated to attain the sustainable characteristics pursued.

How does the reference benchmark differ from a broad market index?

Not applicable.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Not applicable.

How did this financial product perform compared with the reference benchmark?

Not applicable.

How did this financial product perform compared with the broad market index?

Not applicable.