

Environmental Management System Manual

Allfunds



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Changes and Updates:

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Allfunds' Management	ALLFUNDS BANK, S.A.U.	April 2021
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Purpose

This document seeks to set out an explanatory guide on compliance with the requirements of the applicable standard UNE EN-ISO 14001.

Scope

This document applies to the entire organisation and activities included in the scope of the Environmental Management System ('SGA') of ALLFUNDS BANK S.A.U and ALLFUNDS BLOCKCHAIN, S.L.U. ('Allfunds').

Development

Organisational context

Understanding the organisation and its context

The document **Context, stakeholders, risks and opportunities** provides an explanation to understand the internal and external context of the organisation, since it is a changing aspect. The document is reviewed every year, commenting on the changes made in the review by the management.

Understanding the needs and expectations of stakeholders

The document **Context, stakeholders, risks and opportunities** also describes the needs and expectations of our stakeholders. Once identified, actions are established to understand and meet the said needs and expectations.

This document is reviewed on an annual basis, in case any changes are made to the organisation or the expectations of stakeholders.

Establishing the scope of the Environmental Management System

Allfunds has implemented an Environmental Management System (EMS) to improve its effectiveness and efficiency according to:

- The legal and regulatory requirements applicable to the service being offered.
- Other requirements voluntarily signed by the organisation.
- The terms of the International Standard UNE-EN ISO 14001:2015 on Environmental Management.

This manual is applicable and mandatory for the activities carried out by the organisation, as well as for Allfunds' internal and external staff that carry out the said activities directly or on behalf of Allfunds, and which may affect the cross-sectional management of the activities of:

ALLFUNDS BANK S.A.U

'Administration and distribution of funds from third-party financial institutions. Investment fund intermediation platform'.

ALLFUNDS BLOCKCHAIN, S.L.U.

'Intermediation of investment funds and asset management by third-party financial institutions through a platform based on blockchain technology'.

These activities are performed at the company's work centre located at:

- Calle de los Padres Dominicos 7, 28050, Madrid.

The management model chosen by the company is based on processes. This approach involves identifying not only the processes required by the EMS processes, but also the sequence and interaction between them to continuously improve their effectiveness.

Management system and its processes

This manual describes the conditions of the Environmental Management System implemented across the organisation. The structure followed herein is that of the terms of the reference standard, ISO 14001: 2015. Our Environmental Management System is based on the ongoing improvement of environmental performance.

The interaction of the processes is presented in Allfunds' environmental process map.

Leadership

Leadership and Commitment

Environmental Management is a priority area within Allfunds, considering that it consists in the participation of all the members of the organisation in the protection of the environment. Hence, this Environmental Management System has been designed as a tool to help the organisation systematically achieve and control the level of environmental behaviour proposed.

The Environmental Management System described in this Manual has been designed and implemented in order to improve the organisation's processes regarding the protection of the environment in line with the requirements defined in the ISO 14001:2015 standard.

Allfunds' Senior Management is committed to demonstrating leadership and commitment to the Environmental Management System. Allfunds' environmental policy also shows a commitment at the highest level to the EMS.

Environmental Policy

Allfunds' Senior Management establishes, implements and enforces the environmental policy as the framework for the programming and approval of objectives, and for action across the entire organisation. The policy is aligned with the strategic direction of the company.

It is made available to all stakeholders through the website, at the following link <https://allfunds.com/files/csr/6-environmental-policy.pdf>

Employees can check the policy on the corporate intranet, within the Corporate Social Responsibility (CSR) area at the Allfunds Environmental Program section. This policy is also given to new employees, as part of the Welcome Pack.

Roles, duties and authorities within the organisation

Allfunds' organisational structure is set out in the organisation chart.

Job profiles include both the duties, authorities and functions, as well as the requirements inherent to each position featured in the organisation chart.

Planning

Actions to address risks and opportunities

Allfunds identifies on an annual basis the risks and opportunities of the organization. The result of the process is set out in the Context, stakeholders, risks, and opportunities log. The analysis of the log constitutes an input in the review performed by Allfunds' Management.

In case there is a substantial change in the organisation, this risk analysis is reviewed to determine if it is affected by the said change.

A series of actions are established after the said analysis to enhance the opportunities and minimise the risks identified.

Environmental aspects

Environmental aspects are identified in line with a life cycle approach, aimed at finding out the actual or potential existence of environmental aspects related to the activities, processes and services that Allfunds may control or influence within the scope of its Environmental Management System, including:

- The consumption of energy, raw materials and water.
- Discharges to water.
- Waste generation.
- Air emissions: by forms of matter and energy (noise generation).

In order to identify direct environmental aspects under normal and abnormal operating conditions, indirect environmental aspects, potential accidents and emergency situations, the Environmental Manager uses the **Environmental Aspect Assessment** log, where the aspects inherent to each environmental aspect identified are also described.

Each of the environmental aspects identified is assessed according to the normal, indirect or potential methodologies indicated in the same log in the criteria tab.

Environmental Aspect Assessment

The environmental aspects identified must be evaluated to determine which of them are significant, and be considered when implementing and enforcing the EMS.

Direct significant aspects are taken into account when planning the operational control and the measurement and analysis of Allfunds' environmental performance, as well as upon setting environmental improvement objectives.

With regard to significant aspects resulting from accidents and emergency situations, prevention actions are established, and plans are defined to respond to them in order to reduce the environmental aspects that may be associated thereto.

As for indirect aspects, the influence or control that Allfunds may have upon them is identified.

The significance of aspects is determined in accordance with the environmental aspect assessment methodology, depending on whether they are direct, indirect or emergency aspects. The conclusion is included in the **Environmental Aspect Assessment** log.

The identification and evaluation of environmental aspects is reviewed every year by the Environmental Manager, as well as every time there is a change in the activities and services carried out by Allfunds or in the event a new potential emergency situation is detected.

Legal and other requirements. Compliance assessment

To ensure the applicable EU, national, regional and local legislation is obtained and continuous awareness thereof, the Environmental Manager and the Compliance Department will check the Official State Gazette and other legislation platforms and websites to be up to date with the legislation in force.

Every year, the Environmental Manager assesses compliance with all legal requirements and other requirements to which the organisation subscribes. The result of the legal compliance assessment is recorded in the **Legal Requirements** document.

In addition to this annual review, every time the features of the facilities or activities are modified (new facilities, new activities), the Environmental Manager carries out a new identification and assessment of the applicable legal requirements.

In the event there is any doubt as to the interpretation of the legislation, the administrative body in charge of its implementation, law or consulting firms specialised in environmental matters shall be consulted.

Environmental objectives

Allfunds plans on an annual basis a series of environmental objectives aligned with its corporate strategy. In order to establish and follow up the said objectives, Allfunds uses the objectives log book.

Objectives are notified through the organisation's corporate intranet, and in meetings. Moreover, in case changes are identified in the strategy, market, sector, environment, legal and contractual requirements, the process or technology that may affect the implementation of the EMS, a new planning is prepared to adjust the changes and integrate them into the EMS in force.

Support

Resources

Allfunds' Senior Management provides the necessary resources to:

- Define, implement and maintain the Integrated Management System. Continuously improve its effectiveness.
- Raise the satisfaction of stakeholders, by meeting their requirements and the requirements inherent to the provision of the service, or other requirements voluntarily subscribed by Allfunds.
- Prevent pollution, and minimise the aspect on the environment.

The necessary resources are determined and approved by Allfunds' Senior Management in line with the assessment of the:

- Commercial, operational and financial needs.
- Human resource needs, especially if staff's training has an aspect on Allfunds' environmental performance.
- Needs to improve facilities and technological means available.

Competence and awareness

All staff executing specific tasks that may affect the quality of the service offered by Allfunds will be qualified through supervision or initial or supplementary training and/or the relevant experience, depending on the needs. Training needs are documented in the **Environmental Training Plan** that is prepared every year.

Once the person is selected, they are given the **Welcome Pack**, which includes relevant documentation and information on the EMS.

The organisation makes sure all employees understand they have to protect the environment, by way of awareness campaigns and publications, as well as providing new employees with onboarding training and reinforcing this aspect in follow-up meetings.

Allfunds plans the delivery of information and the provision of face-to-face training on a regular basis, ensuring that newly hired staff is thoroughly made aware of the EMS.

Communication

The different communication channels with stakeholders are listed in the stakeholder document. There is also an EMS communication matrix.

The key internal communication issues of the Integrated Management System are mainly based on the Policy, objectives, environmental aspects and emergency plans, as well as any change that may take place in the Integrated Management System.

All external communications received by Allfunds are answered by the Environmental Manager, or by the person designated by the Manager in that regard. The main external communication topics of the EMS are mainly based on the Policy, the scope of the EMS and communications with Public Administrations.

Documented information

The duties managed by Allfunds with regard to internal and external documentation are as follows:

Internal documentation. The internal documentation consists of:

- The Environmental Policy.
- Environmental objectives.
- The Environmental Management System Manual (this document).
- Hard or electronic copies of the EMS showing compliance with the requirements of the reference standard.
- Supplementary documentation: plans, minutes, etc.

External documentation:

External documentation refers to any document prepared by staff outside the scope of Allfunds' EMS, such as legislation, technical standards, or any other documentation issued by clients or suppliers.

Creation and updating.

The Environmental Manager or the person designated to that effect is responsible for preparing or updating the documentation that makes up the EMS. This duty is included in the **List of documented information**.

The Environmental Manager should review all the documents that are not prepared or updated by the Manager. Accordingly, Allfunds ensures the Environmental Manager can control and is made aware of all the documentation included in the EMS.

Senior Management is in charge of approving the documents that constitute Allfunds' EMS.

Control of documented information.

All internal and external documents approved are identified in the List of documented information.

The documentation that is made available to all workers on the corporate intranet is provided in a protected format and cannot be modified, in order to make sure that everyone has the latest version.

A folder is created to store the obsolete documentation.

Operation

Operational planning and control

The following environmental aspects undergo an operational control as part of Allfunds' activity:

- Consumption: water, electricity, paper and toners. The data of the aspects will be identified by way of suppliers' invoices.
- Waste generation: the identified waste is made up of paper, packaging and plastics, organic matter, toners, fluorescent tubes, electrical and electronic waste, batteries and oil. The data of the aspects will be identified in the delivery note of the waste manager and in the waste log.

The operational control of each of the environmental aspects is included in the assessment of environmental aspects, in the Operational Control column.

Furthermore, a **Consumption Control** and **Waste Log** are kept.

Concerning externally contracted processes, the Group has a Supplier Selection Procedure and a Supplier Code of Conduct, which includes environmental criteria that suppliers must meet.

Emergency preparedness and response

Environmental emergency plans are prepared based on the following information:

- Information obtained from the risk assessment performed in part by the External Prevention Service.
- Information resulting from the identification and assessment of emergency environmental aspects.
- Information on the environmental emergency plans of the owner of the building.

Identification of accidents and environmental emergency situations

To identify potential accidents, the Environmental Manager gathers information on possible emergency situations and potential accidents that may cause significant environmental aspects and that may take place during the performance of the activities developed by Allfunds.

For each emergency situation identified, An Environmental Emergency Plan is defined for each emergency situation identified, describing the activities to be performed by Allfunds in that regard, as well as preventive measures and the persons responsible for each action.

To facilitate their distribution and communication, environmental emergency plans are communicated through Allfunds' corporate intranet, emails or welcomepack.

Action in the event of accidents and emergency situations

In case an accident or emergency situation with environmental implications takes place, Allfunds' staff that detects it will act according to the corresponding Environmental Emergency Plan.

Once the emergency is solved, the Environmental Manager registers the accident by preparing an Environmental Accident Report, which includes a description of the accident, the actions carried out to solve it, the effectiveness of the said actions, the causes and the preventive measures proposed for it not to happen again.

Regular verification of emergency plans

The effectiveness of the Environmental Emergency Plans is verified every year.

This verification may be carried out either by way of simulations or by checking the material and human resources allocated to emergency response situations. A report of conclusions is issued in both cases.

Based on this verification report, the necessary corrective, preventive or improvement actions are opened.

Review of emergency plans

Environmental Emergency Plans are reviewed in case:

- an emergency situation occurs,
- there is any change in Allfunds' activities or facilities,
- a new environmental aspect is identified under conditions of emergency situations and potential accidents which had not been previously taken into account.

The necessary changes are made by the Environment Manager.

Performance assessment

Follow-up, measurement, analysis and assessment

Allfunds' EMS features a monitoring and measurement system to control consumption and waste, which are the environmental indicators.

These indicators provide information about the evolution of the company's environmental behaviour over time, and may be used as a tool to define new environmental actions. They are documented and evaluated every year in the Management Review.

The results of these indicators are reported on an annual basis in the Corporate Social Responsibility Report and in the Non-Financial Information Statement.

Internal auditing

Allfunds establishes a calendar of annual audits, that is, the **Audit Program**, to objectively verify that all activities related to the management of the company are aligned with the regulatory requirements set forth.

The EMS is audited at least every year, but where necessary, the activity that generates non-conformities is audited as many times as required.

Audits are scheduled based on the nature of the activities and their importance, together with the results of previous audits.

The results of the audits are documented in the **Internal Audit Report**, which is made available to stakeholders in the general file of the EMS.

The duties of the internal auditor include the scheduling of internal audits, auditing the documented information and processes of the EMS, drafting and filing internal audit reports, and detecting non-conformities and opportunities for improvement.

The profile of the internal auditor must meet the following conditions in terms of required training and experience:

- Internal auditors at Allfunds must have carried out an audit course (of at least 2 hours) on the reference standard or attended at least 3 audits as an observer.
- If the auditor is from an external company, they should have at least 2 years' experience as an auditor in the reference standard and received training in that regard.

Management review

Allfunds' Senior Management is actively involved in the review of the EMS to ensure its continuing suitability, adequacy and effectiveness.

The Environmental Management System is reviewed at least every year. The review, arranged by Allfunds' Management, is attended by the Environmental Manager and the necessary staff. These provide proposals for modifying and updating the system, as well as information on the development of the activities that affect them.

The Management review is registered in the **Management Review Certificate**, which is made available to those affected on the organisation's internal server.

Management review inputs

The basic input information for the correct development of the Management review is that established in section 9.3. of the UNE-EN ISO 14001:2015 Standard.

Management review outputs

The outputs of the Management review required for the review to be correct are those established in section 9.3 of the UNE-EN ISO 14001:2015 Standard.

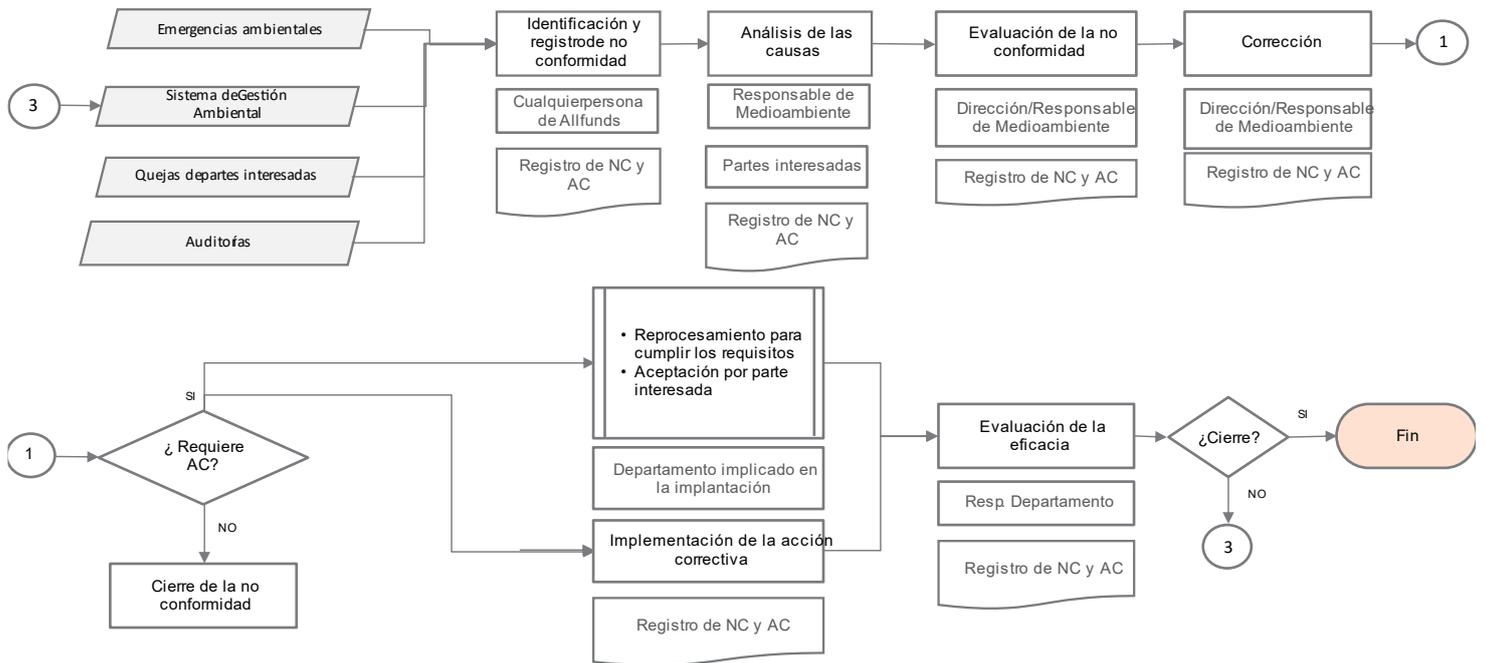
Upgrades

Non-conformity and corrective action

A serious or repetitive non-conformity or that detected in an audit leads to a corrective action being taken.

The system established to define and implement corrective actions to eliminate the causes of non-conformities in the Integrated Management System or to improve it are always proportional to the magnitude of the issues detected.

Allfunds processes all non-conformities and the corrective actions that may be opened according to the process described below. These are documented in the record of **Non-conformities and corrective actions**.



Ongoing improvement

The continuous improvement actions carried out and those proposed for execution during the following financial year are set out at least every year in the Management review report. At this stage, the results of the analysis of the context, risks and opportunities and any proposal made by any of the stakeholders are also taken into account.