

Sustainability Policy of the Línea Directa Aseguradora Group



linea directa



Important information on this document	
Name of policy	Sustainability Policy
Related section of the Línea Directa Group's Code of Ethics	VI.1 – Human rights and civil liberties VI. 9. Transparency of information VI.18 – Commitment to environmental protection
Related sections of other policies	
Rules and standards superseded	
Rules and standards repealed	-
Related rules and standards	Code of Ethics, Supplier Code of Conduct, Human Rights Policy, Environmental Policy
Business unit or function affected	The entire Línea Directa Aseguradora Group
Personnel affected	All Línea Directa Aseguradora Group personnel
Main person responsible for monitoring	Board of Directors. Appointments and Remuneration Committee.
Approved on	15 October 2020
Effective from	1 January 2021
Version	1.0
Created by	Communication & Sustainability, Corporate Governance & People and Internal Communication
Approved by	Board of Directors.



SUSTAINABILITY POLICY

CONTENTS

1. Introduction
2. Scope
3. Purpose
4. Main commitments and responsible practices
 - 4.1. Línea Directa and its customers and policyholders
 - 4.2. Línea Directa and its employees
 - 4.3. Línea Directa and its suppliers
 - 4.4. Línea Directa and its shareholders
 - 4.5. Línea Directa and the environment
 - 4.6. Línea Directa and society
 - 4.7. Good governance at Línea Directa
 - 4.8. Línea Directa as an investor
5. Management model
6. Governance model and monitoring
7. Communication of the Policy

1. INTRODUCTION

Línea Directa Aseguradora S.A. ("Línea Directa" or the "Company") views good governance of sustainability as the ability to integrate ESG (environmental, social and governance) issues into its business management. Being proactive in fulfilling this responsibility helps to identify, prevent and mitigate potential negative impacts, drive sustainable economic growth and create value for stakeholders.

In line with its Code of Ethics, Línea Directa is committed to fostering a



sustainability strategy linked to its Values. To pursue this strategy effectively, the Company relies on a responsible management model aligned with the related recommendations of the CNMV's Good Governance Code of Listed Companies, as well as any and all external legal and regulatory requirements, notably Spanish Law 11/2018 on non-financial reporting.

Línea Directa has also made the Sustainable Development Goals (SDGs) an integral part of its approach. This universal initiative of the United Nations (UN), framed within the 2030 Agenda for Sustainable Development, seeks to eradicate poverty, care for the planet and ensure peace and prosperity for all. The Group is acutely aware of the key role it plays as a company in ensuring the successful implementation of this initiative and prioritises six of the 17 SDGs: #3 "Health and well-being", #8 "Decent work and economic growth", #9 "Reduced inequalities", #13 "Climate action", #16 "Peace, justice and strong institutions", and #17 "Partnerships for the goals".

To achieve these goals, this Sustainability Policy (the "Policy") sets out the main aspects and commitments of Línea Directa in promoting the Company's strategic sustainability priorities, as it responds to the main trends within the industry and the requirements and expectations of its main stakeholders by making sustainability part of the strategy of the Línea Directa Aseguradora Group.

2. SCOPE

The principles set out in this document apply to all employees, managers and directors of all companies that make up the Línea Directa Aseguradora Group, as well as the Línea Directa Foundation, in accordance with applicable law and regulations. The Company shall also seek to ensure that its collaborators, partners and any other persons



related to its operations, products and services likewise honour the principles and commitments contained in this Policy.

The Company shall also see to it that its commitments extend along its value chain so as to promote sustainability among its stakeholders.

3. PURPOSE

This Policy sets out the commitments and basic principles of action in the realm of sustainability that Línea Directa and all Group companies must observe and provides a platform and framework for achieving Línea Directa's objectives in each area of activity and for responding to the expectations of its various stakeholders.

In essence, the principles enshrined this Policy support the sustainable development of the environments in which Línea Directa carries out its activities, based on its strategic pillars and in full alignment with its corporate values.

4. COMMITMENTS AND BASIC PRINCIPLES FOR ACTION

With this in mind, Línea Directa's commitment to sustainability or ESG issues pursues the following objectives with the common goal of creating shared value in the long run, in accordance with the Good Governance Code of Listed Companies of the CNMV:

4.1 Línea Directa and its customers and policyholders:

- Encouraging innovation and digitalisation in products and services as tools to achieve the Company's transformation, ensuring that the experience is improved and seeking to anticipate market trends on the path to becoming a benchmark in the insurance industry.
 - Providing complete and truthful information on the characteristics of products and services before they are acquired or arranged.
-



- Providing an accessible and quality service within the agreed timeframe and monitoring the customer's experience with the Company through satisfaction surveys or other mechanisms that enable active and permanent listening for all processes and operations in which the customer interacts with the Company.
- Ensuring due levels of confidentiality when processing their data.
- Managing and resolving their claims and grievances in the shortest time possible.
- Maintaining adequate and efficient communication channels by using the resources best suited to this need.

4.2 Línea Directa and its employees:

- *Ensuring a culture of respect for all people who make up the Company*, displaying a total commitment for equal opportunities, non-discrimination and diversity.
 - *Ensuring job quality* by promoting stable work that nurtures professional development and continuous improvement among people.
 - *Focusing on people across all talent management processes at the Company*, including the processes of attracting, retaining and promoting talent and professional development; fostering training, professional growth and valuing merit and aptitude above all else.
 - *Promoting a culture of flexibility to ensure a healthy work-life balance while guaranteeing the right of employees to disconnect* through various policies and procedures.
-



- Preventing psychosocial risks, particularly harassment at work, through appropriate protocols and action plans.
- *Continuing to implement* measures to protect the health and *well-being of people and providing a safe* working environment for the health of society.
- Promoting a culture of social commitment across the organisation by involving employees in social initiatives promoted by the Company and sometimes by the employees themselves.

4.3 Línea Directa and its suppliers:

- Building partnerships to ensure the efficiency and quality of the products and services provided by suppliers to customers and the Company and to help generate shared value.
 - Ensuring that the value chain observes the Company's principles and values, the Supplier Code of Conduct and the principles enshrined in this Policy, as well as other applicable internal regulatory frameworks.
 - Fostering compliance with the Procurement Policy to incorporate sustainability or ESG aspects that will allow Línea Directa's commitments to reach across the entire value chain.
 - Seeking to protect and improve the environment across the value chain by promoting the responsible and rational use of resources,
-



focusing on efficiency and seeking to minimise the generation of waste.

4.4 Línea Directa and its shareholders:

- Ensuring the economic sustainability of the business, meaning its capacity to create economic value that allows it to keep growing while offering adequate remuneration to shareholders.
- Building a corporate culture and business model conducive to the achievement of the Group's objectives.
- Facilitating the necessary knowledge and information so that shareholders can fully exercise their rights.
- Improving the transparency, accuracy, immediacy and homogeneity of the information disclosed.
- Publishing information on an ongoing, regular and timely basis, ensuring proper scope and preventing any kind of misinterpretation.
- Having a variety of communication tools and channels at the disposal of shareholders so that they can contact and speak with the Group as and when needed.
- Avoiding any conduct contrary to internal rules and policies that might damage the Company's reputation by fostering a culture of compliance and through specific policies and programmes.
- Ensuring equal treatment in equal positions.

4.5 Línea Directa and the environment:



- Preventing and minimising air pollution by managing and achieving a gradual reduction in the intensity of emissions of greenhouse gases and other polluting substances.
- Optimising waste management through systems that set reduction targets, adherence to best practices and the use of recycled materials.
- Making environmental concerns part of the Company's risk management.
- Working and collaborating with the value chain in implementing measures that allow for the proper management of environmental waste and respect for the environment.
- Supporting the implementation of measures that foster a transition towards sustainable energy mobility.
- Taking part in the fight against climate change and the protection of the environment when carrying on the business.
- Helping to raise public awareness of climate change, its consequences and solutions.

4.6 Línea Directa and society

- Supporting the development of the territories and communities in which Línea Directa is present through its financial activity.
 - Helping to reduce traffic accidents and their impacts by leading road safety actions directly or through the Línea Directa Foundation.
 - Promoting home safety to help prevent personal accidents and serious injury in the domestic environment.
-



- Supporting all facets of health care by promoting healthy lifestyles and well-being.
- Supporting education and industry guilds or associations in pursuit of strategic progress for the Company.
- Championing social action within the Company by bringing all its resources to bear, thus helping to improve the societies in which it operates.

4.7 Good governance at Línea Directa:

The Group must promote new policies, metrics and management strategies to enable continuous improvement and transparency towards its stakeholders. The Group's commitment to good governance will centre on the following principles of action:

- The Board of Directors' commitment to the development and improvement of good corporate governance by voluntarily implementing measures and initiatives to reinforce its commitments and align the interests of the Company with those of shareholders, investors, markets and other stakeholders.
 - Reviewing and applying the good corporate governance practices of the Línea Directa Group with the aim of incorporating the expectations and requirements of investors and regulators and all other stakeholders in the broadest of the term, in permanent compliance with the various internal policies, risk control system and codes of conduct.
 - Ensuring the sound functioning of internal control mechanisms and compliance with expected behaviours in terms of good governance, ethics and integrity.
-



4.8. Línea Directa as an investor

The Company is committed to making ESG concerns part of its investment decision-making.

Thanks to a preventive approach and long-term vision, the Company will avoid any involvement as an investor in organisations, projects or products that may cause, or otherwise be conducive to serious violations or breaches in this regard.

To this end, it shall have the necessary mechanisms in place to carry out appropriate assessments in this area.

5. MANAGEMENT MODEL

The principles and responsibilities that Línea Directa assumes under this Policy are supplemented by the other internal regulations indicated at the start of this document. Together, they make up the framework of action and embody the Company's commitments on the matter.

The Company has methods and systems in place for managing and monitoring compliance with these policies and all related risks, as well as mechanisms for supervising non-financial risks, which include the risk related to ethical and business conduct issues.

Línea Directa guarantees the existence of appropriate listening, communication and reporting channels (both internal and external) whereby stakeholders may participate and inform the Company of any action that breaches the terms of this Policy or other internal or external mandatory rules, so that the Company can take action accordingly.



6. GOVERNANCE MODEL AND MONITORING

The Board of Directors shall approve the Sustainability Policy of the Línea Directa Aseguradora Group and is ultimately responsible for the Policy: overseeing compliance with the Policy, ensuring observance of laws and regulations in relations with stakeholders and seeing to it that all contracts and obligations are performed in good faith, along with respect for customs and good practices when carrying on its activity.

This Policy will be further developed and complemented by strategic sustainability plans and any other internal policies that the Group may approve in direct connection with the core principles of action set out herein.

The Appointments and Remuneration Committee shall verify compliance with this Policy on an annual basis and report on the degree of progress in complying with the Sustainability Policy and strategy to the Board of Directors. This information will also be included in the corresponding Annual Corporate Governance Report.

The Board of Directors, acting through the Appointments and Remuneration Committee, shall monitor compliance with this Policy and its indicators.

The Sustainability and Reputation Committee of the Línea Directa Group shall report at least once a year to the Appointments and Remuneration Committee on all actions undertaken in relation to the Sustainability Plan and compliance with ESG indicators.

The Group shall ensure the transparency of the information provided to stakeholders through responsible communication practices when disseminating its Sustainability Policy.



7. COMMUNICATION OF THE POLICY

This Policy will be disseminated to all Group companies and will be made available to the organisation's stakeholders via the Intranet and on the corporate website.

This Policy was approved by the Board of Directors of Línea Directa Aseguradora S.A. on 15 October 2020 and will be effective as from 1 January 2021.