

HUMAN RIGHTS DUE DILIGENCE SUMMARY

INTRODUCTION

By virtue of regulatory trends and third party requirements on Human Rights and under the commitments established by the company in this regard, Línea Directa has carried out its first Human Rights Due Diligence exercise.

All this serves as a basis for the establishment of a **due diligence, monitoring and reporting process**, with the **aim of being aligned with best practices** in Human Rights and the requirements of different ESG analysts, and which serves as support for the measurement of the impact on society regulated by Law 11/2018 on non-financial information and diversity, which transposes EU Directive 2014/95, establishing a framework for analysis in Human Rights.

In addition, **the following international frameworks are taken into account**, most of which are also included in the company's Human Rights Policy:

- The United Nations (UN) International Bill of Human Rights.
- The Declaration of the International Labour Organisation (ILO), as well as its core conventions, concerning fundamental principles and rights at work
- The OECD Guidelines for Multinational Enterprises.
- The European Convention on Human Rights.
- The European Union's 2020-2024 Plan for Human Rights and Democracy.

Línea Directa Aseguradora is aware of the laws and other national and international standards on Human Rights, and is committed to integrate them into its risk management, decision-making and governance procedures. All this under the responsibility and with the commitment of senior management, through the policies and procedures established for the management of human rights risks in the different areas of the company.

In this context, for Línea Directa Aseguradora, respect for Human Rights is an integral part of its values and its way of acting in order to carry out its business activities in a legitimate manner and, therefore, within the framework of the Human Rights Policy (October 2020), this process of risk identification and Due Diligence in Human Rights has been developed in 2022.

PURPOSE

This procedure includes the **identification of potential Human Rights violations** classified according to the commitments made by Línea Directa Aseguradora in its current **Human Rights Policy**.

The commitments acquired in Línea Directa Aseguradora's policy contemplate **five dimensions** of the company: **employer, insurer, investor, collaborator and partner and with its environment**.

The **identification of risk events** is accompanied by the delimitation of actual or potential negative impacts and defines the criteria to be considered in order to **assess, prioritise and manage them**.

For the definition and development of this process, **an independent third party has been involved** and the **key areas** responsible for each of the five dimensions indicated have been involved.

METHODOLOGY

The risk event assessment process will be carried out based on Línea Directa Aseguradora's risk analysis methodology, in order to ensure uniformity of criteria with other assessments carried out in the company. Parameters defined by the methodology will be considered, which will define **how to assess the impact, probability and severity of each risk event**.

The Human Rights Due Diligence process shall be conducted at least **every three years**.

This methodology will serve as a basis for the identification of **Human Rights risks in our own operations**, in our **value chain** or **activities related to our business** and in new business relationships.

PARAMETERS CONSIDERED

| Impact | Probability |
|-----------------------|--|
| Company participation | Country |
| Magnitud | Sector |
| Reversibility | Level of coverage or control environment |

Once the impact and probability variables have been assessed, the severity of each of the risk events will be obtained, which will make it possible to construct the human rights risk map.

RELEVANT ASPECTS OF THE DUE DILIGENCE

A categorisation of potential human rights violations has been carried out taking into account the blocks of the Human Rights Policy of Línea Directa Aseguradora:

- Línea Directa as an employer
- Línea Directa as collaborator and partner
- Línea Directa as an Insurer
- Línea Directa as an investor
- Línea Directa with its environment

And the following guides:

- UNEP-FI's Guide to Environmental, Social and Governance (ESG) Risk Management in the General Insurance Business and the Principles for Sustainable Insurance.
- International Finance Corporation's Human Rights Impact Assessment and Management Guide.

Key elements to bear in mind

For each of the risk events identified, we have contextualised what the threat (risk event) is (or may be), the stakeholders affected and the link with Línea Directa Aseguradora's Human Rights Policy.

This involves:

- **Description of the risk event and its link to human rights:** the following aspects have been taken into account, where applicable: forced labour, human trafficking, child labour, right of association, right to collective bargaining, equal pay, discrimination and right to the environment.
- **Stakeholders affected by each risk event:** customers, employees, suppliers and/or society.

In this exercise, the following groups have been considered in each of the blocks indicated in the policy: own employees, women, children, contractors and local communities. Attention has also been paid to the "senior" group from the perspective of the design and marketing of the product and to people with disabilities, from this same perspective and also from the perspective of integration into the company's workforce.

- **Linking each risk event to the commitments** defined and included in the Human Rights Policy.
- **Frequency of risk mapping:** The risk maps are reviewed annually, in line with the annual planning of the Corporate Risk area's activities. This mapping is carried out jointly by the Corporate Risk Area and the business areas responsible for their management.

For each of the blocks, we have mainly analysed the responsibilities, processes, practices, training, channels, reporting, alliances and initiatives that Línea Directa Aseguradora carries out to mitigate and/or remedy risk events.