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2022
CONSOLIDATED STATEMENT
OF NON-FINANCIAL INFORMATION

LÍNEA DIRECTA ASEGURADORA, S.A.



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Letter from the Chairman

The year 2022 has seen a great deal of financial instability, largely caused by rising inflationary pressure, which had already picked up markedly in the previous year. This trend, which threatens to last for much of 2023, has been aggravated by the current geopolitical situation, which has significantly driven up energy costs and essential items. This problem has led to a tightening of monetary policy by the European Central Bank, which has seen higher interest rates as a way to curb prices. However, this measure may have a dual effect in the short and medium term: a general cooling of the economy, which could be on the verge of recession, and a reduction in citizens' purchasing power.

This situation has had an impact on our country's macroeconomic figures. According to the INE flash estimate, the Gross Domestic Product registered a year-on-year change of 5.5% in 2022, identical growth to that of 2021, thanks to the strong growth of the economy in the first half of the year, which balanced out a less favourable performance in the second half of the year. Regarding employment, the trend is positive, as the number of employed people increased by 278,900 over the last 12 months, but the unemployment rate still stands at around 12.9%, a figure that seems very high for an economy with the strength and resources of the Spanish economy.

In this complex and changing economic environment, the insurance sector has performed unevenly, although it continues to maintain high levels of robustness. The sector managed to increase turnover by 4.7% in 2022 to reach €64.673 billion, of which more than €40.2 billion corresponded to the Non-life line (+5.2%).

The Motor line seems to be overcoming some of the problems experienced in previous years, growing by 3.3% compared to the 0.9% decline recorded in 2021. However, the situation in terms of new vehicle sales is particularly worrying. Barely 813,400 new cars were sold in the year, down 5.4% compared to the same period in 2021 and 35% compared to 2019, according to Anfac figures. The Companies channel was the only one with a clearly positive performance, with registrations increasing by 4.1% and accounting for more than 42% of total passenger car sales in our country. This stagnation in the commercial distribution of vehicles is exacerbating the problem of the high average age of the Spanish vehicle fleet, which is steadily approaching 14 years on average. This not only represents a burden for the national economy, but also a reality with very negative consequences for road safety.

The Home line, in turn, has significantly boosted its turnover in the first three quarters of the year, with an increase in premium volume of 5.5% compared to 2021, although the rise in the cost of financing and the slowdown in the real estate market may affect it considerably in the coming months. As for health insurance, it continues to grow at a very dynamic pace, achieving a 7% increase in premiums compared to the same period in 2021, which consolidates it as a great asset for the Non-life line in terms of profitability, diversification and development.

“Línea Directa Aseguradora is, due to its great commercial dynamism and its vocation for innovation, one of the companies with the greatest growth potential in our country. The company’s financial strength, its business model and its commitment to sustainability make it one of the most profitable institutions in the market, and one of the most reputable”.

Linea Directa, strength and growth

Against this background, Línea Directa Aseguradora has continued to consolidate its reputation as a solid and highly profitable company. It increased its premium income by 4.4% in 2022, achieving a turnover of more than €946 million thanks to the strong performance of all its lines of business. This steady and sustained growth has enabled the company to consolidate its position in 13th place in the ranking of Non-life entities by volume of premiums.

Regarding motor insurance, Línea Directa Aseguradora increased its premium income by 3.3% and its number of policies by 2.7%. The Home and Health lines of business (+9.5% and +10%, respectively) continued to grow at a significantly faster pace than the market and now account for more than 18% of the Group's total business, with a 3.4% increase in the number of customers, reaching more than 3.4 million policyholders.

In terms of profitability, Línea Directa Aseguradora achieved a Profit Before Taxes (PBT) of €78.7 million, a decrease of 45.8% compared to 2021. This result must neces-

sarily be linked to two factors: firstly, the notable rise in the accident rate in the sector as a whole, with fatal accidents increasing by 13%; and secondly, inflation, which has especially impacted average repair costs and, consequently, the technical results, since such expenses take time to be offset in the statement of profit or loss.

Despite this, the Group's claims incurred ratio was 75.7% (+7.9pp), the expense ratio 20.6% (+0.1pp) and the combined ratio 96.3% (+8.0pp), all below the sector average. Not surprisingly, Línea Directa Aseguradora has a combined ratio 2 points lower than that recorded by the sector at the end of the third quarter, thanks to its business model, its excellent underwriting policy and cost containment. Thanks to this, Línea Directa has profitability that stands out from the competition, with an ROE of 17.8%, and great robustness. It has a solvency margin of 188.4%, which has enabled the company to pay its shareholders an ordinary dividend of €52.48 million in 2022, with a payout of 90% and an annualised return of 6.38%.

“The year 2022 has seen an important milestone for the Group: the appointment of Patricia Ayuela as the new CEO after a long career within the company. I am confident that her experience and strategic vision will be a great asset to the organisation as it faces the challenges posed by the market”.

Sustainability, an asset for Línea Directa

The 4th Sustainability Plan of the Línea Directa Group has completed the cycle, reaching 92% achievement in its three years of life. The Plan was designed based on ESG criteria and, in particular, on three specific aspects: Environmental, Social and Good Governance. Environmental includes various actions to mitigate climate change with the aim of achieving carbon neutrality for the company by 2030. Social is geared towards promoting values such as equality, diversity, health, road safety and safety in the home. Good Governance aims to ensure ethical management in accordance with the law and the sustainability commitments undertaken by the Group.

The year 2022 also saw the preparation and implementation of Línea Directa Aseguradora’s 5th Sustainability Plan, which will be in force from 2023 to 2025. The new Plan’s vision will be to lead the Línea Directa Group towards sustainable growth, to promote ESG from within the company and to position its direct model as one of the company’s greatest assets. The Plan will have a wide range of goals: generating business, promoting a culture of sustainability, contributing value to shareholders, attracting responsible investment, consolidating its status as a leader in terms of reputation, contributing socially and environmentally to the progress of our country and becoming a benchmark in its relationship with stakeholders.

The 5th Sustainability Plan will enable the Group to continue the great development it has experienced in recent years in terms of sustainability, firmly establishing its position as one of the most prestigious Spanish companies which, year after year, is included in the country’s most important reputation rankings, such as the Merco Companies ranking, the Merco ESG Responsibility and Corporate Governance ranking and the Merco Talent and Top Employer rankings. This is a success in which the Línea Directa Foundation has also played a very important role, thanks to its relevance and impact achieved in its activity in favour of road safety, with initiatives such as the Road Safety Journalism Award, the Road Safety Entrepreneurs Award and the Foundation’s research studies and various training activities that undoubtedly contribute to the improvement of our society.

Corporate governance, diversity and transparency

Línea Directa Aseguradora has adapted its organisation and corporate governance to the recommendations of the Spanish National Securities Market Commission (CNMV) since the start of its stock market activity in April 2021, promoting efficiency, inclusion, independence and diversity in the organisation, principles that have always been present in all of the company’s activities.

The Group’s average workforce in 2022 was comprised of 2,538 employees of 24 different nationalities, 57% of whom are women, who occupy 48% of management positions and 50% of executive positions. It is also important to highlight the virtual non-existence of a wage gap in our team, as the difference is 2.8%, a figure that is significantly better than the average for the labour market in our country.

The year 2022 has also marked an important milestone for the Group: the appointment of Patricia Ayuela as the new CEO of Línea Directa Aseguradora, following an extensive professional career in the company, where she has headed the Quality, Household, Motor and Digital Transformation areas. I am confident that her experience and strategic vision will be a great asset to the organisation as it faces the challenges posed by the market, which is highly conditioned by the current macroeconomic scenario. I would also like to take this opportunity to thank Miguel Ángel Merino, CEO until February 2022, for his dedication during these years and his work at the helm of the company, which has paved the path to building a multi-branch, multi-product insurer that is set to continue transforming the insurance market in Spain.

Línea Directa Aseguradora has also approved various policies in the area of Corporate Governance in 2022 on director remuneration, risks, tax strategy, sustainable investment, prevention, health and well-being, information security, privacy, environmental management

and climate change, responsible purchasing, talent, product control and product governance. The essential goal of these measures is not only to comply with best practices in corporate governance, but also to add value to the company and, by extension, to its shareholders, customers, employees and suppliers, by contributing to society our firm commitment to ethics and responsibility as a means of building a profitable, exemplary and ethical project in all its business areas.

Línea Directa Aseguradora is, due to its great commercial dynamism, vocation for innovation and disruptive nature, one of the companies with the greatest growth potential in our country. The company’s financial strength, its direct business model and its commitment to sustainability make it not only one of the most profitable institutions in the market, but also one of the most reputable and committed to society. All of these factors will enable Línea Directa Aseguradora to move into 2023 with the determination to continue to strengthen the keys to its success: a different value proposition based on competitive prices and high quality standards, a distinctive business model that is firmly committed to innovation and, above all, a very high level of commitment from its incredible team, who make Línea Directa a unique and truly great company.

Alfonso Botín-Sanz de Sautuola
Chairman of Línea Directa Aseguradora

Interview with the CEO

The Línea Directa Aseguradora Board of Directors appointed Patricia Ayuela as Chief Executive Officer in February 2022. Here, she reviews the main results and challenges experienced by the company over the past year in terms of business, sustainability and corporate governance, as well as the main priorities of Línea Directa Aseguradora for 2023.

Patricia Ayuela

Chief Executive Officer of Línea Directa Aseguradora



In February 2022, the Board of Directors of Línea Directa Aseguradora appointed you as CEO of the company. Personally and professionally, what does this appointment mean for you and what priorities do you have as the head executive of Línea Directa?

After a long career in the company, being appointed CEO is a great satisfaction, but it is also a great responsibility. After almost twenty years working in the Group, where I have managed the Home, Motor and Digital Transformation business lines and the Quality Area, to lead the company where I have spent most of my professional career is certainly a great pride and a great challenge.

My primary goal is for the company to experience strong growth. In doing so, we are putting the spotlight on the customer by focusing on quality and driving digitalisation, with the aim of improving loyalty rates and the policyholder experience. Additionally, we must face the rise in accident rates that the sector is currently experiencing, for which it is essential to continue improving the efficiency of all processes, to continue offering customers personalised prices and to maintain our pricing edge over the competition.

Internally, my priority is to strengthen the company with profiles that we do not have today and that are necessary to compete in the future; and, at the same time, to preserve the culture that has made Línea Directa a great success story. In this sense, having a brilliant, committed and enthusiastic team is

what will make it possible for the company to grow at higher rates than today, recover its track record of profitability and continue to add value for our shareholders, thus consolidating our position as one of the leading companies in the sector.

FINANCIAL RESULTS

The year 2022 has been a very complex year, with growth slowing and consumer purchasing power declining sharply. How has the macroeconomic situation affected Línea Directa Aseguradora's results?

The economic scenario we've experienced during 2022 has been very complex. High inflation has made car repairs more expensive, which has significantly increased the companies' ratios of claims incurred. What's more, the rise in interest rates and energy prices have reduced consumers' purchasing power, which affects both the performance of non-mandatory insurance and Motor insurance coverage. In addition, the supply crisis that the automotive sector experienced and the slowdown in the sale of homes have harmed the growth of both lines of business.

In this difficult context, Línea Directa has managed to get back on the path to growth, although its results have been impacted by the higher rate of claims incurred. However, I am optimistic about the future of the company because of our commercial capacity and our high profitability.

We managed to maintain our commercial momentum in 2022, with solid growth in both customers (3.4%) and premiums in all lines of business, which together grew by 4.4%. All of this allows us to continue to move steadily towards €1 billion in turnover and to continue to be a very profitable company, with an ROE that stands out from the rest, a company that is a benchmark in efficiency. Not surprisingly, we have a combined ratio of 96.3%, below the industry average. The solidity of our investment portfolio is also noteworthy. Although it has been affected by the rise in interest rates as it is mainly composed of fixed income, the financial performance of our portfolio will increase as rates rise. In fact, the new fixed income that the company is acquiring has higher rates of return than that which is maturing.

How have the individual business lines evolved over the past year?

The performance of Línea Directa's lines of business in 2022 has been positive, considering the macroeconomic scenario. The Motor line's premiums grew by 3.3% compared to a 0.9% decrease in 2021, and the portfolio grew by 2.7%. The Home line continued to strengthen its position as a driver of the Group's growth, with premiums rising 9.5%, 73% higher than the sector as a whole, mainly due to the positive growth in the company's portfolio (+5.6%). These results allow this line of business to now contribute more than 15% of the Group's total turnover, which is certainly an important step forward.

The Health line continued to make steady progress towards break-even, reducing its

combined ratio by 3.4 points and increasing its premiums by 10% and its customer base by 4.8%. We are therefore very optimistic about the future, as these data show that the company has an excellent commercial dynamism.

What has being listed on the stock exchange meant for Línea Directa?

Línea Directa's IPO is the culmination of a long process that has made the company one of only three listed insurers.

As a listed company, our visibility has increased exponentially, and this, combined with our great responsibility in terms of investments and our relationship with our shareholders, has made us expect even more of ourselves. In this regard, trading on the stock exchange is a very important exercise in transparency, as each quarter we publicly report on what we are doing and how the business is performing. But, undoubtedly, this commitment and this determination to do things well will have an impact on business results in the long term, despite the fact that, temporarily, there may be difficult moments such as the one the automotive sector is experiencing right now.

What can we expect from the company in 2023? What are its main challenges?

The main goal is to accelerate growth, but always in a profitable way. To do so, we will put the customer at the centre of our decisions, providing service that stands out from the rest and committing to offering a wide range

“Being appointed CEO is a great satisfaction, but it is also a great responsibility. After almost twenty years working in the Group, where I have managed the Home, Motor and Digital Transformation business lines and the Quality Area, to lead the company where I have spent most of my professional career is certainly a great pride and a great challenge.”

of products and services based on quality and innovation. But, above all, let's shine the spotlight on the enormous advantages of our business model, highlighting the removal of brokerage fees, our centralised operations, our horizontal structure, the great customer experience and the excellence of our service. All this makes for a great value proposition for the customer, who receives a high quality service at an unbeatable price.

In this respect, our prices are, on average, 12% cheaper than those of other insurers, which is a great incentive and a great opportunity to grow and move steadily towards our goal of consolidating our position as one of the most important companies in the Non-life line.



“The main goal of Línea Directa for 2023 is to accelerate growth, but always in a profitable way. To do so, we will put the customer at the centre of our decisions, providing a differential service and committing ourselves to a wide range of products and services based on quality and innovation. But, above all, we will explain the enormous advantages of our business model”.

SUSTAINABILITY AND TRANSPARENCY

2022 was the last year of Línea Directa Aseguradora’s 4th Sustainability Plan. What do you think of the Plan’s outcome? What has been the company’s main milestone in this area in the past year?

Línea Directa has always been in close contact with society due to its business model, which is direct and with no intermediaries. That’s why, from very early on, we have developed numerous initiatives in terms of sustainability. The company’s growth and transformation into a large multi-segment project made it necessary to systematise, organise and promote a global vision of sustainability in the organisation, always with the aim of covering a wide range of initiatives related to the business. That’s why, since 2011, Línea Directa has been developing three-year strategic Sustainability Plans, with the entire company participating in the management and implementation of these Plans.

The 4th Plan, which ran from 2020 to 2022, achieved over 96% of targets and has enabled us to continue to move decisively towards a profitable, sustainable company model with strong ethical foundations. Línea

Directa’s Sustainability Plans have three main pillars that are linked to each of the dimensions of ESG: Environmental, Social and Good Governance. These pillars result in a wide range of initiatives that put into action our determination to contribute to creating a more sustainable, responsible and equitable society.

I personally believe that the company’s major milestone in sustainability over the past year was our participation in the international Dow Jones Sustainability Index, which involved a thorough review of all the Group’s procedures in this area and has served to carve out the path that the company will follow in the coming years. The result was satisfactory and very commendable, as we are in the 87th percentile in the management of and action toward sustainability worldwide, a milestone that we consider to be positive and that certainly encourages us to keep making progress.

How is sustainability management structured at Línea Directa and what priorities has the company set for the 5th Sustainability Plan 2023-2025?

The process of strategic design for sustainability is ambitious, thorough and very demanding. Each of the Plans is prepared by a specialised working group that submits its proposal to the Sustainability Committee, composed of members of Línea Directa's senior management. The proposal, after evaluation and approval by this body, is submitted to the Management Committee, which subsequently forwards it to the Appointments, Remuneration and Corporate Governance Committee of the Board of Directors. Finally, in the last phase, the Board of Directors gives final approval to the Plan.

The 5th Sustainability Plan will be in force from 2023 to 2025. Its main goal will be to encourage the company's sustainable growth using an ESG approach, improving communication and dialogue with the different stakeholders. We want to become a great reputational asset for the sector and society, always with the aim of attracting responsible investment through the creation of value, and to position ourselves as a true leader in this area in our country.

One essential asset for the Group's sustainability is undoubtedly the activity of the Línea Directa Foundation.

The Línea Directa Foundation has become, only 8 years after its creation, a true benchmark in the fight against accidents in our country. Under the slogan "Road safety. Here and now", it has four lines of action: Outreach, Research, Social Action and Education, covering a wide range of activities and initiatives.

These include the Foundation's studies on road safety, which has a great media impact; the Road Safety Journalism Award, which encourages the publication and promotion of news related to road safety; and the Entrepreneurs and Road Safety Award, which highlights entrepreneurship in the fight against traffic accidents. Moreover, the Foundation organises and finances a wide range of educational activities and collaborates with other organisations and foundations, earning it prestigious recognitions such as the Silver Cross of the Order of Merit of the Civil Guard and the Order of Merit for Road Safety, awarded by the Ministry of the Interior. I believe that if our commitment has helped to save just one life or prevent just one traffic accident, then all our efforts will have been worthwhile.



About this report

With this document, Línea Directa Aseguradora reports on environmental, corporate governance, human resources, social and human rights issues relevant to the company in the context of its business activities.

Introduction

The Non-Financial Information Statement has been prepared in accordance with the provisions of **Law 11/2018 of 28 December 2018** which amends the Commercial Code, the revised text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July, on Auditing of Accounts, in relation to non-financial information and diversity.

Additionally, the regulation concerning the European Taxonomy [Regulation (EU) 2020/852 and Commission Delegated Regulations 2021/2139 of 4 June and 2021/2178 of 6 July] has been taken into account.

The Consolidated Statement of Non-Financial Information 2022 has been prepared in accordance with the contents set out in the current commercial regulations and in compliance with the “Core” option of the GRI (Global Reporting Initiative) standards. The scope of each indicator is given in the indicator tables in Annex I of this report. With this document, Línea Directa Group reports on corporate governance, en-

vironmental, human resources, social and human rights issues relevant to the company in the context of its business activities.

Thus, it has been drawn up based on different quality principles, including the principles of balance, comparability, precision, periodicity, clarity and reliability. Furthermore, by preparing, publishing and distributing this report on an annual basis, Línea Directa Group makes it possible to compare it with previous years, so that the different stakeholders can objectively assess the changes in the main performance indicators.

Materiality and relevant aspects

The selection of the contents included in this report is based on, among other factors, the materiality analysis carried out in the framework of the preparation of the Sustainability Master Plan 2020-2022. This analysis is based on the evaluation of external information sources (sustainability standards and international indices, industry competitors, industry reports and studies, academic and financial consultations, customers, suppliers

and investors) and internal information sources (Group employees and management).

As a result of this process, it was also determined that the contents of Law 11/2018 relating to noise and light pollution, circular economy, food waste, biodiversity and impact on protected areas were not considered material, given the specificities of the sector and the Group’s activities.

The emergence of COVID-19 significantly altered the quantitative data for the years 2020 and 2021, so comparability is affected by the exceptional nature of both years. The prioritisation of material issues was also significantly impacted.

The company’s IPO, however, marked a major step forward in the area of corporate governance.

Scope of the report

The report therefore includes information on all the companies that comprise it: Línea Directa Aseguradora, S.A., Línea Directa Asistencia, S.L.U., Centro Avanzado de Reparaciones (CAR), S.L.U., Club Más Moto S.L.U., Ámbar Medline, S.L.U., LDActivos, S.L.U. and LDA Reparaciones, S.L.U.

Quantitative disclosures

The indicators relating to environmental activity and the management of the workforce of Línea Directa Group are set out in Annexes III and IV of this document, respectively.

Verification of the report

The quantitative and qualitative information has been verified externally by PwC (PricewaterhouseCoopers Auditores, S.L.) in accordance with code 49 of the Code of Commerce, as shown in Annex V, with a limited review scope.

Anyone interested in consulting or completing the report may contact the External Communication and Sustainability Department at the following e-mail address: comunicación_externa@lineadirecta.es.

LÍNEA DIRECTA GROUP

PURPOSE, MISSION, VISION AND VALUES

MILESTONES AND AWARDS

MAIN FIGURES

BUSINESS ENVIRONMENT

BUSINESS MODEL

SUSTAINABILITY MANAGEMENT



Purpose, mission, vision and values

Línea Directa, an insurer with a purpose

The company's corporate purpose was approved in 2020 in order to define its action horizon and to inspire and guide the long-term strategy, both in relation to the business and in relation to its main stakeholders: employees, customers, suppliers and investors. Therefore, the company's corporate purpose allows, in a clear and concise manner, to publicly communicate the company's main commitment to society, as expressed in the following way:

“Innovate, protect and bring closer”



The company's corporate purpose was developed by the company's Sustainability and Reputation Committee and includes the key aspects that differentiate Línea Directa from other companies. This corporate purpose reflects the disruptive nature of the Group since its inception; it relates to the essence of the insurance business and its commitment to provide coverage in risk situations and to build trusting and safe relationships with the community and the environment; and finally, it reflects the company's direct, open, close and accessible relationship with stakeholders and society in general.

Innovate

Línea Directa, since it burst into the market with its direct business model 27 years ago, has demonstrated a high capacity for innovation, which allows the company greater agility to adapt to new challenges and even transform the insurance sector. The company's entry into the market in 1995 marked a turning point in the way insurance was purchased in Spain, as it was the first insurance company in the country to sell policies directly to the customer, without intermediaries or offices, first by telephone and then via the internet. Línea Directa keeps in its DNA the launch of new products and services to the market since then, responding to the needs of its customers, always ahead of the market.

Protect

The concept of protection refers to insurance activity. Línea Directa Aseguradora takes care of the assets that matter most to its customers, such as health, home and vehicles. But it also cares about its value chain, its employees and its investors and shareholders. This idea of protection also refers to the company's conviction to care for the environment and society as a whole.

Bring closer

Lastly, the company's direct business model, without intermediaries, allows it to offer customers the best and most innovative insurance policies and cover at the best price, as well as providing a personal, close and friendly service. Línea Directa also wants to make insurance widely available, making it simple, transparent and competitively priced – accessible for all of society. Another unique characteristic of Línea Directa is, of course, its proximity to the customer at all times, thanks to technology and digitalisation.

A mission and vision of leadership

Mission

The company's mission is to put its expertise directly at the service of its customers, employees, shareholders, suppliers and thus society as a whole, in order to create prosperity, security and an environment in which people live more responsibly and sustainably. In addition, the company aims to be the insurance company known for its respect for the groups it relates to, especially customers, employees and suppliers.

Vision

Línea Directa's vision is to be at the forefront of innovation in the insurance sector, to grow in a sustainable way and to promote values related to road safety, home safety, health, the environment and sustainability.



Corporate values: The identity of a unique culture

The values of Línea Directa Aseguradora reflect the principles that guide all the company's actions and those of its employees, principles which are applied on a daily basis and in all aspects of the company's activity. These values, together with professional ethics and good governance, are an essential part of the corporate culture.

- ♥ **Respect for people:** Listen to your colleagues and customers, this promotes teamwork and helps everyone to do their best by appreciating the efforts and achievements of others.
- ↑ **Spirit of self-improvement:** Be creative and innovative, always making proposals and doing things better. Give, accept and encourage constructive criticism. All opinions are important.
- 👤 **Enthusiasm:** Always keep a positive attitude, work hard and have fun at the same time. Think of the customer as the recipient of your actions.
- 💡 **Results-driven:** Follow through on your commitments and be an example to those around you. Put good ideas into practice and make sure they are not just words.
- 🗨️ **Clarity:** Be simple. Be clear and sincere in your communication with others, simplify everything in your power. Share whenever you can.

2022

Milestones and awards

January

Línea Directa Aseguradora subscribed to the Women’s Empowerment Principles (WEP), an initiative launched by UN Women and the UN Global Compact to promote best business practices aimed at advancing gender equality and women’s empowerment in the workplace, the market and society. The company thus joined the nearly 5,800 companies worldwide that have subscribed to the Principles and reinforced its commitment to gender equality, which it has been working on for years through its Gender Equality, Diversity and Inclusion, Human Rights and Sustainability Policies.

Línea Directa Aseguradora was certified for the third consecutive year as Top Employer 2022 in Spain for its excellence in people management. The Top Employers Institute programme certifies organisations as leaders in people practices based on the



results of a survey covering 6 areas of Human Resources, comprising 20 facets including people strategy, work environment, talent attraction, learning, well-being, diversity and inclusion.

The company launched an advertising campaign which reinforced and enhanced the values that set Línea Directa apart, bringing Matías Prats’ time as the brand’s ambassador to a close. The core theme of the new spots, with an advertising formula never seen before in Spain, was the

succession and replacement of Matías Prats after more than ten years of a fruitful and successful relationship between the ambassador and the brand. This new advertising strategy focused on the company’s direct model, proximity to the customer, innovative character and product range with the best coverage and services at a very competitive price.

Línea Directa published the “6th Barometer of Fraud in Motor and Home Insurance”. This report, which is the oldest and most comprehen-

sive report in the insurance industry, analyses trends in the phenomenon of insurance fraud over the past 12 years (2009-2020) and the activities of organised criminal groups. This new edition concluded that COVID-19 increased the proportion of fraudulent claims by 21% in 2020 despite lockdowns and travel restrictions – the highest in the entire history of the barometer.

February

The Board of Directors of Línea Directa Aseguradora appointed Patricia Ayuela as Chief Executive Officer of the company, succeeding Miguel Ángel Merino, who headed the company for the last eleven years. Patricia Ayuela has worked at Línea Directa Aseguradora for most of her professional career, joining in 2003. She has been a member of the Management Committee since 2008, has managed the main lines of business (Home, Motor and Digital Transformation) and has participated in the design, execution and leadership of the Group’s strategic decisions in recent years.



The company announced its results at the end of 2021, a year in which the Group broke its all-time record for premium income. The growth in customers, which reached 3.34 million policyholders (+4%), enabled the Group to exceed €907 million in turnover (+1%) and to close the year with a net profit of €110.1 million, 2.6% more than in 2019, a pre-pandemic year.

Línea Directa Aseguradora launched its corporate blog as part of its brand positioning strategy, with the aim of providing useful information to policyholders. Following the revamp of its corporate website in 2021 on the occasion of the company’s IPO, the Línea Directa Group continued to increase its digital assets with the launch of a corporate blog with practical information on insurance, content on strategic topics for Línea Directa and the company’s current affairs.



March

Línea Directa launched a new instalment of “Lámalo X”, the first car insurance with car included. This new edition has 500 new units, including hybrid vehicles, in addition to the 800 policies already marketed in the first two editions.

Línea Directa Aseguradora held its first General Shareholders’ Meeting. The shareholders overwhelmingly approved the company’s management, the company’s 2021 results and the Directors’ Remuneration Policy and ratified the appointment of Patricia Ayuela as Executive Director, among other matters addressed. In addition, the General Shareholders’ Meeting agreed on the payment of a final dividend of €0.02, bringing the

total dividend for 2021 to €0.091 gross per share, for a total amount of €99.1 million, implying a payout of 90%.

April

Línea Directa Aseguradora donated €35,000 to assist victims of the war in Ukraine. As part of the company’s solidarity initiatives to alleviate the human impact of the war in Ukraine, Línea Directa donated its entire profits from the sale of policies across its businesses (Motor, Home and Health) on 8 April for humanitarian aid in Ukraine through the campaign “Cáritas with Ukraine”. In addition, the Group’s corporate volunteer network, “Conmovedores”, formed by 150 employees, collected and sent 2,000 kg of essentials items.

Línea Directa launched a new advertising campaign entitled “Big Bang” The new advertising communication strategy focuses on the customer, on the wide range of services offered as a large multi-line insurance group, the quality of service and the advantages of its direct model, under the slogan “The value of being direct”, a concept that conveys to the customer the advantages of its direct business model: price, connection, innovation, etc.

Línea Directa CAR garages become the first 100% digital garages. CAR Madrid and CAR Barcelona, the two state-of-the-art repair centres owned by the Group, became the first garages in the sector capable of managing all their internal and external processes 100% online, allowing customers to carry out online procedures such as making appointments, requesting a replacement vehicle and checking the status of their repairs.

Línea Directa Aseguradora announced its results for the first quarter of the year, which showed a 3.5% increase in revenues due to growth in all its lines of business. Against the backdrop of a complex economic scenario, the company’s



accounts for the first three months of the year showed an increase of 4% in the customer base and a net profit of €24.2 million, with a combined ratio of 89% and ROE of 29.2%.

The Línea Directa Foundation published the study ‘COVID and road safety. Accident rates amid the new mobility culture’. The main conclusion of the report was that new urban mobility, with the boom in the use of bicycles, electric scooters and other PMVs, could cause 18% more traffic fatalities in the next decade if the Spanish Directorate General for Traffic (DGT)’s recommendations and regulations for this type of vehicle are not followed. The report also revealed a transformation in mobility in Spain as a result of increased environmental awareness and socio-economic factors, with 72% of citizens claiming to have changed the way they travel in recent years.

Línea Directa was ranked 55th of the 100 most sustainable ESG companies in Spain, according to the Merco ESG Responsibility Spain 2021 ranking. The company moved up 9 places, progress that can be attributed to the Group’s efforts in ESG matters, which it has especially consolidated with its Sustainability strategy in its most recent three-year plan 2020-2022.

The start-up Livall Europe won the 8th edition of the Línea Directa Foundation Award for Entrepreneurs and Road Safety. This award, for which 62 start-ups applied this year, aims to acknowledge and promote entrepreneurship in the area of road safety by supporting and financing innovative ideas that help fight against accidents on our roads and improve victim care after an accident. Livall Europe has developed smart helmets for use with scooters and bicycles with LED

lighting to indicate a change of direction, speakers embedded into the chassis, a windproof microphone and Bluetooth. In the event of an accident, it can detect a fall and automatically sends a message to emergency contacts.

The Línea Directa Aseguradora Board of Directors agreed on a gross cash payment of €0.02001319 per share as the first interim dividend against 2022 earnings, which represented a gross amount of approximately €21.8 million.

May

Línea Directa expanded its Respira Policy to plug-in hybrid cars and promotes the electrification of the vehicle fleet. This insurance, a comprehensive policy for €249 with excess, includes guarantees and services for zero-label vehicles, such as battery coverage, theft of the charging cable, roadside assistance for battery discharge, free choice of garage and comprehensive administrative and legal advice for the purchase and installation of a charging station and government aid.

The company subscribed to and adopted the TCFD’s recommendations on climate

risks, endorsed by the G20.

Linea Directa adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a working group created by the G20 Financial Stability Board to encourage companies to inform investors about the risks and opportunities that climate change involves for the company, how the company manages them and the progress they are making in this area.

Linea Directa reinforced its commitment to diversity and inclusion with the renewal of the Diversity Charter for the years 2022-2024. This charter of European principles and values highlights the company's commitment to diversity and inclusion in the workplace. In the last year, Linea Directa has implemented social inclusion initiatives focusing on people with intellectual disabilities and, in general, on people who are vulnerable due to being affected by or at risk of social exclusion.

June

The company approved its new corporate policies. The company's Board of Directors approved the Prevention, Health and Well-being Policy, aimed at protecting the life, integrity and health of all the people who form part of the company, as well as those of its collaborating companies; the Information Security Policy, which seeks to guarantee an adequate security level to preserve and/or mitigate the risks to Linea Directa's data assets; the Privacy Policy, relating to the protection of personal data, and the Talent Policy, which includes principles of action and specific measures to attract, recruit and manage the talent the organisation needs. Additionally, the Group Tax Strategy was updated, a strategy which ensures and promotes compliance with tax regulations, in social interest and in support of the business strategy.

Linea Directa launches its TikTok channel as part of its strategy for attracting young talent. The company continued to strengthen its presence on social media, where it already had nearly 500,000 followers, and launched its own channel on the leading short-form mobile video pla-

tform to showcase its day-to-day activities, its ethos and its attractiveness as an employer brand by embracing the language and energy of TikTok.

The Linea Directa Foundation launched its blog on road safety. With this new digital channel, the Linea Directa Foundation, which focuses on the fight against traffic accidents, continued its work of spreading information, content and knowledge in matters of road safety, reporting on all the Foundation's current affairs.

Linea Directa Aseguradora was incorporated into the Ibx Gender Equality Index, an index promoted by Bolsas y Mercados Españoles (BME) thanks to the company's high presence of women in management positions and on the Board of Directors. At the end of 2021, 43% of the company's Board of Directors and 31% of the Management Committee was made up of women, figures BME used to put together the index. With these levels of female leadership, the company meets the recommendations of the Spanish National Securities Market Commission (CNMV)'s Code of Good Governance. Both of these percentages rose to 57% in 2022.

The Linea Directa Foundation awarded the prizes for the 19th edition of the Road Safety Journalism Award. A reference among journalism competitions in Spain, the award recognises the work of road safety information professionals, always with the aim of encouraging

responsible driving in society as a whole. This year's winners were Juan Antonio Marrahí, from Las Provincias (Written Press and Online Media); Ana María Herrero, from Onda Cero Palencia (Radio), and Beatriz Correal, from La Sexta (TV). The winner of each cate-

gory received €10,000 tax-free. The journalist and editor Enrique Hernández-Luque has received the Honorary Journalism Award posthumously, for his outstanding efforts to disseminate road safety throughout his professional career at the head of the Luque Group.



July

Linea Directa is among the companies with the best reputation in Spain. The Corporate Reputation Business Monitor Merco released its Merco Companies and Leaders 2022 ranking, where Linea Directa Aseguradora ranked among the 50 companies with the best reputation in Spain. In this

edition, it climbed six places compared with the previous year, up to 48th position in the overall ranking for Spain. Linea Directa remains in fourth place in the specific classification for the domestic insurance sector.

The Board of Directors approved the **General Risk Policy,**

which identifies the main risks the Group faces and which organises the appropriate internal control and reporting systems. The Board also approved the **Sustainable Investment Policy,** through which the company aims to boost the positive impact of its investments on both society and the environment.





The Línea Directa Foundation, in collaboration with the Institute of Transport and Road Safety of the University of Valencia (INTRAS), conducted the study **“Speed, the silent scourge. Speeding in fatal accidents in Spain (2011 – 2020)”**. This report focuses on speed as one of the most common and deadly factors in traffic accidents. In order to warn people about the risks and consequences of speeding and to make Spanish society aware of the seriousness of certain behaviours, the report points out that 43% of drivers habitually violate speed limits and more than one million admit to having driven at a speed of over 200 km/h. The report estimates that the UN recommendation to lower the speed limit by 20 km/h on interurban roads would save 659 lives per year in Spain, which would be equivalent to a 70% reduction in the number of deaths on these roads.

Línea Directa Aseguradora’s premium income increased by 4% up to June 2022 as all its lines of business grew, according to the first half-year results reported by the company, which show a 3.8% increase in customers. As a result, the Group’s net profit from January to June amounted to €48.9 million, with a combined ratio of 90% and an ROE of 28.3%.

August

To celebrate the summer holiday season, Línea Directa Aseguradora launched a promotion gifting new customers one year of **“Travelling Pets” coverage. This insurance covers veterinary treatment of the pet,** as well as the accommodation and care of the policyholder’s dog or cat in the event of their being unable to take care of it following a traffic accident.

September

Under the title “We all have a hypochondriac inside”, Vivaz, Línea Directa Aseguradora’s health insurance brand, launched a new advertising campaign led by the director and screenwriter Daniel Sánchez Arévalo. This new commercial range of products and services featured health insurance at a very competitive price (starting at €15.90/month) and two free months for new policyholders, as well as an advanced telemedicine service.

Vivaz, Línea Directa Aseguradora’s health insurance brand, took another step forward in telemedicine and launched Home-spi-tal. It consists of a service that is the first of its kind in Spain, offering its customers a tediagnosis device that allows them to hold a real consultation with their doctor through a remote physical examination supported by Artificial Intelligence (AI). This telemedicine device allows users to perform comprehensive physical examinations of heart, skin, ears, throat, abdomen and lungs, and to measure heart rate and body temperature, tests which are key for treating many acute and chronic conditions. This

allows doctors to obtain the vital clinical data they need to monitor, diagnose and treat patients remotely, performing a 100% satisfactory and quality examination and providing a medical diagnosis in real time.

The Board of Directors of Línea Directa Aseguradora agreed on a gross cash payment of €0.02 per share as the **second interim dividend against 2022 earnings** for a total amount of approximately €22.3 million. The payment of this dividend implied a 90% payout.

In Spain there are already 16.2 million vehicles that are more than 15 years old, amounting to 44% of the vehicle population. This is the main conclusion of the study **“Obsolete cars, a real risk.**



The influence the age of the car population has on accidents (2011-2020)”, prepared by the Línea Directa Foundation in collaboration with Centro Zaragoza and which warns about the ageing of the Spanish car fleet and the influence this factor has on accident rates. According to this report, if the average age of Spanish cars were to be lowered to less than 10 years, 260 lives could be saved annually.

The Board of Directors of Línea Directa Aseguradora therefore approved the **Environmental Management and Climate Change Policy**, which establishes principles and measures to minimise the potential impact from its activities, products and services, and to adapt to the effects of climate change.

Vivaz launched new initiatives to promote healthy eating. Línea Directa Aseguradora’s health insurance brand, as part of its commitment to promoting healthy habits, organised – in collaboration with nutritionist Juan Revenga – live conversations on social media about eating habits, aimed at the general public. Additionally, as part of Vivaz’s Healthy Company Programme, “Well-being to be well”, various webinars were held on this subject.

October

Línea Directa increased its revenues by 4.1% up to September and its customer base grew by 3.5% as it scaled in all its lines of business in terms of both policyholders and premiums, according to the results for the first nine months of 2022 reported by the company. Net profit at the end of September was €58.3 million due to the adverse scenario caused by high inflationary pressure.

Línea Directa Aseguradora published the study ‘Animals on the road: A mortal danger. Accidents involving animals on Spanish roads (2017-2021)’. According to the published

data, accidents involving animals are increasingly frequent on Spanish roads: in just 5 years, their number has doubled to 11,400 claims. Moreover, these incidents are becoming increasingly serious and costly. The report also concludes that, as a result of the legal change in 2014 which shifted the responsibility for these accidents to the driver except in very specific cases, drivers cannot file a claim against the preserve or the farm. This has meant that only 6% of these accidents receive compensation by the owners of the animals, compared to 43% before the regulatory change.



November

Vivaz, Línea Directa Aseguradora's health insurance brand, as part of its strategic initiative to promote healthy habits, published the **report "Perception vs reality in the eating habits of Spaniards: Analysis of the perception of the quality of the Spanish population's diet versus the reality of their dietary, cooking and shopping habits"**. This study compared the positive self-perception that Spaniards have regarding their diet with their actual eating habits. While 76% of citizens rated their diet as good or excellent, one

third of the adult population admitted to consuming ultra-processed food 3 or more days a week and 66% reported eating precooked meals. In addition, only 28% cook with fresh food, a vital aspect of cooking.

The company's Board of Directors approved the **Responsible Purchasing Policy**, which establishes the appropriate measures to optimise the impacts derived from the company's purchasing and contracting decisions and ensures the suitability of the suppliers it works with.

Vivaz launched the "Eating Healthy" campaign at El Comidista. The health insurance brand, together with its nutritional advisor, Juan Revenga, carried out a collaborative initiative with El Comidista, a leading nutrition platform of the newspaper El País. Under the title "Eating Healthy", the company uses this medium to offer content and useful information on the need for good eating habits to maintain optimal health.

The Línea Directa Foundation launched the first course on road safety aimed at unemployed teachers. On the

occasion of the inclusion of road safety as a curricular subject in all stages of education, from primary level to sixth-form level, the Línea Directa Foundation organised its first course on road safety and sustainable mobility specially aimed at unemployed teachers. The training was given in collaboration with the RACE Foundation at the Jarama - RACE Circuit of Madrid.

December

The Línea Directa Group obtained a score of 64 points out of 100 in the S&P Global assessment for the Dow Jones Sustainability Index. On the occasion of its first participation in the S&P Global evaluation for the composition of the Dow Jones Sustainability Index, the Línea Directa Group obtained a score of 64 points out of 100, placing it in the 87th percentile, receiving a very positive evaluation in several aspects of the environmental, social and corporate governance.

Línea Directa published a study on the impact of inflation and the macroeconomic environment on the economy of Spanish households. The report, "Spanish households facing inflation in 2022: household

spending and saving in the current economic climate" analyses the saving measures being taken by Spaniards in the three main areas: energy, finance, and food and leisure. One of the main conclusions that can be drawn is that 60% of Spaniards are struggling more to make ends meet than they did last year, which is equivalent to about 21 million of the adult population in Spain.

Línea Directa carried out its Human Rights Due Diligence Procedure. The company conducted its first Human Rights Due Diligence Procedure based on its Human Rights Policy, focusing on its roles as an employer, as an investor, as a collaborator and partner, as an insurer and in its relationship with its environment.

The company paid the third interim dividend against 2022 earnings. The Board of Directors of Línea Directa Aseguradora, at its meeting of 13 December 2022, agreed on a gross cash payment of €0.007 per share as the third interim dividend against 2022 earnings, for a total amount of approximately €8.4 million. The dividend was paid on 21 December. This new payment, which involves a 90% payout of the Group's earnings to the company's shareholders in the third quarter, comes after another two interim dividends already paid in June and September. Línea Directa Aseguradora will have paid a total of €0.048 per share as ordinary interim dividend against 2022, totalling €52.48 million.



2022

Main figures

ECONOMIC DATA

Total revenue and revenue by business line

Premiums written **€946.7 Mn**

 **€772.8 Mn**
Motor revenue

 **€143.7 Mn**
Home revenue

 **€1.1 M**
Assistance revenue

 **€29.1 Mn**
Health revenue

Technical result **€33.4 Mn**

PBT (profit before tax) **€78.8 Mn**

Net profit **€59.5 Mn**

ROE **17.8 %**

Number of customers **3.46 Mn**

GOOD GOVERNMENT



STAFF DATA



Main figures



Value created

SHAREHOLDERS

Market capitalisation at 31/12/22: **€1.123 Bn**

Ordinary dividends paid* in 2022: **€52.48 Mn**

*does not include final dividend

Earnings per share **6.4%**



EMPLOYEES

Permanent contracts **97.2%**

Women in senior management positions **50%**

Women in positions of responsibility **48%**

Pay gap **2.8%**

Employees in corporate volunteering **178**



CUSTOMERS

NPS (Net Promoter Score) **46.98%**

NSS (Net Satisfaction Score) **49.59%**

Digital customers **86.5%**

Calls answered from our customers **10.04 Mn**

Electric vehicles
and plug-in hybrids insured **18,453**

Average discount
to health customers for positive habits **€40.8**

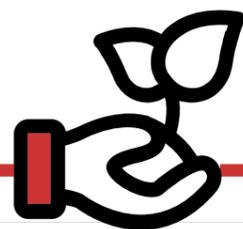
Number of consultations
to the telemedicine and medical service online chat **42,872**



92%

Local Suppliers

Main figures



ENVIRONMENT

Tonnes of CO₂

avoided thanks to electric vehicle insurance
and non-plug-in hybrids

31,355

Renewable electric power (Group)

69.1%

Percentage of self-generated electricity (Group)

6.1%

Power consumption (Group)

-7.2%

Reduction of paper consumption (Group)

-21%

Emissions reduction (Group) (scope 1 and 2)

-51%

Waste reduction (Línea Directa Aseguradora)

-45.7%



SUSTAINABLE FINANCE

Percentage of eligible premiums according
to the Taxonomy

100%

Percentage of eligible portfolio according
to the Taxonomy

17%

ESG risk of the investment portfolio

20.9%

COMPANY

Direct and indirect taxes
borne and passed on

€230 Mn

LÍNEA DIRECTA FOUNDATION

Startup projects received

for the Entrepreneurs and Road Safety Award

62

Projects presented

for the XIX Journalism Road Safety Award

1,938

Three studies with
more than media impacts

778

Business environment

In 2022, the Spanish insurance sector has once again demonstrated its resilience and capacity to adapt in an adverse macroeconomic context marked by inflationary pressures and the resulting pressure on profit margins.

Macroeconomic scenario

Línea Directa Aseguradora developed its activity in 2022 in an adverse environment caused by inflation, which is at its highest levels in three decades, and the economic and human consequences of the war in Ukraine. Rising prices, the reversal of expansionary monetary policies to try to curb it and other factors that had already been affecting activity, such as global supply shortages, have slowed the economic recovery in the wake of the COVID-19 pandemic crisis.

The outbreak of the war in Ukraine and its extension over time has increased the prices of energy, food, commodities and, by extension, other goods and services, intensifying the inflationary pressures that began in the second half of 2021. Although this was initially considered a transitory phenomenon, and inflation has been moderating over the course of the year, it has remained very high. According to the estimate of the International Monetary Fund (IMF), the Consumer Price Index (CPI) would have reached 8.8% globally by the end of 2022. In the Eurozone, according to Eurostat figures, it closed the year at 9.2%.

Against this background, central banks have reacted by shifting the accommodative tone of their monetary policies, by resolutely raising interest rates. The US Federal Reserve (Fed) raised them in 2022 to a range between 4.25% and 4.5%, and the European Central Bank (ECB) to 2.5%. This tighter monetary policy has tightened financial conditions, affecting households' and firms' income and thus their purchasing power and investment capacity.

All of these, together with disruptions in the gas market and the consequences of China's "Zero COVID" policy, have resulted in an economic slowdown that has been gathering pace over 2022. If in 2021 global Gross Domestic Product (GDP) growth was 6.2% and that of the Eurozone 5.3%, according to the latest IMF estimate and preliminary Eurostat data, these rates have been reduced in 2022 to 3.4% and 3.5% respectively. The short to medium-term performance of the economy is contingent on developments in the war in Ukraine and inflation. The IMF foresees global GDP growth for 2023 at 2.9%, while the Eurozone is expected to grow by 0.7%.



In 2022, the Spanish economy recorded stronger than expected growth in the second half of the year.

Spain

Spain emerged from the pandemic crisis with GDP growth of 5.5% in 2021, robust but insufficient to recover pre-COVID-19 crisis levels of activity. In 2022, the Spanish economy recorded stronger than expected growth in the second half of the year and GDP closed the year with a growth of 5.5%, according to the National Statistics Institute (INE) flash estimate.

For 2023, the Bank of Spain forecasts that price increases, despite the positive effect of some measures to reduce the impact of the energy crisis, and the worsening of the external scenario will continue to affect the

Spanish economy. As a result, it estimates that the CPI will stand at 4.9% and GDP growth at 1.3%. For 2024, it forecasts a CPI of 3.6% and economic growth of 2.7%.

Unlike previous crises, the labour market has maintained an outstanding performance, and in 2022 the number of employed has increased by 278,900 people, to about 20.5 million people. Hence, the unemployment rate ended the year at 12.9%, down from 13.3% in 2021. Projections point to 12.9% in 2023 and 12.2% in 2024, according to the Bank of Spain.

Insurance sector trend

In this complex scenario, the Spanish insurance sector has once again demonstrated its stability, profitability and good performance, although it has not been untouched by these conditions. Price increases and the recovery of claims frequency in motor insurance have led to a worsening of the combined ratios and profit margins.

During 2022, **the Non-life line's revenue** increased by 5.2% to €40.24 billion in premiums, intensifying the growth rate of 2021 (+3.3%), according to the Insurance Sector Statistics and Studies Service in Spain (ICEA). Notable in this positive trend is the performance of Motor, which accounts for almost a third of the branch's business volume and is growing again after two years of reduced revenues.

The performance of Motor continued to be influenced by the situation of the automotive market, affected by chip supply problems and the consequent shortage of stock at dealerships. Sales of new passenger cars in Spain have fallen by 5.4% in 2022 to 813,396 units, still below pre-pandemic levels, according to

Anfac figures. This weakness in new car registrations was partly compensated by the sale and purchase of second-hand vehicles, but this has also fallen, by 5.6%, due to the lack of pre-owned vehicles.

Nowadays, for every new car, 2.3 used cars are sold. This results in an increasingly ageing insured fleet, which has reached 32.92 million vehicles (+0.9%), according to the national insured vehicle database (FIVA), and whose average age exceeds 13.5 years (Source: Anfac). Accordingly, the insurance industry's portfolio is mainly being fed by cars that are 10 years old or older, to which simpler policies and lower average premiums tend to be associated.

Motor line's revenues grew by 3.3% to €11.353 billion in 2022. Inflation, which has been passed on to injury rates and repair costs, and the increase in claim frequency due to the return of mobility to pre-COVID-19 levels, has led to a general narrowing of margins in the industry. At the end of the third quarter, according to the latest available data from ICEA, the combined ratio reached 97.4% (+5.3 p.p.).



Motor line's revenues grew by 3.3% in Spain

Aligned with this general trend in the sector, **Línea Directa, the fifth largest company in the branch by turnover, improved its revenues in 2022** by 4.4%, to €946.7 million, after growing by 3.4% in the number of policyholders (3.46 million customers). The Group's combined ratio in Motor line stood at 96.3% (+8.0 p.p.).

The insurance sector once again recorded solid growth in the **Home and Health lines**, consolidating its position as two of the segments with the best performance and market prospects, although their development in the short term is conditioned by the general trend of the economy.

Home sales and purchases continued to increase notably in 2022 (+17% year-on-year in the accumulated January-November period, according to INE figures), although less intensely than in the previous year due to the effect of the economic slowdown and the tightening of financial conditions on the number of transactions. This robust performance and the existence of 4.9 million uninsured households (19% of the housing stock) has enabled the sector to increase its premium income in this line of business by 5.5%. Línea Directa increased its premium income in this line of business by 9.5% to €143.7 million, a growth 4.0 percentage points higher than the market.

Health insurance sector results maintained very positive figures, with premium volume growth of 7%, exceeding €10.5 billion. The number of people with private health insurance continues to grow and now exceeds 11 million, which is evidence of the quality of service appreciated by users. However, the inflow of new policyholders slowed down during the year as a result of the impact of the economic and financial situation on household income.

Vivaz, the Línea Directa Aseguradora's health insurance brand, reached 110,000 policyholders (+4.8%) and €29 million in premiums (+10%). Moreover, it continued to reduce its combined ratio significantly (-3.4 p.p.) and is moving towards consolidation.

The positive commercial performance of Línea Directa Aseguradora in all its lines of business has enabled it to close 2022 with an **increase in revenues of 4.4%**, to €946.7 million; **increase its customer portfolio by 3.4%**, to €3.46 million policyholders, **make progress in its strategy of diversification by lines of business** and, as a result, maintain a differential level of profitability (ROE of 17.8%).



Business model

THE LÍNEA DIRECTA BRAND

Línea Directa Aseguradora was created in 1995 as a joint venture between Bankinter and Royal Bank of Scotland. The project was based on the direct model, characterised by eliminating the middleman in insurance marketing, a strong investment in technology, personalised prices and a high quality of service. The company has also been developing direct and dynamic advertising communication since it was founded, consolidating its position as one of the largest advertisers in the country.

Insurance sales were almost exclusively through intermediary channels prior to 1995, a process tailored to the companies rather than the consumer. For this reason, **the irruption of Línea Directa**, which advocated a business model without agents or branch networks, meant a real before and after in the sector, as it made it possible to **pass on to the customer part of the savings** obtained in operational processes without having to reduce the scope of its services.

The direct model, which other traditional companies have tried to replicate over the years, has **advantages and differentiating qualities: a strong strategic alignment, state-of-the-art technological support and extraordinary flexibility** to respond more efficiently to the needs of the business. This way, Línea Directa's proposal met with an excellent response from the market, as the company **broke even in only four years** and in less than ten years

it reached its **first million customers** despite operating in only one line of business.

The launch of Línea Directa in Spain meant a complete overhaul of the concept of motor insurance in the market. Aware of this, the company designed a **different advertising communication strategy, simple and far removed from the archetypes** used in the sector up to that time. To this end, it promoted fresh, dynamic, flexible advertising, especially aimed at the mass media, which, using a humorous and sympathetic tone, highlighted the advantages of the direct model from the customer's point of view with the aim of linking them to its brand.

In 1999, just 4 years after the start of its operations, Línea Directa became the **first company to market policies online** thanks to its firm commitment to technology and non-intermediation, a milestone that, historically, has given it a

great advantage in the digital area. In fact, at the end of 2022, **53.4% of insurance quotes** were managed through the online channel and **86.5% of customers** regularly use digital channels to interact with the company. Línea Directa Aseguradora is currently one of the 10 largest advertisers in the country according to the latest Infoadex report and the Spanish insurance brand with the highest advertising recall according to the IOPE Advertising Awareness study by Kantar TNS.

All of this has been a determining factor in the results obtained over the years, as Línea Directa is currently the **5th largest motor insurer** in terms of revenues, **12th in Home** and **21st in health insurance**, which has placed it in 13th place in the Non-life ranking.

Línea Directa Aseguradora has consolidated its position as one of the 10 largest advertisers in the country according to Infoadex and the Spanish insurance brand with the highest advertising recall according to the IOPE study.



Renewal of the advertising strategy

In 2022, **Linea Directa** promoted a different advertising communication strategy with the aim of reflecting its new reality as a **large listed insurance Group**. This brought to an end the long and successful collaboration with **Matías Prats**, one of the leading figures in the field of journalism and advertising in our country thanks to the wide range of attributes he transmits, such as trust, professionalism and proximity, very much in line with the values of the brand itself. The results of the collaboration between Linea Directa and Matías Prats have been excellent, as the company **has recorded a 78% growth** in its customer base during its 10 years of existence.

The last campaign starring Matías Prats was launched in January 2022 and followed the casual and fresh tone of previous years, with the **leitmotiv of the journalist's announcement of his successor as brand ambassador**. There were four candidates: Two well-known journalists, a comedian and an **anonymous character who represented the client**, and who ended up being chosen, thus symbolizing the company's commitment to quality with its policyholders.

The second 2022 campaign, known as **"Big Bang"**, focused on **the advantages that the direct model brings to the customer**, and was launched under the slogan "The value of being direct". This message highlights the company's excellence and differentiated coverage, its proximity, its competitive prices thanks to removing the middleman and the intensive use of technology, and its excellent quality of service. In addition, the campaign highlighted specific policies for electric cars, pet coverage, home DIY services, IT assistance, free telemedicine insurance, electric scooter insurance and late-night assistance service for young people.

At the end of 2022, with the aim of enhancing its multi-branch value proposition and increasing customer loyalty, **Linea Directa Aseguradora finalised the launch, planned for early 2023, of a groundbreaking offer under the slogan "Formula car + home"** which will allow policyholders to take out joint motor and home insurance policies, benefiting from more competitive prices and free additional coverage. This is the first step by an insurer in Spain towards the bundling or merging of policies for the same family unit.

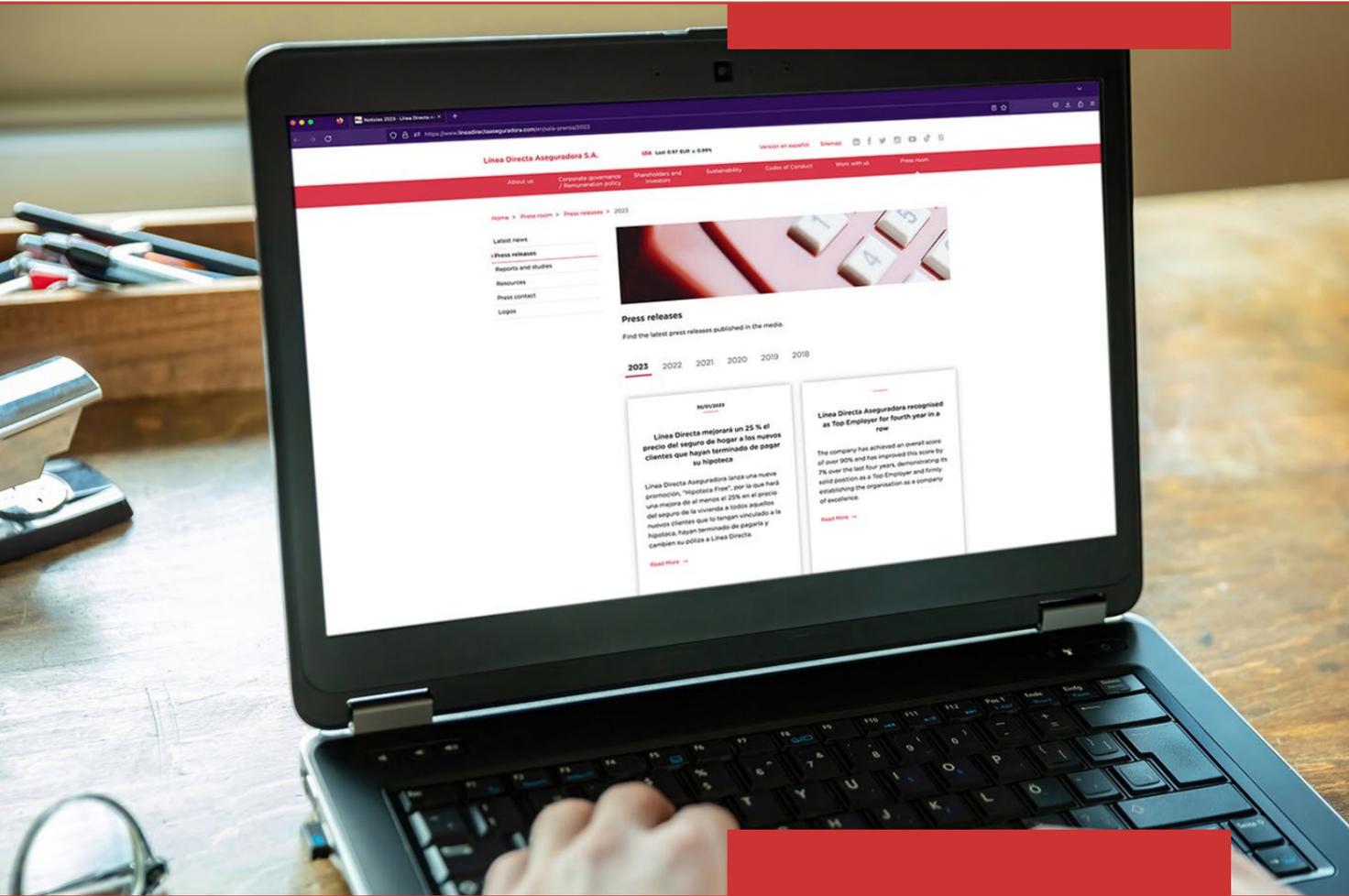


The last campaign starring Matías Prats was launched in January 2022, with the announcement by the journalist of his successor as brand ambassador as the main leitmotiv.

Corporate communications

The Linea Directa Group has an ambitious **Corporate Communications Plan** that focuses mainly on its stock market activity, financial results, operations and commercial launches, as well as its activity in the field of Sustainability, an area of particular note is the company's advocacy for and promotion of road safety through the Linea Directa Foundation.





Linea Directa Aseguradora's Communications Plan carefully monitors the company's news items, as well as their tone, subject matter, frequency, duration, audiences and the equivalent advertising values achieved. This entire analytical process **aims to position the brand on the basis of predefined brand attributes**, including digitalisation, quality, sustainability and the creation of quality employment.

In 2022, the Linea Directa Group launched 44 press releases and generated 7,203 news items, of which 80% were generated online, 16% in the printed press, 2% on the radio and 2% on television. All this notoriety has been decisive for the company's inclusion on ranking lists the country's main monitors of corporate reputation, such as Merco Companies (ranked 48th), Merco Talent (ranked 45th) and Merco ESG Responsibility (ranked 55th).

Social media

Linea Directa Aseguradora began its activity on social media in 2011 with a strategy based on organic growth, dynamic communication and the creation of a stable and participative community centred on the brand's values. By the end of 2022, the company had reached **461,661 followers** on its **Facebook, Twitter, Instagram, LinkedIn and TikTok profiles**, consolidating its position as one of the insurers with the largest social following and the most activity on these channels.

The Company has **461,661** followers on its Facebook, Twitter, Instagram, LinkedIn and TikTok profiles.

PUBLIC LEADERSHIP	2019	2020	2021	2022
Number of news items	3,417	4,510	8,340	7,203
Audiences reached (millions)	1,156	1,902	3,208	2,039
Press releases made	22	36	43	44
Merco Companies	46	49	54	48
Merco Talent	54	54	49	45
Merco Corporate Responsibility and Governance	68	64	64	55
Recognitions	6	9	8	7
Followers on social media	454,958	421,312*	434,395	461,661

* fell due to the closure of the Nuez brand

STRATEGY

Línea Directa Aseguradora has a profitable and sustainable business model that generates value for shareholders, customers, suppliers, employees and society. The strategy that upholds it is founded on those pillars that identify and differentiate the Línea Directa Group in the market and that the company summarises in “The value of being direct”, which refers to its direct insurance marketing model, with no middlemen, recurrent and solid growth, technical excellence, customer focus, quality of service and a vocation for innovation. The Group’s mission, vision and corporate purpose, defined as “Innovate, protect and bring closer”, guide this corporate strategy.

Advantages of the direct model

Línea Directa Aseguradora started its activity in 1995 with a disruptive business model based on eliminating the middleman and direct marketing and that, thanks to the advantages for both the company and its customers, quickly turned the company into **a success story in the Spanish insurance market**.

The company operates without offices or intermediaries, using exclusively telephone and digital channels, centralising all its operations at its headquarters in Tres Cantos (Madrid). Together with a flat organisational structure, **technical excellence and the advanced digitalisation of its processes**, this allows the Línea Directa Group to be more efficient and competitive with respect to the intermediary, more traditional model, as it passes on these

internal savings to the customer in the form of complete products and an extraordinary quality of service at more competitive prices.

Thanks to this, Línea Directa Aseguradora has maintained sustained and recurrent growth throughout its 27 years of activity, among the highest in the industry, with premium income exceeding €946 million and a customer base of more than 3.4 million policyholders at the end of 2022. This places the company in 13th place in the ranking of Non-life entities in Spain by premium income. As far as the motor insurance business is concerned, with more than 2.5 million customers and annual revenues of €772 million, **Línea Directa is the fifth largest company in the Spanish insurance sector**.

Focus on the customer

The company has achieved these customer and turnover growth figures in the three sectors in which it operates - Motor, Home and Health - in an exclusively organic manner, without resorting to corporate operations. In this regard, one of the priority strategies of Línea Directa Aseguradora is to maintain robust growth and differentiate itself from the market, accelerating the generation of new business and increasing the loyalty of its policyholders, placing the focus of the entire corporate strategy on the customer.

For this purpose, **a reorganisation of the organisational structure was carried out in 2022**, whereby the Motor and Home business areas were integrated and organised into two new areas. The first is the **Customer Area**, responsible for attracting new business and new customers, leveraging the company’s strengths as a multi-line group, its strategic alliances and new market opportunities. The second is that this year the **Portfolio Area** was created, an area responsible for fostering a more continuous and closer relationship with customers, strengthening and securing the long-term loyalty of policyholders.

Línea Directa Aseguradora has not only achieved outstanding growth over time with respect to the market, but also has one of the highest policyholder retention rates. **The excellent loyalty of its policyholders comes from a highly competitive product range**, based on policies with broad and differential

coverage, a high quality of customer service and an excellent user experience thanks to the growing offer of agile and useful digital services.

The Group reinforces that range of products and services with a **loyalty programme**, through which Línea Directa policyholders can access a wide range of discounts, promotions and commercial benefits. By the end of 2022, 580,153 customers joined the programme.

The discount obtained by Línea Directa customers every time they fill up their tank at collaborating petrol stations is one of the most valued benefits. They get a number of points for every litre refuelled which, when renewing their policy, are deducted from their insurance quote. Every time they fill up, they also collect discount points that can be used to buy fuel, shop and catalogue products, and if they fill up at a regular service station, they get 40% more points.

Through other collaborating brands in the programme, Línea Directa customers can accumulate up to 10% of their purchases and payments in these brands and deduct them from the quote of their policy at renewal. The programme’s catalogue of cooperating establishments is updated as new partners join the programme and, in 2022, new brands were added so that policyholders can purchase gift cards with discounts of up to 4%.



Technical excellence

Another strategic priority of the Línea Directa Group is the continuous improvement of its levels of efficiency and, therefore, of profitability.

The company has a sophisticated underwriting and pricing model that allows it to offer each customer a personalised price, tailoring the product and rates to the customer's circumstances, risk and needs, while ensuring greater control over claims experience. Additionally, claims costs are kept under control thanks to structural capabilities such as a close relationship with suppliers and a differential system for spare parts management, and strict control of overhead expenses.

All this has led to **business margins recurrently higher than the average for the sector** which, together with a quality range of products and services offered, uphold the greater competitiveness of the Línea Directa Group.

The combined ratio of Línea Directa Aseguradora, which measures the profitability of the insurance activity, has been up to 10 percentage points better than the sector average over the last few years, which has enabled the company to consolidate its position as **one of the most profitable Spanish insurers**, with a ROE that, in 2022, reached 17.8%.

As regards Motor segment, the combined ratio of Línea Directa Aseguradora closed 2022 at 95.4%, compared to 87% in 2021, an increase explained by the impact of inflation on repair costs and compensation and the recovery of the claims frequency to pre-COVID-19 pandemic levels. This indicator is, however, 2.0

percentage points better than that of the sector in September 2022, the latest available data, and below the 100% already recorded by some competitors. Inflationary pressure means that this ratio also rose in the case of the Home segment, from 88.9% in 2021 to 95.6% at the end of 2022. Vivaz, Línea Directa Aseguradora's health insurance brand, is making progress in its business plan, with a combined ratio of 144.8%, 3.4 percentage points lower than in 2021, thanks to the continuous improvement in overhead expenses and control of claims costs.

Innovation and digitalisation

The business model developed by Línea Directa Aseguradora since its foundation not only gives it a competitive advantage in terms of growth, efficiency and profitability, but is also a tool that drives the culture of innovation in the organisation. **The Group's centralised organisational structure and operations provide the alignment and agility** that, together with direct contact with customers at all stages of business, give the Group a greater ability to adapt to ever-changing customer needs with specific products and to improve customer service and experience.

This innovative spirit and closeness to the customer has driven Línea Directa to create and launch differential insurance solutions on the market on a recurring basis. In recent years, the Group has launched innovative insurance products such as "Llámalo X", the first insurance policy on the market with car included; Respira policy, an insurance policy with specific coverage for electric cars and plug-in hybrids, and Safe & Go, the first policy that covers the mobility of PMV users.

This product innovation is the fruit of a real vocation to do things differently and from direct contact with the market, the sector and the customers.

At Línea Directa, innovation is not centralised in one department, but is driven by internal talent throughout the company, is part of the company's DNA and has been part of the corporate culture since its inception. **Executive management encourages all departments and teams of the company to innovate.** Some of these products, such as Safe & Go and "Llámalo X", have emerged from various cross-divisional working groups of the company.

Because the direct model offers its services centrally from a single geographical location, it requires a strong commitment to technology that provides flexibility and immediacy for business and support processes. In this sense, Línea Directa Aseguradora was born with a significant competitive advantage, as it was equipped from the beginning with cutting-edge technologies (telephony, information systems, digitalisation, etc.) that have enabled it to become a benchmark for quality and innovation over the years.

Línea Directa has been at the forefront of the insurance sector since its foundation in the field of digitalisation, both in its internal processes and in the provision of services, with the aim of increasing the efficiency of the organisation and offering the best user experience.

The Group's Digital Transformation Plan, which was launched in 2019 under the name **"More digital, more useful"**, is based on two fundamental pillars: omni-channelling, which allows customers to interact with the company through any channel they choose, and usability, which

makes customers' lives easier and more agile thanks to technology and digitalisation.

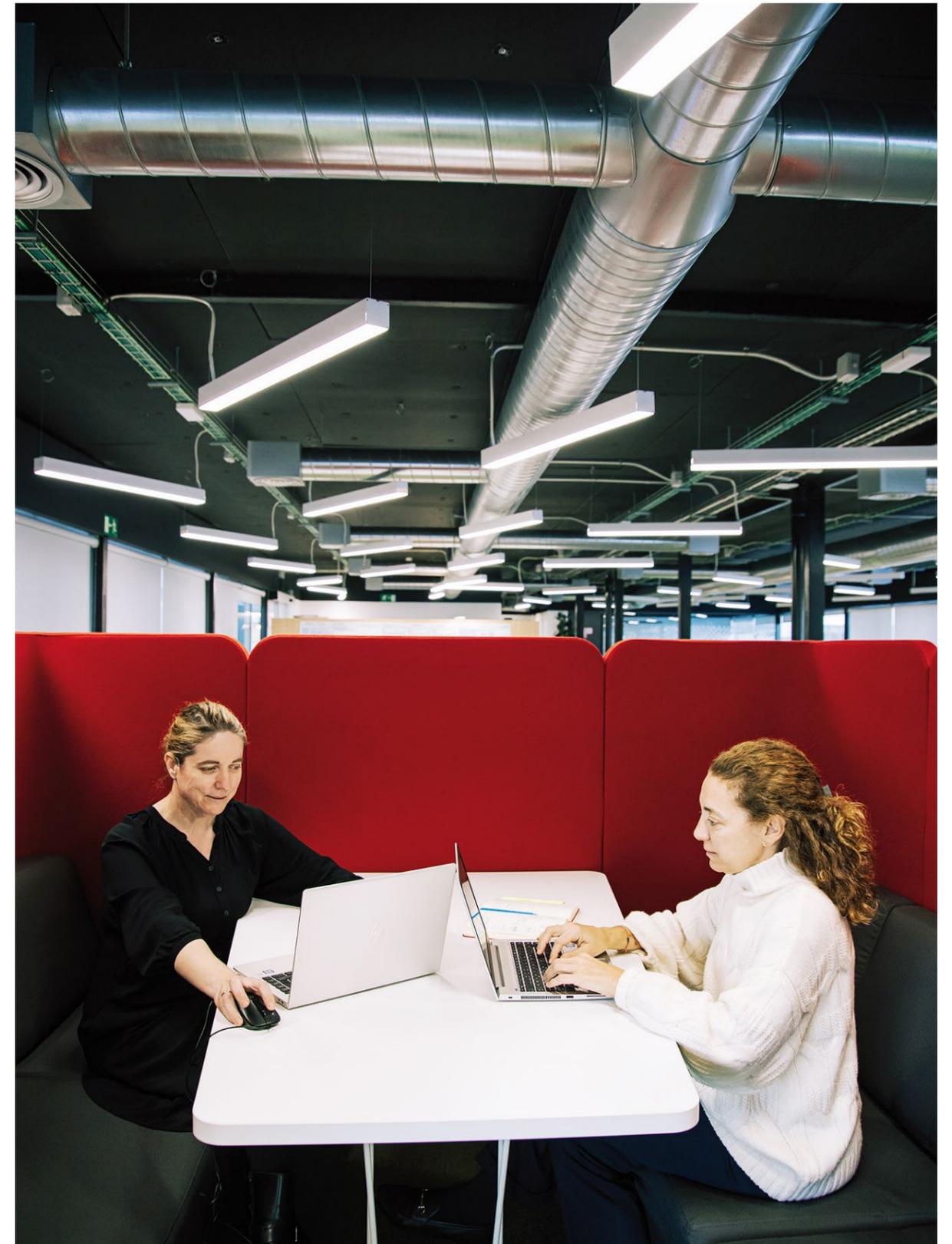
Throughout this period, and **relying on cutting-edge technologies such as Artificial Intelligence (AI)**, Línea Directa Aseguradora has been expanding and improving the digitalisation of its services. Nowadays, Group customers can use digital channels, whether it be the website or the mobile application, to manage all insurance-related procedures and receive solutions to their claims quickly and easily.

Customers can manage mishaps with their vehicle through the WhatsApp instant messaging service, without calls, speeding up the process and obtaining precise information in real time on the state of repair of their car or motorbike, requesting a replacement car and receiving information on when the vehicle is repaired and available for the customer to pick it up. At home, by taking a mobile phone video of their damaged ceramic hob, policyholders will receive an expert assessment and compensation. The Vivaz website and the Vivaz App allow customers to locate health professionals and medical centres from the health insurance policy's medical directory, as well as doing video consultations.

As a direct company in constant communication with its customers, **Línea Directa is constantly analysing how it can improve its digital and telephone services** to better and better adapt to the changing needs of its policyholders, from the conclusion of the contract to the renewal of the insurance, as well as to all the procedures and services that our policyholders require.

The agility and usefulness that the Group's digital services provide to users has led them to achieve a high penetration in the company's customer base. **At the end of 2022, the Group had more than 1.13 million estimated active Apps for Línea Directa and Penélope Seguros**, an increase of 40.8% over the previous year. The Línea Directa App was the mobile application with the highest growth in downloads and usage in Spain in 2022, according to the consultancy firm Smartme Analytics.

As a result, 86.5% of policyholders already interact with the company using digital channels and a high percentage of them also make frequent transactions online. Specifically, 53% of Motor claims and 40.2% of Home claims were opened in 2022 via the web or the App, and 55.2% of tow trucks were requested digitally, which allows the insured to check, through their device, how long the tow truck will take, who the tow truck driver is and their contact information and where they are at any given time thanks to the geolocation tool that the service has.



BUSINESS LINES

Línea Directa Aseguradora is a multi-line insurance group specialising in non-life insurance. The company was born as an entity specialised in car policies and, over its 27 years of activity, has consolidated its position as one of the leading car insurers in the Spanish market, where it occupies 5th place in the ranking. The Group has diversified its business lines over the years and now offers a complete range in the Motor, Home and Health segments. This has allowed Línea Directa Aseguradora to rank 13th in the non-life line, with a turnover of €946.7 million and 3.46 million policyholders, according to the Insurance Sector Statistics and Studies Service in Spain, ICEA.



Motor insurance

Motor insurance is the Group's main line of business. At the end of 2022, this segment accounted for **81.6% of the company's premium income**, with revenues of €772.8 million, and 75% of the policyholder portfolio, with over 2.5 million customers. These figures consolidate Línea Directa Aseguradora as the **fifth insurance group in Spain in the Motor sector**.

The company, under the Línea Directa brand, offers a comprehensive and personalised range of **car, motorbike and professional vehicle policies** for individuals, large companies, SMEs and the self-employed. The direct business model, the focus on innovation and the extensive market knowledge accumulated allow it to offer differential coverage and services designed specifically for each type of customer and adapted to their needs.

The company's catalogue includes unique coverage and services such as **Superterceros**, which extends the guarantees of third-party insurance with certain own damages; **young-persons night time assistance**, providing free transport for young drivers and their vehicles in the event that they have been drinking and are not fit to drive; **hunting animal** accident coverage, the option to choose between **repair and compensation** in certain claims, and **motorbike helmet coverage**, among many others.

The Group also operates in the Motor segment with the **Penélope Seguros** brand, created in 2012 to provide policies with coverage specially designed for women and unique services that respond to the most common demands of female drivers, and **Aprecio**,



an insurance policy designed for motorbike users.

This personalisation strategy and the commitment to innovation are enabling the Línea Directa Group to address, with a specific and competitive range of products and services, the challenge posed to the insurance sector by the changes taking place in the field of mobility as a result of greater environmental awareness and the new habits of vehicle ownership and use.

Línea Directa, committed to renewing the vehicle fleet and with the aim of positioning itself in the zero-label motor segment, began in 2016 to promote the purchase of electric vehicles with the launch of an insurance policy, **Póliza Respira**, which includes specific coverage for these cars at a highly competitive price. In 2022, as part of this strategy, it extended this policy to plug-in hybrid vehicles, the sustainable models most in demand by consumers today.

The company had a total of **18,453 electric and plug-in hybrid vehicle policies** in its portfolio at the end of 2022 and has achieved a **market share of 5.8%** of new registrations of these cars in the private motor segment.

Also, in 2020 the Group began marketing **“Llámalo X”, the first fully comprehensive insurance with car included** for a fixed price per month, including maintenance and related taxes, in response to the uncertainty generated in consumers by the restrictions on the most polluting vehicles and the rise of new forms of ownership, such as renting. After the first two phases of this product were sold out, the company launched a third edition with 500 units in 2022. “Llámalo X” has so far marketed more than 1,900 policies with highly sought-after vehicle models, including hybrid cars.

The company has also positioned itself at the forefront of the Spanish insurance sector in the face of the boom in the use of personal mobility vehicles (PMVs), such as electric scooters and bicycles. In view of this scenario, and since 2021, Línea Directa Aseguradora has been marketing **Safe & Go, the first PMV insurance that covers people, is managed 100% through a mobile application and works under the on/off or pay-as-you-go model.**

The Línea Directa Group has also been working on the self-driving car using digital solutions that allow remote and real-time monitoring of driving and user behaviour. Since 2019, it has been the official insurer of **Autonomous Ready**, a state-of-the-art mobility and road safety project of the Directorate General of Traffic (DGT) and the Barcelona City Council, which

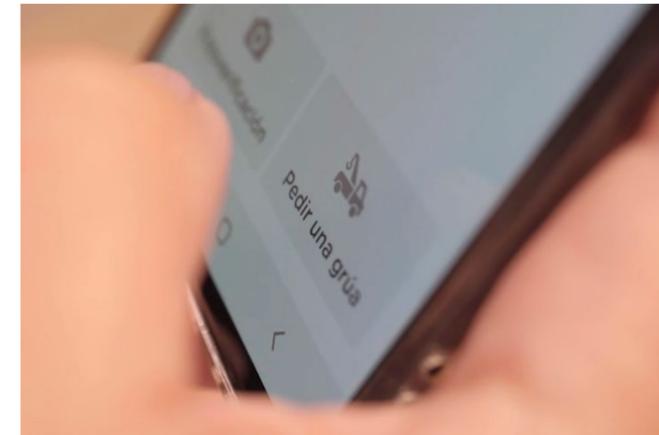
is progressively installing a device in 5,000 vehicles that collects information on driving, the environment and the characteristics of the road, identifying the main risk points in the city. Línea Directa, in charge of analysing the data from these connected vehicles, started to draw the first conclusions on driver assistance systems (ADAS) in 2022.

The use of cutting-edge technologies, such as Artificial Intelligence (AI), together with the high degree of digitalisation of its operations and processes, allow Línea Directa Aseguradora to offer its policyholders a differential customer experience based on technology, flexibility and immediacy.

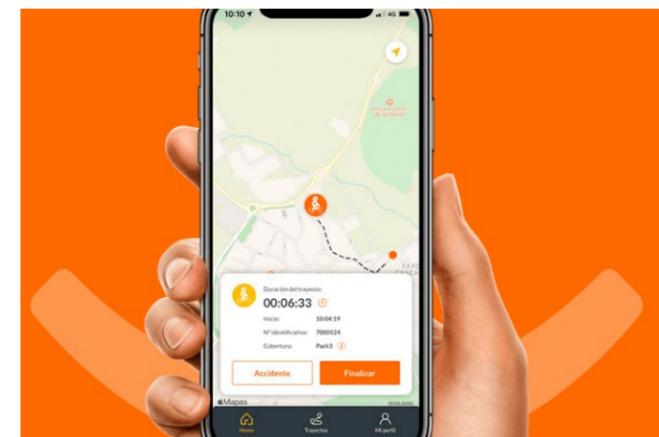
This way, customers can carry out all the administrative formalities of their policies and open their claims via the company’s App and website. In addition, the company already uses WhatsApp as a communication channel with the customer, making it easier for them to manage their appointments with the workshop, request a free replacement car or, among other repair milestones, check the status of the repair and the delivery date.

Línea Directa customers also have the **ConducTOP** mobile application available to them, a programme that automatically analyses each driver’s journey, taking into account the smoothness of turns and braking, appropriate acceleration and speed, and concentration at the wheel. Policyholders accumulate points and discounts for good driving which they can redeem for products and services at partner petrol stations. The App accumulates 82,996 downloads in the Android and IOS stores.

These digital services are having a high penetration in the customer base and, currently, 53% of the car accident reports of the company’s policyholders are opened through digital channels and more than half of the tow trucks (55%) are requested through the Línea Directa App.



Safe & Go, the first PMV insurance that covers people, is managed 100% through a mobile application and works under the on/off or pay-as-you-go model.



Home insurance

Home insurance, a business line in which the Group began to operate in 2008, is the main lever for diversification of Línea Directa's business. With a premium income of €143.7 million and more than 752,000 homes insured, this line **already accounts for more than 15% of the Group's income** and 21.7% of the customer base.

Despite being a market segment characterised by high competition from banks, due to the traditional link between mortgage loans and home insurance, Línea Directa has been growing year after year in revenue and customers above the market thanks to a **very competitive range of products and services based on a flexible multi-risk policy, with differential coverage and which allows customers to pay only for what they need.** This has placed the company in 12th place in the home segment ranking by business volume, according to the latest available data from ICEA.

In recent years, the Group has complemented its home insurance range through marketing alliances with companies in other sectors that give its customers access to other home-related services under advantageous conditions. In this regard, **with the aim of attracting new customers and, at the same time, promoting energy efficiency in homes, Línea Directa Aseguradora has a commercial alliance with an energy company.** The two companies make cross-offers of products and services to their customer portfolios, including discounts on home insurance policies, electricity bills and handyman services, coverage for electrical repairs of household appliances and discounts for the installation of photovoltaic panels.

Línea Directa's Home customer base is also progressing in its digitalisation and in 2022 **40.2% of the parts were opened through digital channels.** The company has conti-

nued to digitalise its processes and services to customers, simplifying and speeding up the resolution of their claims and procedures. By using Artificial Intelligence (AI), Línea Directa policyholders have the option of carrying out an appraisal of a broken glass ceramic hob by video, instantly receiving a compensation proposal which, if accepted, will be paid automatically and immediately into their bank account. In 2022, the entity has carried out more than **5,000 video adjustments** of broken glass-ceramic hobs.

As part of Línea Directa Aseguradora's eagerness to facilitate the assessment of damage and offer a rapid solution to policyholders using the latest technologies, the company has begun to use drones to assess damage to homes caused by adverse weather events. Not only does this speed up the process, but it also allows the company to access difficult locations without putting professionals at risk.

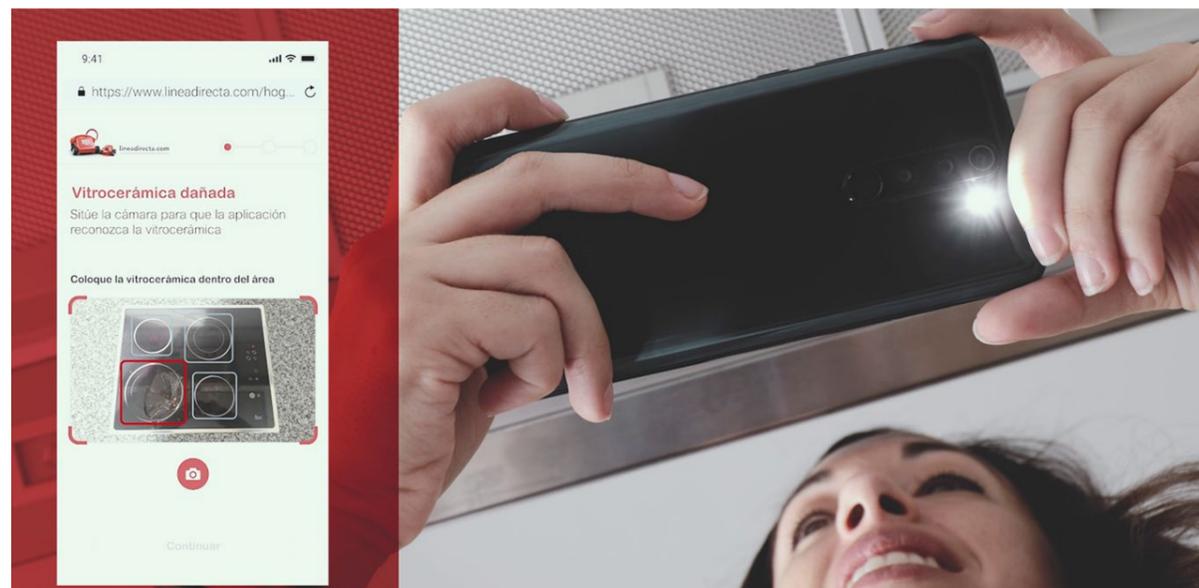
Health insurance

As part of the company's strategy of diversifying its business, in late 2017 **Línea Directa Aseguradora started operations in the health insurance business under the Vivaz brand.** Vivaz has reached **109,000 policyholders** and €29 million in revenues in just five years in a market highly concentrated in four large specialist companies, making it one of the 25 largest health insurers in Spain.

Vivaz's organic and market leading growth in both revenues and customers is based on a differentiated value proposition. Vivaz is a 100% digital product, which is managed entirely through the mobile app and the website, with a simple, flexible and very competitive range of products, and it also promotes healthy habits among its policyholders. Vivaz has a **medical team**, in alliance with DKV, made

up of **30,000 professionals and 1,000 health centres**, with which it provides a high quality health service and responds to all the demands of its policyholders. In this way, Vivaz is creating a new market, appealing to customers who have never taken out private health insurance before.

The prominent digital nature of Línea Directa Aseguradora's health insurance brand is evidenced by the cutting-edge telemedicine solutions it offers to customers. Through the Vivaz app, the Company provides health care via mobile phone by means of a chat service and video medical consultation with a complete team of specialists in general medicine, paediatrics, psychology, gynaecology, dermatology, allergology, sexology, nutrition and dietetics and personal training.



Vivaz handled a total of 42,872 chat and video consultations in 2022, compared to 38,042 in the previous year.



In 2022, the company launched **Home-spital**, a pioneering programme in Spain offering a telediagnostic device to its customers. Policyholders can have a real consultation with their doctor through a remote physical examination supported by **Artificial Intelligence (AI)**. The device is able to assess vital signs remotely so that it can provide a medical diagnosis in real time and allows the specialist physician to perform a 100% satisfactory and quality examination. This kit allows users to perform comprehensive physical examinations of heart, skin, ears, throat, abdomen and lungs, and to measure heart rate and body temperature, tests which are key for treating many acute and chronic conditions. This allows physicians to obtain the vital clinical data needed to monitor, diagnose and treat patients remotely.

Vivaz handled a total of 42,872 chat and video consultations in 2022, compared to 38,042 in the previous year. Almost 50% of these consultations were for general medicine, followed by video consultations with nutritionists, paediatricians and gynaecologists.

Vivaz pays special attention to preventive medicine and the promotion of healthy lifestyles among policyholders and society, in the conviction that prevention is the best way to preserve health. To this end, the company encourages its policyholders to follow healthy habits, such as walking at least 10,000 steps a day, sleeping at least 7 hours a day and eating a healthy diet. Vivaz policyholders who monitor their good physical activity and sleep habits using a fitband or their mobile phone receive rewards for tracking, including discounts of up to €200 on the renewal of the policy.

At the end of 2022, Vivaz Activity, the app that tracks adherence to these healthy habits, had 21,596 registered users. The App's users have accumulated 114.695 billion steps since the launch of this initiative, with an average of 214,129 steps per month per user in 2022, which corresponds to 7,137 steps per day and 31 million hours of sleep. Thanks to this activity and sleep challenge, these policyholders were able to renew their policies with an average discount of €40.80. Vivaz combines two strategic goals with this: for its customers to enjoy better overall health and benefit from this in their insurance pricing.

As part of this strategy to promote healthy habits in society, and after focusing on physical activity and sleep, Vivaz concentrated its 2022 initiatives on promoting good nutrition. In

2021, Vivaz launched the "Vivaz Manifesto for Eating Healthy", a document authored by dietician-nutritionist and member of the Spanish Academy of Nutrition and Dietetics, Juan Revenga. The Manifesto includes basic tips for good nutrition and proactive commitments from Vivaz, the health insurance brand from Línea Directa Aseguradora, to help society achieve this goal.

In 2022, as a continuation of this strategy, Vivaz published a study that concluded that, despite the fact that 76% of the Spanish population rates their diet as good or excellent, there is a high rate of bad eating habits. The report is titled "**Perception vs reality in the eating habits of Spaniards.**" **Analysis of the perception of the quality of the population's diet versus the**



true dietary, cooking and shopping habits', based on a survey of 1,700 people, reveals for example that one third of the adult population admits to consuming ultra-processed food 3 or more days a week, almost 66% of those surveyed eat pre-cooked dishes and only 28% cook from fresh food, a key element in the kitchen.

Vivaz launched with the aim of promoting really healthy eating a branded content campaign under the slogan Healthy Eating in collaboration with the blog El Comidista of El País, with useful content on healthy eating for the public. Additionally, Vivaz in collaboration with Juan Revenga held various webinars on this subject on social networks and

other channels aimed at the Group's more than 2,500 employees, the Group's customers and the general public.

Vivaz also launched a challenge on its social media channels in 2022 to promote healthy eating, inviting users to identify, through a series of infographics, those products in the supermarket that tend to be ultra-processed, in order to encourage them to reduce their consumption. The 10 winners of the challenge each received a €150 pre-Christmas shopping gift voucher, also aimed at helping families to deal with soaring food prices in 2022.



Safe&Go

One of the phenomena that is part of the new mobility scenario is the emergence and rise of **personal mobility vehicles (PMVs)**, such as electric scooters and bicycles, especially in urban areas. The increase in accidents involving these vehicles, with particular impact on the most vulnerable users, such as PMV users themselves and pedestrians, has prompted the Administration in 2022 to consider the possibility of a legal reform requiring compulsory civil liability insurance for driving them.

Since 2021, with the legal reform of the Vehicle and Traffic regulations promoted by the Directorate General of Traffic (DGT), these vehicles are prohibited from driving on pavements and pedestrian areas, their speed is limited to a maximum of 25 km/h and their users must comply with traffic regulations like other drivers. Currently, **the intention of legislators is to establish a the requirement that PMV users will have to take out** liability insurance covering at least the damage caused to third parties in the event of an accident involving an electric scooter or bicycle.

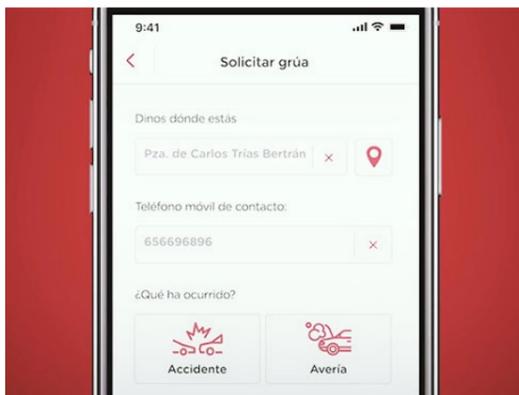
Línea Directa Aseguradora, aware of this new reality, launched **Safe & Go in September 2021, the first 100% digital insurance aimed at users of all types of personal mobility vehicles (PMV)**, from scooters and electric bicycles to skateboards, skates, segways, unicycles and hoverboards.

Safe & Go can be contracted at the customer's request, only to cover the journey to be made, under the concept of **"on/off insurance" or pay-per-use insurance: by the second, by the minute, or for a whole year.** To do this, users can activate and deactivate their insurance policy through the Safe & Go app and only pay for the actual time of use for each ride.

Pay-per-use has a flat rate of 2 cents per minute. There are three different packages in the annual package, depending on the scope of coverage, ranging from €16.35 for the most basic product to €33.2 for the most comprehensive product. This means that every PMV user can take out an annual insurance policy for only four cents per day.

Safe & Go offers insurance cover that is unique in its category, as it **not only covers damage caused to third parties, but also physical damage suffered by the user himself, and even legal defence.** In addition, in the event of an accident, the insurance app pinpoints the location, which can shorten the response times of the emergency services and get you help quickly.

The main novelty of this product is that, compared to the traditional model of car insurance, **Safe & Go insures the person and their mobility.** This approach avoids administrative formalities such as registration or vehicle registration, which **facilitates the uptake of insurance among PMV users, ultimately ensuring sustainable as well as safe mobility.**



Línea Directa Asistencia

Línea Directa Asistencia is a Group subsidiary specialising in verification, expert assessment and travel assistance services. The company operates through a network of thousands of employees throughout Spain, providing vehicle and personal assistance 24 hours a day, 365 days a year.

Each year, the Group's assistance subsidiary handles **nearly 600,000 roadside services**. Also, thanks to the agreements with the European partners of Astrum Alliance, the world's leading association of travel assistance companies, it can offer this service to Spanish and foreign customers, inside and outside Spain, 24 hours a day, every day of the year, in Spanish, English, German and Portuguese, for both the vehicle and its occupants in the event of a breakdown, accident or theft.

Línea Directa Asistencia offers cutting-edge solutions in mobility and roadside assistance, supported by a team with a strong service vocation, a wide and experienced network of employees and the most advanced technology.

- **Digital towing.** Customers can use the App to request a tow truck in less than 30 seconds. The App will track the location of the customer and their vehicle using GPS geolocation. Once help is requested, customers can follow the assistance vehicle's route in real time and check the estimated time of arrival. The customer will also receive a photograph and details of the crane driver using the Facetruck service, allowing them to identify the crane driver for greater safety, and may contact by message before they reach the scene of the incident.

- **Instant replacement vehicle.** At the time of assistance, our towing staff will bring a replacement vehicle to the scene to allow the customer to continue their journey while removing the customer's damaged vehicle.
- **Photo-verification.** It allows the customer to remotely assess the damage to the vehicle by sending photographs via their mobile application, thus avoiding a trip to the garage.
- **Mechanical assistance.** The company offers policyholders with professional advice on mechanical matters, technical advice, on-site repairs, assistance or a comprehensive maintenance service to keep servicing up to date.
- **Mobility services.** Thanks to a network of vehicles and qualified drivers, Línea Directa Asistencia offers replacement vehicles both on site and in the workshop, the transfer of the car to the workshop or MOT and the delivery of new and second-hand vehicles.

Linea Directa Asistencia has a team of mechanics who specialise in diagnosing breakdowns over the phone at the time of assistance, so they can decide what is the best option for the customer at a given time, send information to the employee for an on-site repair, find out if a tow truck is necessary or whether the policyholder can continue to drive their vehicle to the repair shop. This, together with predictive technology, makes it possible to identify the complexity of the breakdown immediately, in addition to assessing all the particular needs of each case and offering comprehensive management on each call.

The company's wide-ranging and excellent partners network guarantees a service with a high level of customer satisfaction. Línea Directa Asistencia's service is rated as "excellent" by 7 out of 10 respondents, with an **average tow truck arrival time of 30 minutes and a level of on-site repairs in 45% of cases.**

Another of the Línea Directa Asistencia portfolio's services is the verification of risks prior to contracting, with **more than 160,000 verifications**. This process is carried out both in person, by a national network of verifiers, and through digital channels, by sending photographs of the vehicle and documentation via the Línea Directa Aseguradora App.

Línea Directa Asistencia also acts as an emergency call centre in the various autonomous communities of Spain. When the e-call device located in the vehicle involved in the accident is activated, the Assistance specialists contact the customer to resolve the emergency. If communication is not possible, Línea Directa Asistencia alerts the emergency services and informs them of the accident and the location, reducing the time to medical attention.

Advanced Repair Centre (CAR)

The breadth, commitment and excellence of the network of collaborators, together with the sophistication of the system and processes, is key in managing claims and repairs and, consequently, in the quality of the service provided to policyholders. **Linea Directa Aseguradora has a network of nearly 500 collaborating workshops and two Advanced Repair Centres (CAR), one in Madrid and the other in Barcelona,** its own state-of-the-art repair shops that offer customers a comprehensive service, from the opening of the claim to the repair of the vehicle, always in accordance with the Group's high standards of quality, commitment and excellence.

The two Línea Directa Aseguradora workshops carried out a total of 17,108 repairs in 2022. CAR Madrid, running since 2008, repaired more than 9,800 vehicles in 2022, 6% less than in the previous year. CAR Barcelona, established in 2018, handled 7,240 claims in the year (-5.5%).

The know-how and information accumulated by both centres has enabled the Group to implement and improve technological applications and processes in repairs. In this respect, the two CARs are now able to manage their entire customer relationship 100% online, allowing customers to carry out a wide range of transactions over the Internet, such as changing their appointments, requesting a replacement vehicle and checking the status of their repair. In 2022, both workshops were also finalising the complete digitalisation of their internal process management.

All this has resulted in an excellent rating by its users. The NSS (Net Satisfaction Score or satisfaction index for purchasing products or services) of CAR Barcelona and CAR Madrid was 44.73% and 45.21%, respectively, at the end of 2022, compared to the score of 33.66% for non-collaborating garages.

As part of this commitment to quality in policyholder care and the service provided at the time of the claim, **Línea Directa has its own fleet of replacement vehicles consisting of nearly 1,200 units** that are made available free of charge to customers who need them when they leave their vehicle for repair at a partner garage. This service has enabled the Group to increase the percentage of customers who choose to repair in Línea Directa workshops, which operate with very high quality standards, as well as the NSS of these workshops. At the end of 2022, 50% of customers had chosen partner garages and the customer satisfaction rate reached 47.71%.



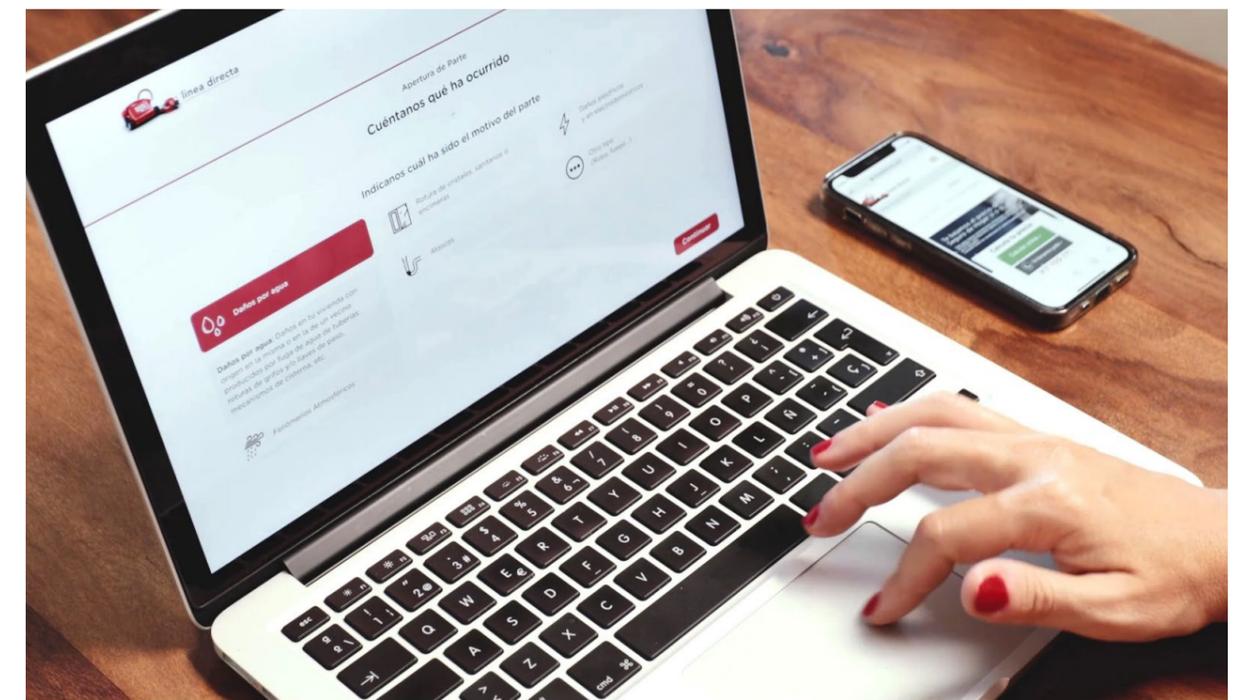
LDA Reparaciones

In 2017, Línea Directa Aseguradora applied its high quality standards in the management of claims and repairs to the Multi-risk line of business by setting up its subsidiary LDA Reparaciones, through which it operates its **own network of repairers in the Home segment**, conceived with the characteristics and functions of an official service. The Group has thus been able to increase its know-how of the home repair process, shorten the average life of files and increase the recommendation rates of policyholders.

LDA Reparaciones is made up of eight professionals from the plumbing, masonry and painting trades who work in the Madrid region. The company carried out almost **24,800 repairs** in 2022, of which more than 7,000 were handled by its own network, a volume that puts the average per professional at around six repairs per day.

Filial company LDA Reparaciones offers a unique repair process based on careful repairs flexibility and technology. The professionals manage their services through a dedicated app that gives them a comprehensive overview of the process and allows them to provide photos of the repair at any stage of the process, report the presence or absence of affected third parties, quantify and assess the damage and open the action report for the next step in the process. In addition, the company's specialists use high-quality materials in their repairs, resulting in the final satisfaction of the customer, and have a homogeneous brand image, including vans and uniforms with their own logo.

LDA Reparaciones is very highly rated by its customers. The 2022 NSS stood at 41.96%.



Sustainability management

SUSTAINABILITY STRATEGY

Línea Directa’s commitment to sustainability through three-year plans allows it to address the challenges facing the organisation and society, as well as the possibility of generating new business opportunities.

In this regard, Línea Directa Aseguradora completed its 4th Sustainability Plan in 2022, which has been in force since 2020 and has been the Group’s roadmap in the field of sustainability for the last three years. The main goal of this Plan has been to develop a business management proposal that is profitable, sustainable, ethical and committed to society.

The Plan has focused in 2022 especially on the three ESG pillars (Environmental, Social and Good Governance) and has incorporated key new features, which have enabled the company to adapt quickly to its exposure to the requirements of analysts and indices after its IPO in April 2021. In 2022, the Sustainability Plan

has promoted key initiatives to respond to the Dow Jones Sustainability Index (DJSI), which invited the company to participate in the **Corporate Sustainability Assessment (CSA)** prepared by S&P Global in response to investor interest in the company. This ESG progress has made it possible to address all three dimensions of the Index, with a very satisfactory and challenging result for the coming years.

In addition, the Plan has once again been brought into line with the development strategy promoted by the United Nations through the SDGs and the 2030 Agenda.

Matrix for the 4th Sustainability Plan 2020–2022

	ENVIRONMENTAL AXIS	SOCIAL AXIS	GOOD GOVERNANCE AXIS
Business	<ul style="list-style-type: none"> Responsible supply-chain. 	<ul style="list-style-type: none"> Products committed to society. 	<ul style="list-style-type: none"> Innovation and responsibility in the business.
Organisation	<ul style="list-style-type: none"> Climate change. 	<ul style="list-style-type: none"> Healthy company. Responsible company. Commitment. Talent and culture 	<ul style="list-style-type: none"> Corporate Governance Occupational health and safety.
Society	<ul style="list-style-type: none"> Environmental impact. 	<ul style="list-style-type: none"> Road safety. Positive contribution to society. Volunteering 	<ul style="list-style-type: none"> Partnerships. Business transparency.

Environment

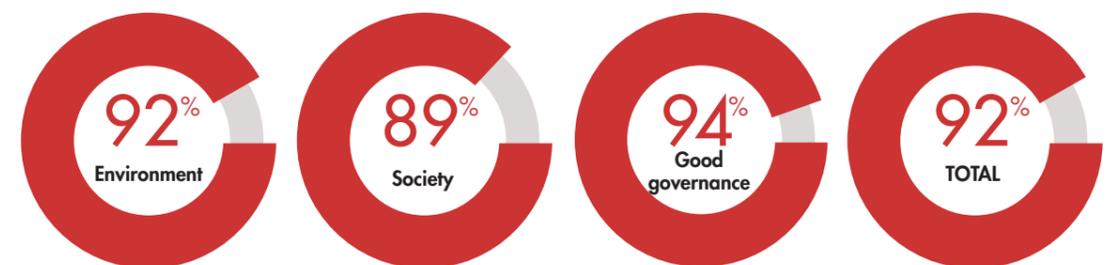
The company has made progress towards its goal of carbon neutrality by 2030. To this end, it has approved the **Environmental Management and Climate Change Policy**; it has an asset management tool under ESG criteria, has approved a **Sustainable Investment Policy**, and has increased its eligible assets according to the European Union Taxonomy. By setting voluntary emission and waste reduction targets for its operations, it has offset its Scope 1 and 2 emissions, and has certified its CAR garages in good waste management.

Society

The company has stood out for its commitment to society in terms of attracting and developing talent, employee well-being, health and safety, equality and prevention of harassment. Additionally, the company has carried out the **Human Rights Due Diligence Procedure**, taking into account its multiple roles as an employer, marketer of insurance products and services, investor and manager of suppliers. The company has continued to promote corporate volunteering, paying special attention to its impact on the local community. Moreover, the company remains committed to road safety through the Línea Directa Foundation, which this year attended the United Nations Road Safety Commission (United Nations Road Safety) as a guest.

Lastly, it is worth highlighting the company’s commitment to new mobility, with the development of products such as the Póliza Respira for hybrid cars and motorbikes or the collaboration with the General Directorate of Traffic for the implementation of the connected vehicle through the Autonomous Ready project.

In 2022, the goals of the Sustainability Plan for the year have been met by 96%.



Degree of compliance with the Sustainability Plan 2020-2022.

Good Governance Axis

This axis is focused on the Governance dimension, and in 2022 it has placed its emphasis on the development of **Information Security Policies, Data Protection, Responsible Procurement**, and greater transparency in the company's tax strategy and whistleblower channel. It is worth highlighting Línea Directa's inclusion in the IBEX Gender Equality Index, the initiative of Bolsas y Mercados Españoles, which recognises the best listed companies in terms of gender equality in the management bodies of companies.

A high degree of compliance with the Sustainability Plan

The 4th Sustainability Plan 2020-2022 has been achieving high degrees compliance each year. In 2020, 92% of the Plan's goals were achieved and in 2021, 91% the indicators were met. In 2022, the goals of the Sustainability Plan for the year have been met by 96%. The fulfillment of the Plan factors into the goals impacting the Management Team's variable remuneration. In order to bring all employees into alignment with the Sustainability Plan, the last quarter included the achievement of the Plan for the entire back office.

Compliance with the Sustainability Plan 2020-2022

	No. of shares	Achieved	Not achieved	Level of compliance
Environment	9	9	0	100%
Society	13	12	1	92%
Good governance	6	6	0	100%
Total	28	27	1	96%

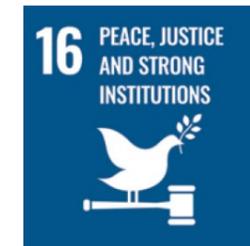
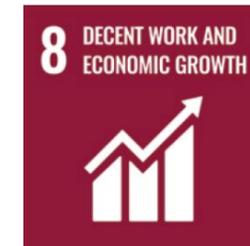


COMMITMENT TO THE SDGs

The company has positioned its sustainability strategy in line with the Sustainable Development Goals (SDGs), which were adopted by the United Nations in 2015 as a universal call to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity.

The Línea Directa Group, in its various business functions as an insurance company, as an employer, as an investor, as a partner and collaborator of other entities, has a high impact on society in general. Hence, its engagement with these goals is particularly relevant.

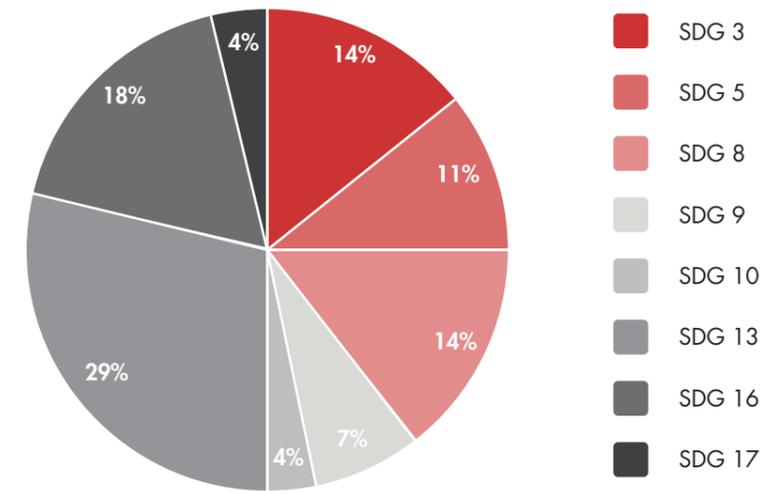
One of the priorities of Línea Directa Aseguradora's 4th Sustainability Master Plan, for the period 2020 to 2022, is to make a contribution to eight of the major challenges in the United Nations Sustainable Development Goals, which it has incorporated into its management strategy: SDG 3, Health and well-being; SDG 5, Gender equality; SDG 8, Decent work and economic growth; SDG 9, Industry, innovation and infrastructure; SDG 10, Reducing inequalities; SDG 13, Climate action; SDG 16, Peace, justice and strong institutions; and SDG 17, Partnerships for the goals.



One of the priorities of Línea Directa Aseguradora's 4th Sustainability Master Plan, for the period 2020 to 2022, is to make a contribution to eight of the major challenges in the United Nations Sustainable Development Goals, which it has incorporated into its management strategy.

Línea Directa has been linked to 8 specific goals, which in 2022 have had a different weight of action in each of the ESG dimensions in which the company works. This year, greater emphasis has been placed on SDG 13 on Cli-

mate Action, SDG 16 on Peace, Justice and Strong Institutions, SDG 3 on Health and Wellbeing and SDG 8 on Decent Work and Economic Growth.



Distribution of the 2022 Sustainability Plan in the SDGs.

SDG 3. Health and well-being

The Línea Directa Group has a firm commitment to society in matters related to health; through its Vivaz brand, it offers the possibility of taking out different types of health insurance, always at a very competitive price and with high quality standards. Additionally, it carries out studies on the need to maintain healthy lifestyle habits, and motivates policyholders and society in general to be physically active, to eat a healthy diet and to sleep the necessary hours to get an excellent rest, all of which are the basis for a healthier and longer life.

The Línea Directa Group is also concerned about the well-being and health of its employees with different activities, such as seminars with specialists, participation in charitable sporting events or the promotion of the runners' club to motivate employees to do physical exercise on an ongoing basis.

Of particular note is its work in road safety through the Línea Directa Foundation, through which it promotes responsible driving habits in addition to its informational initiatives to raise social awareness of possible risks in the home, helping to protect people.

SDG 5. Gender equality

Línea Directa Aseguradora has built diversity and inclusion into its culture over the years, ensuring equal opportunities regardless of gender, race, religion or nationality.

The company has a Human Rights Policy and a Diversity and Equality Policy and regularly updates its Equality Plan and protocols for harassment. It also carries out various social activities to contribute to initiatives such as those carried out on International Women's Day and the Day Against Gender-based Violence.



SDG 8. Decent work and economic growth

The company is firmly committed to the creation of quality employment and the development of internal talent, as outlined in the “Talent Management” section of this report.

In addition, through the Línea Directa Foundation, the Línea Directa Group carries out various activities to **support entrepreneurship and startups** in order to promote society’s economic growth.

SDG 9. Industry, innovation and infrastructure

Línea Directa is also a leader in the digital transformation of the insurance sector, **facilitating society’s transition to digitalisation**, offering channels and products to promote digital models and participating in technological innovation clusters.

Similarly, the company is committed to supporting entrepreneurial initiative through the Línea Directa Foundation’s Entrepreneurs Award, which aims to support Spanish startups specialising in road safety.

SDG 10. Reducing inequalities

Línea Directa Group is also **committed to the social and economic inclusion of all people**, especially people with disabilities, mainly through corporate volunteering, collaborating with various NGOs. Línea Directa also pays special attention to the promotion of talent, ensuring non-discrimination on any grounds whatsoever.

SDG 13. Climate action

The Environment section describes how Línea Directa takes a stance in the fight against climate change and is committed to promoting

renewable energies. The company carries out different actions in this regard: it calculates its carbon footprint and reduces and offsets this footprint in scopes 1 and 2, carries out environmental volunteering activities, **has an ISO 14001-certified environmental management system and an ISO 50001-certified energy efficiency system**, among many other measures.

SDG 16. Peace, justice and strong institutions

The Línea Directa Group contributes to this goal by striving for integrity and the application of compliance throughout the company, both internally and externally. Thus, it is committed to implementing all relevant regulations and disseminating them in its collaboration with external organisations and institutions. On the other hand, through the **Línea Directa Foundation, it regularly studies and analyses aspects of driving behaviour**, contributing to the dissemination and awareness of the importance of safe driving. The Foundation also has an active platform for reporting the most dangerous points on Spanish roads. Every two years, Línea Directa Aseguradora produces the Fraud Barometer to prevent, detect and prosecute these bad practises with significant consequences for customers and society in general.

SDG 17. Partnerships for the goals

The Línea Directa Group considers it key to work and collaborate with other entities both for the development of society in general and for the success of the company, which is why many of the actions, for example, corporate volunteering, are collaborations with specialised partners. In this context, the company presents **the Collaborators Award every year to recognise the best suppliers for the work they do together with the company.**



Línea Directa is also a leader in the digital transformation of the insurance sector, facilitating society’s transition to digitalisation, offering channels and products to promote digital models and participating in technological innovation clusters.

SUSTAINABILITY GOVERNANCE

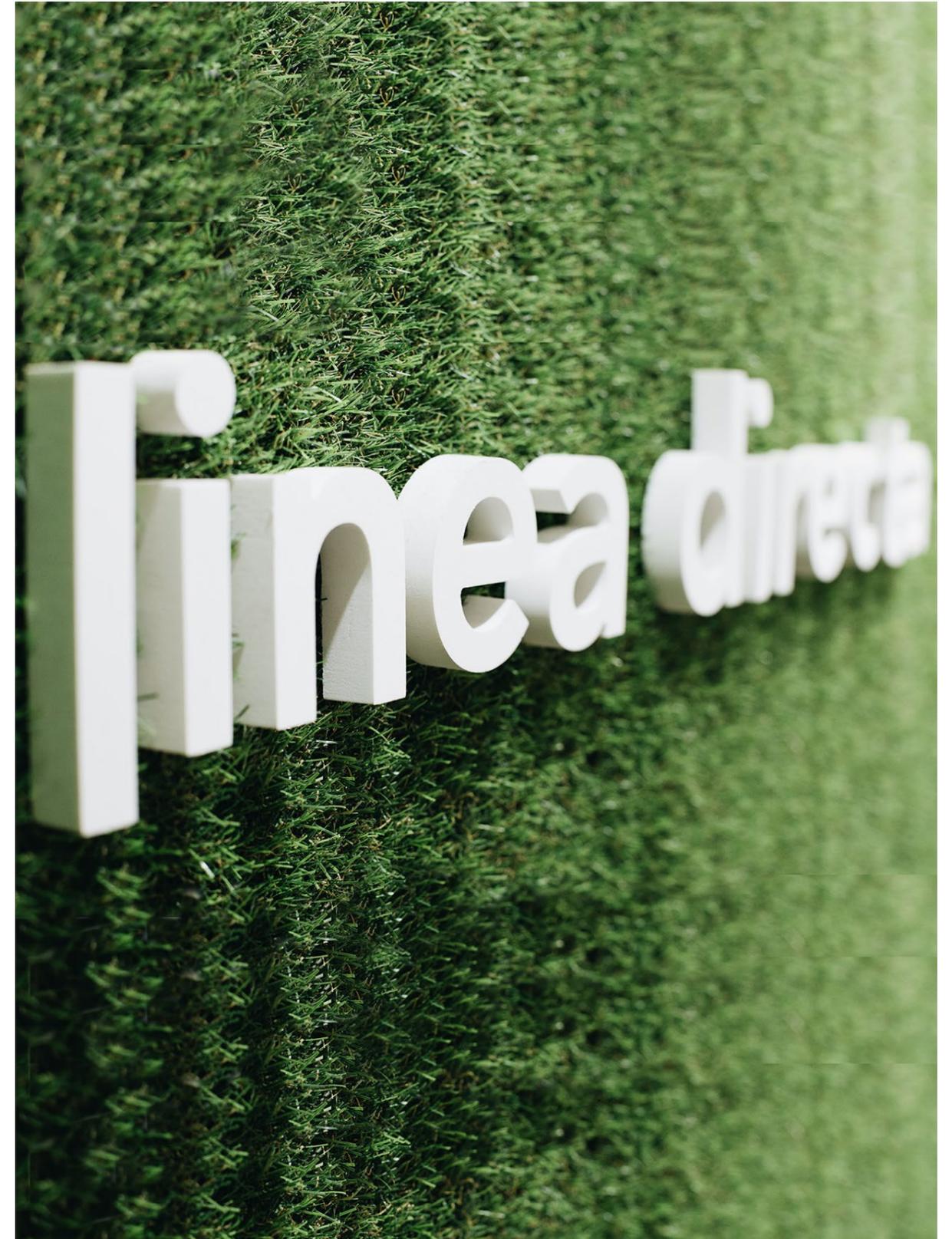
For Línea Directa Aseguradora, sustainability is a strategic priority that the company promotes throughout all its areas of activity, in accordance with the Plan approved by the Board of Directors.

The **Board of Directors**, with the support of the Appointments, Remuneration and Corporate Governance Committee, which is entrusted with sustainability matters, is the body responsible for approving the **Sustainability Master Plans** and supervising their implementation, as well as for approving and ensuring compliance with the Sustainability Policy and others closely related to non-financial information. The Committee also monitors the Group's sustainability strategy and actions, assesses compliance with them and reviews Group policies.

For the purposes of this report, it is important to highlight the work carried out by the Sustainability Committee, which is responsible for promoting the advancement of the Sustainability Plan and for dealing with matters relevant to the Línea Directa Group in this area.

The Sustainability Committee is composed of the members of the Management Committee and meets regularly to monitor the Sustainability Plan, assess the progressive achievement of the set targets and indicators and report its conclusions to the Appointments, Remuneration and Corporate Governance Committee.

A **Sustainability Working Group** has also been set up, consisting of the heads of the corporate areas with the greatest influence on sustainability strategy: Sustainability, People and Communication, Environment, Corporate Governance, Investor Relations, Services and Benefits, Risks, Marketing, Quality and Purchasing. The Working Group analyses the proposals of the **corporate Sustainability area**, studies sustainability standards and proposes concrete actions in line with international ESG benchmarks. This Group promotes the execution of the different actions contained in the Sustainability Plan in its areas of influence and defines the lines of work to achieve the goals set out in the Sustainability Plan approved by the Board of Directors.



DIALOGUE WITH STAKEHOLDERS

The Línea Directa Group, through its Sustainability Policy, assumes certain key principles of behaviour in its relationship with its stakeholders. To this end, it has various channels of communication, participation and dialogue that are regularly reviewed and updated. In addition, the company has a Shareholder, Investor and Proxy Advisor Communication Policy which sets out the framework and basic principles for relations with the above mentioned stakeholders.

The Línea Directa Group engages with its stakeholders on the basis of whether or not there is a contractual or legal relationship with them. At the first level are the groups with which it does have these legal or contractual ties: shareholders, customers, employees and suppliers. The second level contains the rest: analysts, the media, opi-

nion leaders, institutions, industry associations, NGOs, and society in general.

However, **all stakeholders have access to a confidential whistleblowing channel**, under the responsibility of the Ethics Manager, for communicating with the company.

DIALOGUE CHANNELS:

 General Shareholders' Meeting	 Quality Surveys	 Insured Party Ombudsman	 Internal events: breakfasts and conventions
 Shareholder Office	 Road shows	 Directorate General of Insurance and Pension Funds	 Purchasing Portal
 Regulator's website	 Commercial Multichannel	 Press Conferences	 Collaborators Award
 Group corporate website	 Focus Group	 Climate and opinion surveys	 Meetings
 Línea Directa Foundation website	 Direct telephone channel	 Virtual Communities	 Forums
 Press releases	 Employee care	 Social Media (Facebook, Twitter, YouTube, LinkedIn, Instagram)	 Seminars
 Intranet			

STAKEHOLDERS	DIALOGUE CHANNELS	MANAGED BY
Shareholders and investors	  	Office of the General Secretary
Customers	 	Head of People, Communications and Sustainability
	  	Office of the General Secretary
	 	Marketing Management
		Portfolio Management and Commercial Management
Regulatory bodies (DGSFP and CNMV)		Office of the General Secretary and Investor Relations
		Office of the General Secretary
Employees	      	Head of People, Communications and Sustainability
		Management Committee
Suppliers		Office of the General Secretary
		Finance Department
		Management Committee
Analysts and proxy advisors	 	Office of the General Secretary
		Finance Department
Media	  	Head of People, Communications and Sustainability
Institutions (universities and industry associations)	  	Head of People, Communications and Sustainability
Third Sector	  	Head of People, Communications and Sustainability
Society	  	Head of People, Communications and Sustainability

MATERIALITY ANALYSIS AND INDICATORS

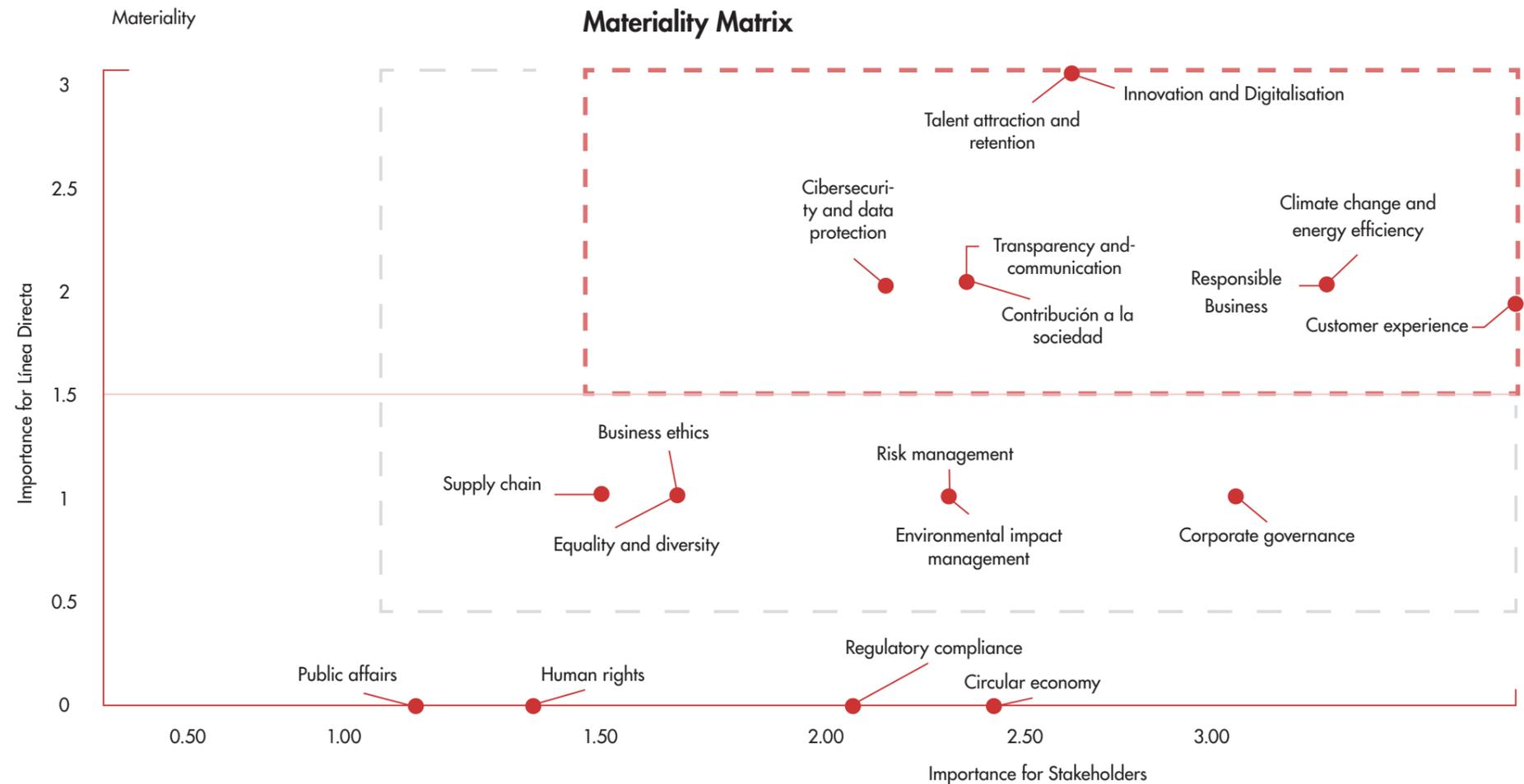
Línea Directa takes into account the relevance of issues that are material for its different stakeholders, in order to manage such issues and report on their performance with transparency.

In order to identify its strategic objectives and lines of action within the framework of the development of the **2020-2022 Sustainability Plan**, the Línea Directa Group carried out a materiality analysis that involved external and internal sources.

In order to prepare the report, an in-depth consultancy analysis was carried out with the aim of identifying the most relevant issues for the company's different stakeholders. This **exhaustive and rigorous process** included the evaluation of international reports and studies, different reporting standards and reports from international sustainability analysts, as well as a sector benchmark and information from studies of the insurance sector, in addition to meetings and interviews with the company's senior management.

Based on this analysis, the company identified the most relevant aspects in terms of sustainability for its stakeholders in order to include them in the design of its three-year Sustainability Plan.

The following diagram shows the aspects that are most relevant to the business and the degree of importance given to each issue by external audiences, according to the evaluation carried out.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE SYSTEM

ETHICS AND TRANSPARENCY

GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

RISK MANAGEMENT MODEL



Corporate Governance System

Línea Directa has established a corporate governance system based on respect for current legislation, on the recommendations of the Good Governance Code of the Spanish National Securities Market Commission (CNMV) and on the best market practices expected by investors, analysts and proxy advisors.

The corporate governance structure of the Línea Directa Group, the principles that underpin it and the essential rules of its functioning are defined in the internal regulations, the general lines

of which are set out in the **Corporate Governance Policy approved by the Board of Directors in July 2021 and updated in September 2022.**

Company information

The information contained in the Non-Financial Information Statement applies to the entire Línea Directa Group, which comprises the following companies:

Línea Directa Aseguradora S.A., Compañía de Seguros y Reaseguros, and parent company of the Group.

Subsidiaries, wholly owned by the parent company, according to the following organisation chart:



Share capital

The share capital is distributed as follows:

Share capital	€43,536,673.60
Number of shares	1,088,416,840 ordinary shares
Nominal value	€0.04 /share
Number of voting rights	1,088,416,840 votes (1 share = 1 vote)

Línea Directa Aseguradora's shares have been listed on the Spanish stock market (Madrid, Barcelona, Bilbao and Valencia Stock Exchanges) since 29 April 2021. Since 20 September of the same year, the company has been listed on the **IBEX Medium Cap**.

Shareholder structure

At 31 December 2022, the shareholding structure of Línea Directa Aseguradora has the following composition:

SIGNIFICANT SHAREHOLDERS	% ownership in share capital (direct and indirect)
Cartival, S.A.	19.50%
Bankinter, S.A.	17.41%
Fernando Masaveu	5.32%
Lazard Asset Management	3.19%
Fidelity International Limited	2.49%
Treasury shares	0.06%
Members of the Board with non-significant holding	0.04%
Free Float	51.99%

Corporate bodies

The main governing bodies of Línea Directa Aseguradora are as follows:

General Shareholders' Meeting

The General Meeting is the sovereign body of the company. The duly convened shareholders meet there to deliberate and decide, by the majorities required in each case, on the matters in which they have a say.

The General Shareholders' Meeting Regulations, approved in March 2021 on the occasion of the company's IPO, regulate all aspects related to the meeting and its functioning.

On 24 March 2022, **the first General Meeting of Línea Directa Aseguradora as a listed company** was held, bringing together the company's shareholders, both in person and online, for the first time, with a 77.65% quorum in attendance.

At the meeting, **key agreements** were adopted, both financial and non-financial in nature:

- In **financial matters**, the Annual Accounts were approved with more than 99.9% of votes in favour as well as the allocation of the profit for the financial year with more than 99.7% of votes in favour.
- In **non-financial matters**, the company's first Non-Financial Information Statement was approved, with more than 99.7% support.
- Concerning **corporate governance**, Patricia Ayuela was ratified and re-elected as Executive Director and Chief Executive Officer

of the company, with more than 99.3% voting in favour, and the Directors' Remuneration Policy was approved, with more than 92% voting in favour.

The company offers the possibility of consulting the details of the attendance and voting quorum for each of the resolutions in the General Meeting section of the corporate website.

Shareholders were able to participate in the General Meeting either in person or by electronic voting and proxy. From the moment the meeting was convened, the Electronic Shareholders' Forum was made available to them as required by regulations, and the event was broadcast live on the company website, as recommended by the CNMV's Good Governance Code and the proxy advisors.

The General Meeting was **certified as a sustainable event** by an independent expert of recognised prestige who audits compliance with good sustainability practices.

Board of Directors

Size and structure

As set forth in the Bylaws, the Board of Directors shall have a minimum of 5 and a maximum of 15 directors. As at the date of this report, the Board of Directors of the company is composed of **7 directors**, in particular:

BOARD MEMBERS	LEGAL CATEGORY	POSITION
D. Alfonso Botín-Sanz de Sautuola y Naveda	Proprietary (represented shareholder: CARTIVAL, S.A.)	Chairman
D ^o . Patricia Ayuela de Rueda*	Executive	Chief Executive Officer
D. Fernando Masaveu Herrero	Proprietary	Member
D ^o . Ana María Plaza Arregui	Independent	Member *Chairman of the Audit and Compliance Committee
D ^o . Elena Otero-Novas Miranda	Independent	Member
D ^o . Rita Estévez Luaña	Independent	Member
D. John de Zulueta Greenebaum	Independent	Member *Chairman of the Appointments, Remuneration and Corporate Governance Committee

Pablo González-Schwitters is the Non-director Secretary of the Board of Directors.

* From 1 January, 2022 to 17 February, 2022, Miguel Ángel Merino was the company's Chief Executive Officer.

Duties

The Board of Directors is the body responsible for the administration, governance and representation of the company in accordance with the duties assigned to it by law, the Bylaws and the Board Regulations.

In 2022, 12 Board meetings were held, with an attendance ratio of 99%. The main actions carried out by the Board of Directors include the following:

- The adoption of the corporate resolutions relating to the appointment and subsequent ratification by the General Shareholders' Meeting of Patricia Ayuela as Chief Executive Officer.
- The preparation of the proceedings and formulation of the documents and reports necessary for shareholders to participate and adopt decisions at the General Meeting.
- Approval and updating of the appropriate internal regulations to strengthen the company's governance system.
- Approval and monitoring of the Group's strategy.
- Review and approval of financial and non-financial information to be communicated to regulators and the market.
- Supervision of the functioning of the committees.
- Appointment of members of the management team, reporting to the Chief Executive Officer, and regular interaction with senior management.

The term of office of the members of the Board of Directors is four years, and members may be re-elected for terms of the same duration.

Individualised attendance ratio

The level of attendance per director in 2022 was as follows:

DIRECTOR	12/12	Audit and Compliance Committee	Appointments, Remuneration and Corporate Governance Committee
D. Alfonso Boñín-Sanz de Sautuola y Naveda	12/12	10/10	9/9
D. Miguel Ángel Merino González*	3/3		
D ^o . Patricia Ayuela de Rueda**	10/10		
D. Fernando Masaveu Herrero	11/12		
D ^o . Ana María Plaza Arregui	12/12	10/10	
D ^o . Elena Otero-Novas Miranda	11/12	9/10	
D ^o . Rita Estévez Luaña	12/12		9/9
D. John de Zulueta Greenebaum	12/12		9/9

* Until 17 February, 2022

** From 17 February, 2022

Selection: independence and diversity

The **Director Selection Policy** lays down the principles, procedures and criteria that the Board of Directors of Línea Directa will take into account during processes relating to the appointment, re-election or succession of the members of the Board of Directors, all in accordance with the applicable regulations and best practices of corporate governance.

One of the main objectives of this Policy is to promote diversity of gender, experience and knowledge on the Board of Directors, avoiding any implicit bias that could imply discrimination and, in particular, hinder the selection of female directors, and to encourage the company to have a significant number of female directors.



Notwithstanding the fact that the company has already exceeded the 40% presence of women on the Board of Directors recommended by the CNMV, the Board has adapted the Selection Policy in 2022 to expressly state this threshold in its internal regulations. The Selection Policy has also been amended to explicitly broaden the scope of diversity, including race or ethnicity, nationality and cultural origin.

In accordance with the Director Selection Policy, the structure of the Board of Directors seeks to include the diversity of opinions, perspectives, skills, experiences and backgrounds. To this end, this body has reviewed and updated its competency matrix, details of which are available in Annex II of this document, in light of the general, sectoral and specific context of the company.

At the time of writing, we have the following data on independence and diversity on the Board of Directors, which exceeds the ratios recommended by the Code of Good Corporate Governance of the CNMV:

Percentage of independent directors	57%
Percentage of women	57% Inclusion in the IBEX Gender Equality Index
Skills matrix	Yes
Nationalities	Two
Average age	55 years (from 47 to 75 years of age)

A summary of the professional profiles and curricula of all the directors, highly specialised in the insurance sector and with extensive experience in the Motor and Health lines, can be consulted on the Group's corporate website. There is also a high presence of profiles from the finance and banking sectors, as well as training and experience in auditing, financial and non-financial risk management, law and regulation. The Board also has members with extensive expertise in digitalisation and cybersecurity.

A fundamental principle of the Director Selection Policy is that the number of independent directors constitute a sufficient majority of the Board and that the number of executive directors is kept to the minimum necessary.

Evaluation

As required by the Board Regulations, in December 2022 and January 2023 the Board conducted the annual evaluation of its functioning and that of its members and committees for the financial year 2022. The main conclusions on the results of the evaluation are included in the Annual Corporate Governance Report, which has been published on the corporate website and on that of the CNMV.

In relation to the follow-up on the action plan based on the 2021 evaluation, it is worth highlighting the implementation of a Training Programme for directors, which includes subjects such as cybersecurity, data protection and corporate governance, taught by external advisors of recognised prestige.

Remuneration

Directors' remuneration in 2022 has been determined in accordance with the provisions of applicable law, the company's Bylaws and the Directors' Remuneration Policy.

The General Shareholders' Meeting held on 24 March 2022 approved, with the support of more than 92% of the votes, the new Directors' Remuneration Policy, with the following objectives:

- To adapt the wording to ensure that it complies with the current Spanish Corporate Enterprises Act, following the amendments introduced by Law 5/2021, and also to ensure that it is in line with the best market practices and the latest recommendations for good corporate governance in terms of directors' remuneration;
- To set the remuneration conditions for the new Chief Executive Officer from the date of her appointment in 2022.

This policy, in force until 2025, is permanently available on the corporate website.

In addition, the General Meeting approved the Annual Directors' Remuneration Report 2021 on a consultative basis, with more than 97% of shareholders voting in favour, thus showing their agreement with the practical implementation of the policy.



The Remuneration Policy is inspired and underpinned by the following **principles**:

- It provides for remuneration based on **prudent and effective risk management**. In this respect, the Policy approved in 2022 includes an express mention of sustainability risks.
- It is aligned with the **long-term** interests of the company.
- It applies an **appropriate ratio** between fixed and variable components.
- It rewards the level of responsibility borne by the directors without compromising their **independence**.
- **It guarantees equality**, avoiding any type of discrimination, and expressly recognises equal remuneration for positions of equal value.
- **It provides flexibility**, including mechanisms to deal with exceptional situations as provided for under prevailing laws.
- **It ensures transparency**, by simplifying the description, calculation methods and conditions of the remuneration components and making them known and public.
- It is **consistent with the principles** on which the general remuneration policy for all Línea Directa Aseguradora employees is based.

The remuneration system is generally composed of the following components:

- For their **status as directors**, in relation to their supervisory and collegial decision-making functions, directors receive a fixed annual amount and a per diem allowance for attending meetings of the Board of Directors and the committees to which they belong.

The maximum annual remuneration of all directors in their capacity as such shall not exceed €1,500,000. In financial year 2021, this amount did not exceed €552,000.

- As an **Executive Director**, the Chief Executive Officer also receives an annual remuneration consisting of a fixed part and a variable part depending on the achievement of pre-determined objectives.

In relation to annual variable remuneration, the following good governance practices have been introduced in the 2022 Policy:

- 50% will be paid in cash and **50% in shares**, conditional upon approval by the General Shareholders' Meeting, under the terms provided by article 219 of the Corporate Enterprises Act.
- The shares received as variable remuneration may not be transferred for a period of 3 years ("**holding period**").
- Their accrual will be linked to the fulfilment of financial and business targets, with a weighting of 70%; and **non-financial targets, with a weighting of 30%**.
- Each of the targets will have a **minimum compliance threshold**, below which no entitlement to variable remuneration will

accrue. The possibility of surpassing each of the targets is limited to a maximum of 140%.

The Chief Executive Officer's variable remuneration will in all cases be subject to the adjustments provided for in the Policy (including the 40% **deferral** over 3 years, **malus** clauses, **clawback** clauses, etc.).

The Chief Executive Officer also participates in the extraordinary variable remuneration plan in shares approved in 2021 for members of the company's management team as a result of listing Línea Directa's shares on the stock exchange.

With regard to social wellness systems, the CEO is the beneficiary of a long-term defined benefit savings system and maintains these rights recognised in a collective unit linked life insurance policy, arranged by Línea Directa Aseguradora.

Lastly, it should be noted that recommendation 64 of the **CNMV's Good Governance Code** has been incorporated into the Remuneration Policy, by virtue of which any payments arising from termination or expiry of the contract may not exceed an amount equivalent to **two years of the total annual remuneration** of the executive director at the time of termination of the contract, including amounts not previously vested in long-term savings systems and amounts paid by virtue of the non-competition agreement.

The details of this remuneration and the conditions applicable to its collection are broken down in the Annual Report on Directors' Remuneration 2022, published on the company website and on the CNMV website.

Committees

The Board of Directors has two advisory committees. The Audit and Compliance Committee, made up of the following members:

MEMBER	POSITION	LEGAL CATEGORY
D ^o . Ana María Plaza Arregui	Chairman	Independent
D ^o . Elena Otero-Novas Miranda	Member	Independent
D. Alfonso Botín-Sanz de Sautuola y Naveda	Member	Proprietary
D. Pablo González-Schwitters Grimaldo	Non-board Secretary	

Percentage of independent directors	67%
Percentage of women	67%
Number of meetings in 2022	10
Attendance ratio	97%

The members of the Audit and Compliance Committee as a whole, and in particular its Chairman, have been appointed on the basis of their knowledge and experience in accounting, auditing and risk management, both financial and non-financial. Full information on the members of the Committee can be found on the corporate website.

The main responsibilities of the Audit and Compliance Committee include the following:

- To report to the Annual General Meeting through its Chairman on the state of control of the company and the activities of the Committee during the financial year.
- To propose to the Board for submission to the Annual General Meeting the appointment, re-appointment or replacement of the external auditors and their terms of engagement. To ensure the independence of the external auditor and monitor compliance with the audit contract.
- Awareness, monitoring and evaluation of the preparation process and integrity of financial and non-financial information, control and management systems for financial and non-financial risks related to the company and, where applicable, the Group (including operational, technological, legal, social, environmental, political, reputational and corruption risks).
- Pre-reporting to the Board of Directors on all matters required by law, e.g. related party transactions to be approved by the Board of Directors.
- Supervise the application of the general policy on the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders.
- Monitor and promote compliance with the company's Internal Rules of Conduct for the Securities Market, the Code of Ethics and, in general, the company's internal rules of conduct, as well as monitor and promote the confidential whistleblowing procedure by stakeholders.

On the occasion of the convening of the General Meeting, the annual report on the activities of the Committee was made available to shareholders on the company's website, which includes the activities carried out by the Committee during the 2022 financial year since the company's listing.

The **Appointments, Remuneration and Corporate Governance Committee**, made up of the following members:

MEMBER	POSITION	LEGAL CATEGORY
D. John de Zulueta Greenebaum	Chairman	Independent
D ^o . Rita Estévez Luaña	Member	Independent
D. Alfonso Botín-Sanz de Sautuola y Naveda	Member	Proprietary
D. Pablo González-Schwitters Grimaldo	Non-board Secretary	

Percentage of independent directors	67%
Percentage of women	33%
Number of meetings in 2022	9
Attendance ratio	100%

The main responsibilities of the Appointments, Remuneration and Corporate Governance Committee include the following:

- Propose the appointment, confirmation, re-election and removal of independent directors and report on the remaining directors.
- Assess the balance of skills, capacity, knowledge, diversity and experience needed on the Board of Directors.
- Report to the Annual General Meeting, through its Chairman, on the activities of the Committee during the year, as appropriate.
- Propose to the Board the remuneration policy for the directors and their individual remuneration, the individual remuneration of the executive directors and, where appropriate, the outside directors for the performance of duties other than that of a director, and other terms of their contracts.

- Propose the remuneration policy for senior management, including the General Managers or those who perform senior management duties under the direct supervision of the Board. Determine the remuneration of members who, although not part of the top management, carry out professional activities that may have a relevant influence on the company's risk-taking.
- Oversee and review the company's compliance system.
- Oversee the corporate governance of the company.
- Monitor the company's sustainability strategy and practises by assessing their level of compliance as well as reviewing the company's sustainability policies and ensuring that they are aligned with value creation.
- Monitor the degree of implementation of remuneration policy in general during the financial year, and ensure its enforcement.

On the occasion convening the General Meeting, the annual report on the activities of the Committee was made available to shareholders on the company's website, which includes the activities carried out by the Committee during the 2022 financial year since the company's listing.

Executive level committees

Management Committee, made up of the members of the management team, is responsible, among other duties, for the organisation and supervision of the general management policies and the strategic planning of the businesses managed by the subsidiaries in accordance with the Group's business model. Likewise, it is tasked with communicating the guidelines established by the Board of Directors to the rest of the organisation, involving as many areas and resources as necessary and making the necessary internal communication for the correct knowledge and execution of these guidelines.



Juan José Álvarez
Chief Technical Officer

Inmaculada Aldea
Chief Risk Officer

Carlos Rodríguez
Chief Financial Officer

Patricia Ayuela
Chief Executive Officer

Mar Garre
Head of People,
Communications and
Sustainability

Pablo González-Schwitters
General Secretary

Ana Sánchez
Head of Technology



Olga Moreno
Head of Health

Diego Ferreiro
Commercial Director



Eva del Mazo
Portfolio Director

Antonio Valor
Head of Marketing

Management Committee

Internal committees



Without prejudice to the functions attributed to the Board of Directors and its Committees in the Board Regulations, Línea Directa Aseguradora has established a system of collegiate bodies whose duties are to take decisions and gather key information for the business in matters that are reported to the Board of Directors or its committees.

For the purposes of this report, it is important to highlight the **Sustainability Committee**, which is responsible for promoting the advancement of the Sustainability Plan and for dealing with matters relevant to the Línea Directa Group in this area.

The Sustainability Committee is composed of the members of the Management Committee and meets regularly to monitor the Sustainability Plan, assess the progressive achievement of the set targets and indicators and report its conclusions to the Appointments, Remuneration and Corporate Governance Committee.



The Sustainability Committee is responsible for promoting the progress of the Sustainability Plan and dealing with any issues that are relevant to the Línea Directa Group in this sphere.

Ethics and transparency

POLICIES

The purpose of the Code of Ethics of the Línea Directa Group is to establish the general guidelines that should govern the conduct of employees of Línea Directa Aseguradora S.A. and its subsidiaries, in their performance of their duties and in their business and professional relationships, in accordance with the law and observing ethical principles. The values contained in this Code of Ethics are the basic principles which underpin the commitments made by Línea Directa Aseguradora to their shareholders, partners, customers, suppliers, employees and communities.

The Corporate Governance Policy sets out the general principles that underpin the various policies approved by the Board of Directors of Línea Directa Aseguradora, as well as the Group's internal rules and procedures on corporate governance. It also defines the corporate and governance structure of Línea Directa, including the guiding principles, the corporate bodies that make up the group and their terms of reference, always with the objective of compliance with applicable law and regulations and best corporate governance practices.

Compliance Policy. Its main purpose is to regulate the company's Compliance Function, as required by Solvency II. This Policy also expresses the Group's commitment to regulatory compliance, as well as its rejection of any type of criminal conduct. It also provides the main framework for defining the scope of the Compliance Management System.

The purpose of Línea Directa Aseguradora's **Compliance Function** is to identify, assess, manage and control regulatory and statutory risks, as well as to promote measures to help prevent and mitigate them.



CODE OF ETHICS

Professional ethics, together with good corporate governance and Línea Directa Aseguradora's values, are essential to the company's culture and the fundamental basis of its Code of Ethics. Línea Directa Group is committed to fostering and promoting firm ethical principles that ensure compliance with laws and the trust of customers, shareholders, employees and suppliers.

The **Code of Ethics** is the main pillar for the development of corporate values and sets out the models and guidelines for behaviour to be followed by all Group employees. The Code was adopted by the Board of Directors in January 2011 and updated in October 2018. It responds to the concern of the highest management body of Línea Directa Aseguradora to clarify and disseminate the company's values among all employees and stakeholders. In 2021, the content of the Code was reviewed to make the necessary changes regarding Línea Directa's new status as a listed company.

Línea Directa Aseguradora's Code of Ethics contains, among other things, the commitments made regarding environmental and social issues, respect for human rights and the fight against corruption and bribery, and support

for equal treatment, equal opportunities and non-discrimination. This Code is not intended to cover all possible situations that may arise in the professional environment, but to establish minimum guidelines for conduct for all members of Línea Directa Aseguradora on how to act when discharging their duties.

The scope extends to all subsidiaries of Línea Directa Aseguradora and their employees and managers in the performance of their duties and responsibilities and in all professional areas in which they represent the company. The Línea Directa Foundation adopted its own Code of Ethics in November 2019, which essentially follows the same general principles. Línea Directa Aseguradora also has a Supplier Code of Conduct to which all employees must adhere.



All Group employees receive training on the Code of Ethics upon joining the Group, which is regularly reinforced with various training and informative activities. The latest employee survey on the degree of knowledge and acceptance of the Code of Ethics and the Ethics Channel, conducted in 2021, showed very positive results, with 94% stating that they take the company's ethical principles into account when making decisions related to their work.

ETHICS CHANNEL

The procedure of the Línea Directa Aseguradora Ethics Channel for managing queries and complaints guarantees confidentiality and non-retaliation, as well as the possibility of anonymity in all communications.

The Ethics Channel is available on the corporate website and allows employees and any interested third party to confidentially or anonymously report irregularities related to violations of the Code of Ethics or possible breaches of regulations or unlawful conduct.

During the 2022 financial year, ten communications were received and analysed, only one of which concerned a breach of the Code of Ethics. The Ethics Manager proceeded with the processing of the file, which found that the Code of Ethics had effectively been breached and led to the relevant measures being taken. The remainder were communications from customers in relation to the processing of their claims.



TAX PRACTICES

The Línea Directa Group has a Tax Strategy approved by the Board of Directors, which sets out the objectives, principles, good tax practises and monitoring and control of tax risks. The aim is to ensure responsible compliance with current regulations in accordance with the social role of the tax system, the Group's business goals and the trust of the community in which it operates.

The tax strategy of the Línea Directa Group, which was approved by the company's Board of Directors in 2019 and updated in 2022, sets out the aims, principles, good tax practices and the monitoring and control of tax risks in the organisation. The purpose of this strategy, published on the corporate website, is to ensure responsible compliance with tax regulations at Línea Directa, taking into account its social importance, the interest of its stakeholders, the Group's business strategies and the trust of the community in which it operates. In addition, Línea Directa Aseguradora promotes a climate of goodwill, transparency, cooperation and reciprocity in its relations with tax authorities.

Furthermore, in 2020 the Board of Directors of Línea Directa Aseguradora approved the Group's Corporate Tax Policy. This policy constitutes a non-delegable power of the Board itself and is implemented through the General Secretary's Office and the Tax Advisory department. The main objective of this Policy is to establish the principles and the system of rules of action and tax conduct that govern the activity of the Group's companies, as well as to determine the control elements that make it possible to prevent the commission of tax offences. This Policy forms

part of the Fiscal Risk Management and Control System in order to assess these types of risks in a responsible manner and based on set criteria, thereby preventing and reducing the risks and allowing it to define, review and achieve its tax compliance objectives.

The Audit and Compliance Committee, in accordance with the provisions of its regulation, monitors the effectiveness of the tax risk control and management system. In addition, within the Board of Directors' oversight responsibilities, the Tax Advisory department reports once a year on the main tax issues that have arisen during the year and on the main issues concerning the Group, including procedures and inspections in progress. In this regard, no tax risk materialised during 2022 that could have affected the business targets.

The Línea Directa Group has its own space on the company's intranet where it has the main documents governing the tax function, as well as a guide to the most recurring queries and doubts. In addition, there is a specific training in the area of taxation geared towards the different business areas.

The company is committed to promoting the good tax practices described in its strategy with the aim of reducing tax risks and preventing conduct likely to generate them. These good practises include the Group's full availability to collaborate with the tax authorities in relation to requests for information or cooperation in the detection, search and resolution of tax fraud.

Since 2021, the Línea Directa Group has adhered to the Code of Good Tax Practices, promoted by the Administration, which contains recommendations on legal clarity in the application of the tax system, reciprocal cooperation based on good faith and legitimate trust and the application of responsible tax policies with the knowledge of the Boards of Directors.

The company is committed to promoting the good tax practises described in its strategy with the aim of reducing tax risks.

The Línea Directa Group is also represented in the UNESPA Tax Commission, as well as in other tax forums of interest to the sector. Neither the company nor its subsidiaries have a presence or activity in countries classified as tax havens, as stated in the company's Tax Strategy and Policy.

The Línea Directa Group did not receive any public subsidies or aid in 2022.

2022 TAX INFORMATION (in thousands of euros)

Country	Net turnover by country	Profit/(loss) before tax	Corporate income tax paid
Spain	900,566	78,727	-6,255**
Portugal	80	31	0

*In 2021, total income taxes (145.2 million euros) paid by Línea Directa Group were 25,035.83 thousand euros, a figure that did not include the amount requested to be refunded for corporate income tax for 2020, which as of December 31, 2021 had not been refunded yet.

**This figure includes the Corporate Income Tax paid in 2022 as well as the amounts refunded by the AEAT in relation to the Corporate Income Tax for the years 2020 and 2021, hence the negative balance.

For more information on the company's tax practices, see notes 3 and 14 of the annual accounts and the Tax Strategy, available on the corporate website.

FIGHT AGAINST CORRUPTION AND BRIBERY

The Línea Directa Group's crime prevention model

The Línea Directa Group's crime prevention model is based on the following internal bodies and functions:

- The **Board of Directors** is the body responsible for promoting a preventive culture based on the principle of zero tolerance for behaviour contrary to the Code of Ethics, breaches of external and internal regulations and criminal acts. It is also responsible for the Línea Directa Group's adoption and implementation of an effective monitoring and control model for the prevention of these risks.
- The **Audit and Compliance Committee** is the highest body responsible for overseeing and monitoring the criminal compliance policy.
- The **Compliance Function** is headed by the Chief Compliance Officer (CCO) and carries out its functions in collaboration with the representatives of the business areas, the Compliance Committee and the Standing Risk Committee, and reports to the Audit and Compliance Committee.
- The **Regulatory Compliance Committee** is composed of the heads of the main areas related to the technical and cross-cutting functions of the compliance environment, i.e. Tax Advisory, Corporate Security, Data Protection Office and Human Resources. Its function is to support the Regulatory Compliance department in order to ensure the proper fulfilment of its tasks in the area of criminal risk prevention.
- The **People Management department** is responsible for the internal training of employees and the application of the disciplinary system in the event of violations of the Criminal Compliance Policy, the provisions of the Code of Ethics and the Group's internal regulations.



All Línea Directa Group companies and, specifically, all persons forming part of them, must guide their actions and decision-making based on the highest ethical standards, respecting and complying with the internal regulations applicable to them.

The internal control and crime prevention system of the Línea Directa Group is built on fundamental internal rules. Specifically, the following stand out:

- Group Code of Ethics.
- Supplier Code of Conduct.
- Ethics Channel Procedure.
- Regulatory Compliance Policy and its Management System.
- Criminal Compliance Policy
- Privacy Policy.
- General Security Policy.
- Risk Management Policy.
- Internal Audit Control.
- Internal Audit Policy.
- Internal Fraud Procedure.
- Equality Plan.
- Environmental and Energy Efficiency Policy.

Anti-corruption and bribery prevention measures

The Línea Directa Group is fully committed to compliance with all the rules on preventing and combating corruption, as set out in the Code of Ethics and the Anti-Corruption Policy. This commitment applies not only to all employees, directives and executives, but also to all the company's suppliers and stakeholders.

With regard to the prevention of bribery and corruption, in 2021 the company approved its **Anti-Corruption Policy**, which is based on zero tolerance of any form of corruption and establishes a general framework for action to help prevent and detect corrupt practices. One of the most important measures in this regard is the company's Gifts and Favours Procedure, which sets out the entire process for receiving and recording gifts. Anything that does not meet the requirements of this procedure is raffled off among all employees at a charity market at the end of the year.

The company has not registered any significant allegations of corruption and bribery.

Fight against money laundering

The Línea Directa Group is not a mandatory subject in relation to the prevention of money laundering and terrorist financing, as established in Article 2 of Law 10/2010 of 29 April, as it operates in the non-life insurance business, so it is not appropriate to elaborate on the aspects presented in this non-financial report.

DATA PROTECTION

The Línea Directa Group is committed to strict compliance with the law in the area of data privacy of its customers, employees and suppliers and the confidentiality of all operations. To this end, the Group works to comply with the provisions of the General Data Protection Regulation 2016/679 (GDPR) and Organic Law 3/2018 on the Protection of Personal Data and Guarantees of Digital Rights.

The Línea Directa Group has a governance framework for privacy and data protection that guarantees the rights of customers, suppliers and employees in this area and the confidentiality of all operations, for which it is assisted by a specialised team and a Data Protection Delegate.

The Group has its own privacy policy whose main lines of action are the appropriate protection of customers' personal and confidential data and ensuring strict compliance with the law. The company also complies with the principle of transparency by informing customers, employees and suppliers of the processing it carries out with personal data and the legitimate bases for such processing. Along the same lines, the Group monitors the percentage of users whose customer data is used for secondary purposes, which in 2022 stood at 71%. It also provides information on where and how the rights of access, rectification, erasure, objection, portability and restriction can be exercised, who the recipients of this information are and how to contact the company's Data Protection Officer. The Group also ensures at all times that personal data and transaction data are transmitted through appropriate, reliable and secure channels, maintaining their integrity and confidentiality.

Employees and suppliers

Línea Directa Aseguradora has established a regulated procedure for the allocation and contracting of **suppliers**, modifying the clauses and progressively regularising the contracts in force with regard to data protection. In addition, all suppliers undergo security audits of their infrastructures to ensure the minimum security standards required to process Group information.

Moreover, all company **employees** must take a course on **Privacy and Data Protection**, and all employment contracts include a clause with basic information on this subject and how to obtain more detailed information on the processing that the Group carries out.

In 2022, the **Data Protection Office** gave awareness sessions to all Línea Directa Aseguradora supervisors on the importance of complying with current regulations, as well as with the company's Internal Policies and Procedures and current operations, especially those affecting the business lines.

Various communications on the Group's Policy on the matter and on the circulars issued by



the **Data Protection Office** have also been **published on the Group's intranet**. The goal is to create a culture of privacy in the organisation that includes business processes and the detection and prevention of the different risks, as well as fostering creation and contribution of value in this area.

Digital Pact and other initiatives

On the occasion of Línea Directa Aseguradora's adhesion in 2021 to the **Digital Pact** for the protection of individuals, from the **Spanish Data Protection Agency (AEPD)**, various actions have been carried out to promote and reinforce transparency and good practices in personal data processing.

These include posting on the Group's intranet various resolutions and advice from the **Spanish Data Protection Agency (AEPD)** on how to act in the event of identity theft. The aim is to inform all employees about publications, news and content in this area that may be of interest to the organisation.

In 2023, the area will continue to protect privacy and compliance and will continue to provide awareness-raising sessions to employees. To this end, it will regularly review the company's Privacy Policies and internal procedures, promoting various actions that highlight the company's commitment to the Spanish Data Protection Agency's Digital Pact.

AEPD Resolutions

Línea Directa Aseguradora's Data Protection Office analyses the most relevant resolutions issued by the Spanish Data Protection Agency in order to promote these resolutions in the different business areas of the organisation and promote the guidelines of this supervisory authority. In 2022, **the Línea Directa Group has not been subject to any sanction** in terms of Data Protection.

CYBERSECURITY

For a digital company without branch networks or face-to-face agents, having a reliable, flexible and robust cybersecurity system is of extraordinary importance.

That is why Línea Directa Aseguradora has a cyber threat prevention and response system within the framework of the Group's **Information Security Management System (ISMS)**. The main purpose of this system is to guarantee the principles of **integrity, availability and confidentiality**, as well as to promote continuous improvement in this area. To this end, the company has a large team of specialists covering highly complex and

technified cybersecurity issues, which has been expanded in 2022 with the aim of adapting to new threats.

The **main lines of work** carried out during the past year include the following:

- Integration of cybersecurity measures and systems in all business processes from the outset.
- Development and expansion of the Risk Map, which includes new KRIs that provide more exhaustive and detailed monitoring.
- Increase in the performance of pentesting exercises on specific elements of the infrastructure.
- Execution of Red Team exercises.
- Adaptation to the new regulatory and/or normative changes that are taking place in the insurance sector.
- Improvement in the security measures of the supply chain by means of regular controls and audits.



Línea Directa Aseguradora bases its **general cybersecurity strategy** on four main pillars:

1. Protection against cyber risks:

- Evaluation and improvement of mechanisms to prevent, detect and respond to cyber attacks, including those that may occur in cloud computing environments.
- Continuous evolution of protection mechanisms for information systems and communications networks.
- Evaluation and improvement of disaster recovery mechanisms.
- Third-party risk management.

2. Culture of cybersecurity and privacy in the company:

- Awareness and sensitisation activities in the organisation.
- Training and education activities for all employees.
- Encouraging employees to obtain recognised safety certifications.

3. Cybersecurity from the outset:

- Integrate cybersecurity into the lifecycle of new initiatives to ensure their protection from the outset, and implement controls and measures accordingly.
- Assess cybersecurity when procuring technological solutions and contracting technological services.

4. Cybersecurity assessment and audit and adaptation to the changing situation:

- Specialised team (internal/external) for the continuous review of cyber threats.
- Establishment of controls from the outset.
- Integration of cyber risks in the company's risk map.
- Performance of internal and external controls and self-tests.
- Regular reporting to the company's governing bodies.



Security Operations Centre (SOC)

The Línea Directa Group's **Security Operations Centre (SOC)** is a key element in the organisation's first line of defence. Its main role is **to monitor and respond to any cybersecurity threat or incident** on an ongoing basis (24 hours a day, 7 days a week, 365 days a year).

Línea Directa's SOC has a **hybrid management model**, as it consists of an internal part and an outsourced part that is linked to the **National Cryptologic Centre (CCN-Cert)** and whose intelligence is shared with the internal SOC.

Cybersecurity certifications and standards

In 2022, the Group's Cybersecurity department worked on continuing the evolution of the controls, procedures and standards required by the **UNE-EN-ISO 22301** certification, which the Group has achieved in two of the most critical business processes: Roadside assistance and Home claims.

These controls are audited annually by AENOR, which guarantees the continuous improvement of the process. Work is also being done to align the document and procedural part with the different domains of **ISO 27002**, always with the aim of maintaining a uniform strategy that meets the best security standards in the market.

Awareness-raising actions

In 2022, the organisation's cybersecurity awareness programme continued. These actions, which are aimed at the entire workforce, are complemented with specific activities for specific and particularly relevant groups, such as the Board of Directors or technical or critical personnel in different areas or departments.

In these exercises, particular importance is given to training on one of the most common cybersecurity threats: phishing, which is often used as a means of entry and subsequent deployment of ransomware within the organisation. Controlled campaigns are conducted on the matter so that everyone in the company can identify this threat.



Guiding principles on business and human rights

HUMAN RIGHTS POLICY

The Línea Directa Group maintains a strong commitment to respecting Human Rights in the performance of its activity and in its relationship with stakeholders within the environment in which it operates: employees, customers, suppliers and society in general.

As a member of the Spanish Network of the United Nations Global Compact, the company undertook the commitment to incorporate the United Nations Guiding Principles on Business and Human Rights into its activity, through the implementation of the Human Rights Policy that was approved by the Board of Directors in 2020 and applies to all the Group's subsidiaries.

The Policy aims to serve as a guide in protecting and respecting these rights, preventing their violation and reflecting the company's commitment to international, local and industry standards. This Policy describes Línea Directa's commitments in its own activities as an insurer, as an employer of its professionals and as a responsible business partner of its providers. The Policy describes the way the company implements the protection of human rights in its operations.

In its role as an employer, the company is committed to upholding the human rights of

its employees and promoting the principles of fair and favourable working conditions and non-discrimination, as well as complying with the provisions of the relevant ILO core conventions. In order to strengthen its position on non-discrimination and equal opportunities, Línea Directa became a member of the Diversity Charter, a European Commission project within the framework of the non-discrimination regulations.

In terms of the supply chain, the company relies mainly on domestic suppliers, which allows for better understanding their human rights practises while supporting local development. As part of the supplier approval process, suppliers must accept the Supplier Code of Conduct, which includes several sections on respect for human rights and labour legislation.

HUMAN RIGHTS DUE DILIGENCE

The Línea Directa Group is committed to respecting, supporting and protecting human rights in our activities.

In order to reinforce the effectiveness of the Human Rights Policy and further its commitment in this area, the company has developed a Due Diligence Procedure based on a broad regulatory framework in which potential risk events arising from the company's activities in the area of Human Rights have been identified and evaluated, assessing both the probability and the impact of such events. The process also assesses the mitigation actions that the company implements to reduce both the impact and the likelihood of occurrence of the identified risk events.

An independent third party specialising in Human Rights has been consulted in order to define and develop this process.

Identification

The potential risk events have been identified in terms of five dimensions in which the company can act: as an employer, as an insurer, as an investor, as a collaborating company and partner and, lastly, in relation to its environment, as defined in the policy.

		ROLES				
		As an employer	As a collaborator and partner	As an insurer	As an investor	In relation to its environment
ASPECTS	Equal treatment in people management		Processes of supplier approval, registration and contracting	Responsible marketing	Investment in companies or countries	Promotion of human rights in the environment
	Fair working conditions		Risk control and mitigation mechanisms	Accessibility and discretion in products and services	Building partnerships	
	Freedom in the workplace			Data processing		
	The environment and workplace					
	Information security and data protection					

Dimensions analysed in Human Rights Due Diligence.

Assessment

The risk event assessment process has been 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.

The target of this phase is to direct priority attention to the most severe negative impacts based on the parameters defined by the methodology, which will define how to assess the impact, the likelihood and the severity of each risk event. Having access to this information enables the company to pursue the following objectives:

- Establish and consolidate business relationships with affected third parties.
- Minimise risks arising from mismanagement of human rights impacts and impacts on the reputational, operational, financial and legal environments.
- Respond to growing expectations from stakeholders such as investors, civil society, business partners and others.
- Take advantage of the opportunities presented by proactive management of human rights risks and impacts.

Monitoring

In general, the company has different mechanisms for monitoring potential cases of human rights violations, such as the confidential whistleblowing channel for complaints, the reporting of non-financial information for communication purposes and the mechanisms for redress.

Conclusions

As a result of this assessment, no significant risks to Human Rights have been identified. However, the Línea Directa Group has reinforced its mechanisms in order to minimise the impact of a potential human rights violation. The Human Rights Due Diligence Procedure will be repeated at least every three years.

REPORTS OF HUMAN RIGHTS VIOLATIONS

The Línea Directa Group has a whistleblowing channel for reporting breaches of the Code of Ethics, which is freely accessible to all employees and is completely anonymous and confidential, as well as a Harassment Protocol that aims to avoid improper situations that hinder the normal functioning of the company and that may lead to moral, sexual or gender-based harassment or discriminatory treatment.

During 2022, a complaint was received regarding possible violations of human rights in relation to a case of harassment or unacceptable behaviour which, after being confirmed through the corresponding investigation, led to the appropriate disciplinary measures.



Risk management model

Because of its activity, the Línea Directa Group is exposed to a series of risks and conditioning factors that may affect its reputation, objectives and strategy. To ensure that these risks are properly identified, measured, managed and controlled, the company has a series of principles of action and procedures that are systematically applied to all Group companies.

Línea Directa Aseguradora has a series of principles of action for identification and management of corporate risks, including their measurement, monitoring and control. These principles are as follows:

- **Integration.** Risk management is part of the management responsibilities and an integral part of all the organisation's processes. A risk management culture must be maintained in every decision made at all levels.
- **Independence.** Duties and coordination mechanisms between business units and risk monitoring and control units must be properly segregated at the operational level.
- **Integral management.** The Línea Directa Group entities must identify, measure, manage and control all their significant risks, establishing the appropriate policies, procedures, structure and resources for each of them. The Risk Map is a tool that provides an overview of the most significant risks to which the organisation is exposed.
- **Transparency.** There must be adequate channels in place for the reporting of internal information so that any threats can be detected as early as possible to prevent, or reduce the impact of, threats.
- **Review and continuous improvement of risk management.** The adequacy, suitability and efficiency of risk management will be regularly reviewed and evaluated. The Group will analyse opportunities for improvement that may arise internally from learning from reported incidents, or externally, from the availability of new tools and knowledge that can improve risk management.
- **Compliance with internal regulations.** The values and standards of conduct reflected in the Code of Ethics, in particular the commitment to upholding the law and the principle of zero tolerance towards the commission of illegal acts and fraud, as set out in the Regulatory Compliance Policy, must be observed at all times.

Duties of the risk governance bodies

The **organisational structure** of risk management and control is based upon the principles of independence and segregation of duties between business units and risk monitoring and control units. The Group has thus established a definition of the key responsibilities of the governance bodies in the risk management and control process:

- The **Board of Directors** of Línea Directa Aseguradora is responsible for determining the General Risk Policy, which will serve as a framework for the specific policies for each risk to which the company is exposed.
- The **Audit and Compliance Committee** is responsible for overseeing the effectiveness of the company's internal control, internal audit, and risk management systems. The heads of the Risk function and the Internal Audit function report to this Committee on the most significant risks included in the entity's Risk Map, as well as the status of the recommendations issued and the movements in the Key Risk Indicators (KRI).
- The **Internal Audit** function is responsible for executing the Internal Audit Plan, which includes overseeing the risk management system. The Risk Map should be used to align the work of Internal Audit with the organisation's strategy and to carry out the annual audit planning.
- The **Risk Management function, Actuarial function, Regulatory Compliance function and ICFR** have the following duties:

- Ensuring the proper functioning of risk management and control systems and, in particular, seeing to it that all significant risks affecting the company are identified, managed and adequately quantified.
- Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- Ensuring that the risk control and management systems adequately mitigate risks within the framework of the policy defined by the Board of Directors.
- Periodically assessing the adequacy and effectiveness of the controls, understood to be the measures in place to mitigate the impact of the identified risks. In addition, recommendations should be made to those in charge of the risks, and these recommendations will then be converted into action plans.
- Regularly reporting to the Management Committee – and, as often as deemed appropriate, to the Standing Risk Commit-



José Luis Díaz, Head of Internal Audit.

tee – on the status of the company’s risks, and on any possible risks that could emerge and the status of all recommendations arising from testing.

The risk management functions are equipped with adequate information systems and controls to ensure compliance with this policy. Their functioning is set out in the specific policies for each type of risk.

- The **Standing Risk Committee**: responsible for facilitating and monitoring the implementation of effective risk management practices for all risk facing the company, including ESG risks.
- The **specific Committees**: the way these committees are organised and their powers are described in the Governance System of Línea Directa Aseguradora.
- **Senior Management**: responsible for creating a culture and organisational structure that promotes effective risk management. Each area must be aware of the risks inherent to its activity and manage them in an integrated manner with its functions, competencies and responsibilities, as well as execute the necessary measures for their resolution, prevention and mitigation.
- **The entire company** is responsible for detecting, reporting and managing the different threats in coordination with the areas that comprise the Risk function.



Línea Directa Aseguradora has **internal control processes** and a risk management system that complies with current regulations. In this regard, the company has identified **different types of risks**, including **underwriting, market, financial information, cybersecurity, ESG and operational risks**.

To ensure effective risk management, the company has a set of **specific policies** that define responsibilities and determine the framework for action for each type of risk and ensure uniform application across all Group divisions and subsidiaries.

The **Board of Directors** is ultimately responsible for establishing and defining the **risk appetite** and ensuring that identified risks are limited and properly monitored and managed. It is also responsible for updating the company’s risk appetite framework annually, monitoring the effective risk profile and ensuring consistency between the two.

On an annual basis, the Board of Directors or the Audit and Compliance Committee set the risk tolerance thresholds and approves changes to the KRI thresholds.

Creation of the Corporate Risk area

In 2022, as a result of the reorganisation of the company, a new Corporate Risks area was created, which integrates all the functions that already existed (Risk Management and Internal Control Unit, the Actuarial Function, Regulatory Compliance, Internal Control of Financial Information and Data Quality), always with the aim of providing more effective and efficient management with a more global vision. The mission of the area is to build a global risk map of the company and optimise the control environment in order to ensure the correct assessment and identification of threats and their integration into forecasts and decision-making.

The Línea Directa Group has established different levels of defence, designing an organisational structure for each of the types of risks identified:

- A management unit with direct responsibility for the day-to-day or ongoing management of such risks, as a first line of defence.

- A structure of committees, each responsible for identifying, managing and reporting on risks. By virtue of their composition and functions, these committees have executive functions in that they make decisions in relation to the risks they manage.
- Control functions as the second line of defence; i.e. the Risk Management, Actuarial and Compliance functions and ICFR.
- A supervisory function as the third line of defence, i.e. the Internal Audit function.

This structure corresponds to four essential objectives. Firstly, it ensures there is adequate control, management and reporting of all risks at the various levels of defence. Secondly control and reporting is vertical and horizontal, through both dependent entities and independent control functions. Thirdly, there is adequate scalability of reporting, control and decision-making. Lastly, responsibility, knowledge and control of risks is carried out at different levels, including the highest level of governance.





Most significant risks

Línea Directa Aseguradora has identified the following risks as the most significant:

- **Non-life underwriting risk.**
- **Health risk (disease underwriting).**
- **Market and concentration risk.**
- **Financial, credit and counterparty risks, including contingent liabilities and other off-balance sheet risks.**
- **Operational risks, including technological and cybersecurity risks.**
- **Legal risk (regulatory and regulatory compliance).**
- **Financial Information Risk (ICFR).**
- **ESG risks (environment, social and governance).**
- **Reputational risk.**

Throughout 2022, the company has worked to reorganise, standardise and streamline all processes. Moreover, the **integration of the Risk Map** and the improvement of the KRI (Key Risk Indicator) **Scorecard** have been optimised, redefining indicators and their thresholds to align them with the company's strategic goals, as well as reorganising the most relevant information for reporting to the governing bodies.

The company is reviewing the entire risk map and its associated controls in order to update it following the company's organisational changes and to adapt it to the new integrated map structure. The methodology for assessing risk typologies has also been standardised, and the economic impact assessment scale for inherent risk has been modified, unifying it for all cases. These actions, which will be completed in 2023, will provide management and the governing bodies with a comprehensive view of corporate risks. Following the creation of the Corporate Risks area in 2022, specific training was provided for the teams to prepare them for the new challenges and facilitate the integration of the control functions.

During the year, specific training was also provided on **regulatory compliance** for all employees and managers, aimed at raising awareness among staff of the need to comply with the law and the company's internal rules. Work has also been carried out to improve the ESG risk map, an area of particular importance for the company, updating and completing the control environment.

Following the IPO, the Línea Directa Group must ensure compliance with European Union regulations by adopting **International Financial Reporting Standards**. To this end, the Internal Control over Financial Reporting department was created in 2021, with the aim of identifying and determining what information in this area should be subject to the Internal Control System (ICFR).

ICFR is a part of internal control and is configured as a set of processes carried out by the Board of Directors, the Audit Committee, the Senior Management and the personnel involved in the entity to provide reasonable assurance regarding the reliability of the financial information published on the markets. In this regard, the Internal Control over Financial Reporting department is responsible for the effective implementation of the ICFR and its correct monitoring, and promotes the identification, review and documentation of the relevant information processes included in the ICFR. It also designs and implements the controls in this area, establishes a periodic report to the Audit and Compliance Committee for the quarterly closing of each financial year, and establishes a review process by the external auditor.

The main risks identified by the Línea Directa Group that may have an impact in the medium and long term are:

- **Cyber attacks:** The rapid digitalisation and widespread growth of teleworking, together with the professionalisation of cybercrime, make cyber risk one of the company's concerns, as it can affect service, trust, reputation, finances and business.

For this reason, Línea Directa keeps its cybersecurity strategies up to date, applying a comprehensive vision that involves different areas of the company and critical suppliers, and reinforcing response and recovery systems and protocols. In addition, cybersecurity training is provided to the entire workforce with the aim of avoiding risk situations and fostering a preventive culture in the organisation in the face of these threats. In addition, the entity has a cyber risk policy that offers coverage against the potential consequences of this type of event.

- **Business continuity** and response to systemic crisis situations, such as armed conflicts, extreme weather phenomena, energy shortages or shortages of certain basic foodstuffs.

Línea Directa has always made it a priority to continue providing its service to customers even in crisis situations. For this purpose, the company has a **Business Continuity Plan** that has enabled it to maintain its operations even in catastrophic events such as the "Filomena" storm or pandemics such as that caused by COVID-19.

- **The increase in natural disasters due to climate change.** The increasing frequency and severity of catastrophic losses due to adverse and unpredictable climatic phenomena result in peaks of incurred claims that make it difficult to manage them in a timely manner and affect the company's results.

To mitigate this risk, the company has specific procedures for managing these claims and an accumulation reinsurance programme to cover events exceeding a certain amount that are not covered by the **Insurance Compensation Consortium**. In this type of reinsurance, the loss cost of the event that exceeds the priority set in the contract is ceded. Moreover, the average cost of this type of event has increased significantly in the last two years, consolidating a phenomenon that, according to data from the Spanish Meteorological Agency, has very uneven distribution geographically.

Based on this data, the company has carried out a **study of the atmospheric damage guarantee** for homes located within a 10 to 30 kilometre strip of the coast in the following geographical areas:

- **Catalonia.**
- **Valencia, Murcia and the Balearic Islands.**
- **Andalusia.**
- **North: Galicia, Asturias, Cantabria and the Basque Country.**

- **The consequences of the COVID-19 health crisis and the war in Ukraine,** where impacts are being felt both in the economy, with significant spikes in inflation, and in financial markets. The tightening of monetary policy and possible recession in the major economies will have a negative impact on the insurance markets.

The automotive sector, however, is beginning to overcome the supply problems and semiconductor shortages that were weighing on registrations, although there is a tightening of conditions for financing the purchase of new vehicles. Moreover, the fact that Línea Directa is a company that operates without a middleman gives it greater control over claims, which means higher-quality information, a better rate for routing to collaborating garages, lower average repair costs, more stable supply systems and greater efficiency and specialisation of processes. In addition, the direct model allows for a higher rate of fraud detection and control, as the fewer the intermediaries in the management chain, the easier it is to detect and prevent fraudulent practices.

The adjustment in financial markets is also having an adverse impact on the valuation of sovereign bonds and risk assets. Although the company maintains a prudent investment strategy from the point of view of financial instruments (government and corporate fixed income), there are risks associated with the capital markets such as interest rate and equity market fluctuations.

The war in Ukraine has increased macroeconomic and geopolitical risk, aggravating the situation of general uncertainty, cybersecurity and business continuity. The reaction of markets and central banks to contain inflation has

increased liquidity and insolvency risk.

- **Talent risk** has become very important in the new business environment and is one of the main emerging risks for the company. Human capital is a competitive advantage in an environment where certain technical profiles are scarce and where inflation and social unrest are adding more and more pressure. Aware of this situation, Línea Directa is firmly committed to equal opportunities, non-discrimination and respect for diversity.

Furthermore, in order to provide the organisation with the skills and know-how necessary to achieve its strategic goals, the company has a specific talent retention plan that includes a wide range of measures designed to boost talent in the organisation, as well as a firm commitment to the professional development of its employees.

For this purpose, Línea Directa has created a campaign to promote a culture of professional development called RE-EVOLUCIONA, which seeks to motivate employees to gain new professional development experiences, encourage self-directed learning and facilitate internal professional growth and promotion through a model that identifies talent within the organisation.

In addition, the company continues to develop internal talent through professional communities, where talent is systematised by functional area, offering specific training programmes and an opportunity to share knowledge regardless of what position employees hold in the organisational structure. In this same vein, leadership has been promoted in the "Darwin", "Grow" and "Smile" communities; analytical capacity in the "Pi Community";

and the Agile methodology among groups involved in different projects. The company also has policies on Sustainability, Gender Equality, Diversity and Inclusion and Human Rights, as well as on Talent, approved in 2022.

- **Regulatory change.** The increase in regulations and standards has forced the company to adapt its processes and systems to the new legal requirements and to strengthen the most affected teams. In this regard, Línea Directa has developed a bulletin of regulatory and legal changes that includes regulatory projects, relevant criteria issued by the main supervisors as well as other news of scope that may affect or be of interest to the company. Information is also provided on the



possible impact these regulatory measures could have on the company, and awareness programmes are held for the entire organisation on regulations and risks, including the implementation of actions to ensure that the areas incorporate these changes into their processes and operations.

- **Provisioning risks:** the company's reported reserves for claims and related costs are calculated using estimates based on actuarial calculations and statistical models, in addition to the reserves that the Services and Benefits team establishes individually.
- **Digitalisation and emerging technologies:** the pandemic has accelerated the digitalisation of companies and consumers, which has created a new risk: not managing to respond quickly and effectively to customer demand for new products and ways to engage with the business, as well as risks arising from the lack of technology scalability.

Línea Directa wants to consolidate its position as a digital benchmark in the Spanish market. To this end, the company created a Digital Transformation area that reports directly to the CEO, with the aim of leading digital transformation with a single, strategic and comprehensive vision, improving the digital customer experience and having teams specialised in technology innovation and in the design and development of new products.

Línea Directa wants to consolidate its position as a digital benchmark in the Spanish market.



The Corporate Risk Department periodically analyses the risks that could impact the business if they were to occur, including ESG factors.

Actions planned for 2023

A series of priorities have been identified for 2023, with the aim of continuing to improve the identification, control and management of corporate risks, mainly:

- Quantitative and qualitative risk assessment of new products to be launched by the company.
- Automation of processes to make them more efficient.
- Once the integration of the risk map has been completed, the company will review internal control processes to broaden the scope of the controls monitored. The aim is to be more precise in the assessment of residual risks and to boost the internal control environment. It will also consolidate the different categories of events and their assessment by levels or types.

Managing environmental, social and governance (ESG) risks

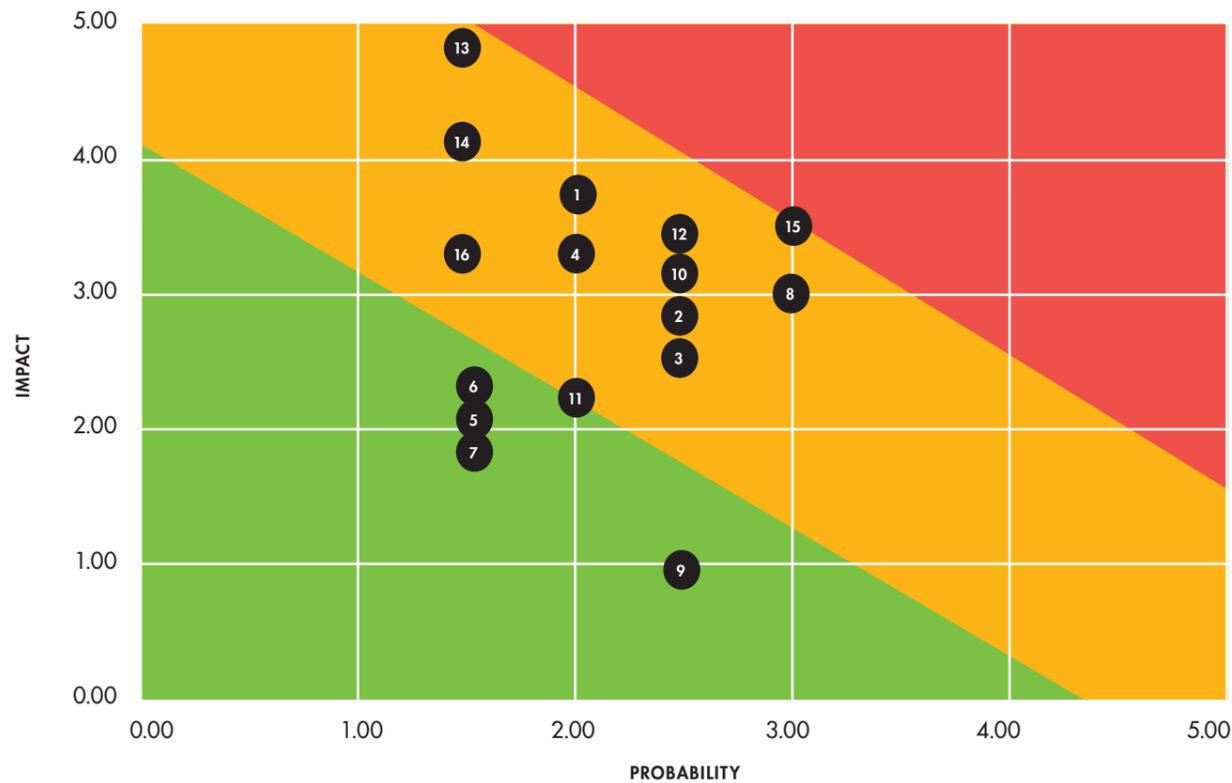
The **governing bodies** receive information quarterly on the key risks facing the company and the **capital resources** available to manage them, as well as on compliance with the limits set out in the risk appetite.

The Corporate Risk department, along with other areas of the company, periodically analyses the risks that could impact the business if they were to occur, including ESG factors. Based on this analysis, an assessment of the company's main risks is conducted, and the corresponding prevention and mitigation measures are identified in order to obtain an assessment of the residual risk.

In this respect, the entity has defined the ESG risks and the management model, processes, affected regulations and the methodology, which constitutes a qualitative assessment that helps to detect the events that pose the most imminent threat. This methodology is monitored on a regular basis to facilitate the transmission of information between the areas responsible for the risks and the company's Risk Management.

The company is also **monitoring the mitigation measures** or controls identified in each area, analysing whether they are being carried out effectively using the evidence, updating the control environment and risk assessment. If an improvement is identified, appropriate action plans are defined.

ESG Risk Matrix



The analysis of the map shows an improvement compared to 2021 in the risk of “Failure to make responsible investments”, mainly due to the improvement of the control environment with the approval of a sustainable investment policy by the company’s governing bodies.

Additionally, there is greater concern about IT security due to the increase in cyber-attacks on companies, which is reflected in the map despite having increased measures and controls in the company.

Also, the focus on the customer, as one of the company’s strategic pillars, together with the current changes in society’s needs and trends, implies a greater assessment of

the impact of the risk of “Inadequate advice regarding customer needs in design, marketing and claims”. The company is thus working on various areas of improvement aimed at increasing the control environment.

The ESG risk map of the Línea Directa Group is divided into **3 pillars** that include **5 essential blocks**, which in turn are classified into **16 levels** that represent the different events included in each category. All of them are linked to the **Sustainable Development Goals (SDGs)** and other reporting frameworks (GRI or Non-Financial Reporting Act 11/2018).

Category	Factor	No.	Causes/Risk events		
ENVIRONMENTAL	Environment and climate change	1	Non-compliance or non-adaptation to the requirements of environmental regulations		
		2	Lack of adaptation of products to the effects of climate change		
		3	Failure to consider climate change risks in the evaluation of financial and risk ratios		
		4	Lack of methodology for calculation and integration of regulations into the strategy		
SOCIAL	Employees	5	Non-compliance with regulations and diversity/equality requirements		
		6	Non-compliance or inadequate management of employee development Non-compliance with occupational risks		
		7	Non-compliance with labour and human rights		
	Customers	8	Inadequate customer advice Failure to adapt to customer needs in the design and marketing of products or in the event of complaints		
		9	Lack of or inadequate contribution to the needs of the social environment		
		GOVERNANCE	Relationship with third parties	10	Supply chain
				11	Failure to make a responsible investment
Governance, ethics and transparency	12		Non-compliance with sectoral good practices		
	13	Inadequate corporate governance structure and practices			
	14	Cases of corruption and non-compliance with tax regulations			
	15	Cybersecurity and lack of confidential information management			
		16	Weaknesses in communication and relationship with third parties		

Although the Línea Directa Group is not in a critical sector with respect to **climate change**, the company is particularly aware of this problem, and therefore promotes and encourages responsible management of resources and the environment. To this end, it has specific policies and measures that are detailed in the Environmental Management section.

In the **social arena**, Línea Directa Group has specific protocols and measures to promote the potential and the development of its employees by supporting diversity and inclusion, offering the best solutions to maintain employability and promoting a safe working environment and employee health, as described in the Social and Employee section.

The area of **Good Corporate Governance** highlights the approval mechanisms for suppliers, the company’s corporate governance structure that is in line with all regulatory and best practise requirements, the company’s zero tolerance for bribery and other illegal acts reflected in the code of ethics and other internal policies and, of course, all the measures the organisation has implemented to protect information and data.

ENVIRONMENT

CLIMATE CHANGE GOVERNANCE AND MANAGEMENT

RISKS AND OPPORTUNITIES IN THE FACE OF CLIMATE CHANGE

CARBON FOOTPRINT

ENVIRONMENTAL MANAGEMENT SYSTEM

BIODIVERSITY

ADAPTATION TO CLIMATE CHANGE



Environment

Línea Directa Aseguradora operates in an industry that is not critical with respect to climate change. Moreover, it operates under a direct business model, without intermediaries or branch networks, which naturally makes it more environmentally efficient than other companies in the sector, which have a network of branches throughout the country.

The company is, however, aware that it operates in a key sector in the transition to a low-carbon economy. With an ageing vehicle fleet and a more restrictive regulatory horizon, Línea Directa is committed to a sustainable business strategy in order to meet the needs of stakeholders in the face of the uncertainties that arise in this regard. The company's activity combines the responsible management of its consumption and the launch of new products and services for new, less polluting forms of mobility. In addition, the company continues to make progress in the responsible management of its value chain and in the inclusion of ESG criteria in its investment portfolio.

During 2022, Línea Directa has made progress in responding to the new challenges of the energy transition that affect it with the completion of its 4th Sustainability Plan 2020-2022, which includes its main ESG strategic lines, with a degree of compliance of 96%. In its environmental pillar, the company has promoted energy efficiency in its activity, reduction of greenhouse gas emissions, minimisation of paper and plastic

With its adhesion to the TCFD in 2022, Línea Directa undertakes to incorporate and report on the governance, strategy, risk and opportunity management, and the metrics and goals for climate change.

consumption, as well as the development of procedures for the recovery of waste in its subsidiary CAR repair shops (Línea Directa's Advanced Repair Centres).

In this regard, the company's adherence in 2022 to the **Task Force on Climate-Related Financial Disclosure (TCFD)** is essential. With this commitment, it undertakes to incorporate and report on governance, strategy, risk and opportunity management and climate change metrics and goals.

The company has also delved deeper in the management of the portfolio with ESG criteria, creating reports on the sustainability of its assets and enhancing the eligibility of investments according to the European Union's Green Taxonomy.



Climate Change Governance and Management

Línea Directa's Board of Directors has ultimate responsibility for the company's sustainability and is the body responsible for approving, monitoring and reviewing the implementation of the environmental strategy.

As a novelty, the company has organised a Sustainability Working Group in 2022, composed of middle managers from different key departments for the implementation of the Plan. These include the departments of Investor Relations and Financial Planning, Corporate Governance, Space Management, Quality, Risks, External Communication and Sustainability, Purchasing, Services and Benefits, Human Resources and the product manager of the Marketing area.

This Working Group supervises and promotes the Plan's actions and reports the results to the Sustainability Committee, made up of the Director of People, Communication and Sustainability and a group of directors directly involved in the company's ESG decision-making, such as the Director of Finance, the General Secretary, the Director of Services and Benefits and the Director of Marketing. This Committee oversees compliance with these actions and ensures the implementation of sustainability measures, including environmental protection, and reports the results to the CEO, the Management Committee, the Advisory Committees and the Board of Directors.

In 2022, the company increased the scope of its previous Environmental Policy, through the Board of Directors approving an Environmental Management and Climate Change Policy, which establishes mechanisms to measure the company's environmental performance and make decisions in this regard, avoid or minimise the environmental impacts that its activity could generate, evaluate those that its products and services could generate and define measures to be adopted for the elimination or reduction of its polluting emissions.

It also undertakes to promote environmentally friendly products and services; to accompany its customers in the transition to a low-carbon economy; to foster an environmental culture among its employees, suppliers and partners; and, lastly, to promote actions to raise awareness in society.

The insurer has thus implemented an organisation, policy and actions that will serve to fight climate change, and which places it on the road to adapting to the new regulatory requirements that aim to achieve zero net emissions in the economy by

2050. In this regard, the company has made great strides. More than 90% of the electrical energy consumed at Línea Directa Aseguradora's workplaces comes from renewable sources and green energy, and self-consumption has been increased via a photovoltaic power plant. In addition, the company has verified the calculation of its 2021 Carbon Footprint and has offset its corresponding Scope 1 and 2 emissions through reforestation projects, obtaining the compensatory seal of the Spanish Ministry for Ecological Transition and the Demographic Challenge.

Línea Directa undertakes to promote environmentally friendly products and services; to accompany its customers in the transition to a low-carbon economy; to foster an environmental culture among its employees, suppliers and partners; and, lastly, to promote actions to raise awareness in society.



Risks and opportunities in the face of climate change

Línea Directa recognises climate change as one of the most critical threats to the stability of the world's economic, social and geopolitical systems. It therefore considers it essential that companies report on how they are tackling this problem.

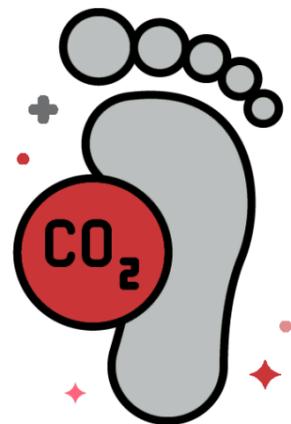
In order to provide value to its investors and participate in reducing the risk of a systemic financial shock to the economy due to climate change, the company has joined the Task Force on Climate-related Financial Disclosures (TCFD), the initiative promoted by the Financial Stability Board, in 2022. By joining this initiative, the company commits to incorporating its climate-related financial disclosure recommendations and to report on them regularly.

The TCFD is a global trend in climate change reporting, which provides an effective response to analysts and investors and is becoming widely accepted among regulators at national and global level as the best practice for reporting on climate performance.

Línea Directa is committed to reporting on governance, strategy, risk and opportunity management and publishing metrics and targets regarding to climate change over the next three years. To this end, the company has designed a roadmap to analyse the climate risks and opportunities, both physical and tran-

sitional, identified in the short, medium and long term, affecting both its operations and its value chain.

In addition, it continues to measure its emissions, with particular emphasis on Scope 3. These actions will serve as a starting point for the company to prepare a report consistent with TCFD recommendations.



TCFD RECOMMENDATIONS: STARTING POINT

Línea Directa Aseguradora is committed to implementing the recommendations of the TCFD.

1. GOVERNANCE

Disclose the organization's governance around climate related risks and opportunities.

- 01** Describe the board's oversight of climate-related risks and opportunities.
- 02** Describe management's role in assessing and managing climate-related risks and opportunities.

2. STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

- 01** Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- 02** Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.
- 03** Explain the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

3. RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks.

- 01** Describe the organization's processes for identifying and assessing climate-related risks.
- 02** Describe the organization's processes for managing climate-related risks.
- 03** Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

4. METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

- 01** Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.
- 02** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks
- 03** Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Carbon footprint

Línea Directa Aseguradora has been calculating its carbon footprint in a comprehensive way for more than 11 years in all three scopes of emissions: Direct (fossil fuel consumption), Indirect (electricity consumption) and Induced (including travel, business trips, paper and water consumption).

In 2022, for the third time, Línea Directa Asistencia prepared an estimate of the greenhouse gas emissions generated by the services it provides by road. The subsidiary has calculated the kilometres travelled annually through its supply chain as part of the towing services. It has also calculated the kilometres travelled

by rental vehicles, by taxis used by customers when their vehicle needs to be repaired in the garage, by expert verification services and by the collection and delivery of replacement vehicles to customers. As a result, emissions of up to 7,250 tonnes of CO₂ have been accounted for; 20.2% more than in 2021.



Registry and offset of 2021 carbon footprint

The company has decided to register its 2021 carbon footprint for the first time with the Ministry for Ecological Transition and the Demographic Challenge, through the Spanish Climate Change Office (OECC).

Línea Directa has also offset Scope 1 and Scope 2 of its carbon footprint with two absorption projects of a different nature, one in Spain (Cervatos Reforesta, Palencia) and the other in Peru (Conservation of the Amazon in Madre de Dios, Peru).

Calculation of 2022 carbon footprint

The calculation of emissions is carried out following the GHG Protocol methodology. For the calculation of the carbon footprint, emission factors from the annual publication of MITECO (July 2022 version) and from the official source of the UK Department for Environment, Food and Rural Affairs have been used, where necessary.

For the calculation of Scope 2, the Guarantees of Renewable Origin (GDOs), issued by the Spanish National Markets and Competition Commission (CNMC) are the instrument that certifies the origin of the electricity consumed as coming from renewable sources.

Environmental management system

CERTIFICATION

Línea Directa Aseguradora has implemented an environmental management system, certified based on the UNE-EN ISO 14.001:2015 standard to monitor and centrally manage energy consumption, water consumption, waste production and other aspects of environmental performance in the workplaces occupied by 76% of its employees. The company has also implemented an energy management system certified according to the international UNE-EN ISO 50.001:2018 standard, which guarantees a lower environmental impact by reducing energy consumption.

This system makes it possible to plan and implement measures and strategies for the most effective control and management of all resources, with the ultimate goal of minimising environmental impact by reducing or offsetting consumption.

Línea Directa Aseguradora's centres are ISO 14.001 and ISO 50.001 certified.



ECO-EFFICIENCY AND SUSTAINABLE USE INDICATORS

In recent years, the Línea Directa Group, within the framework of its 4th Sustainability Plan 2020-2022, has carried out a series of actions aimed at improving efficiency in its facilities, as well as achieving significant energy savings.

In 2022, the Group continued with the plan to renew the air conditioning system, replacing a chiller with more efficient equipment, complementing the actions carried out the previous year.

With regard to the energy consumed in the facilities and actions aimed at reducing energy consumption, the Línea Directa Group has set a target for the next three years that 100% of the energy consumed in its facilities should come from renewable sources.

To this end, the environmental management system has a system for monitoring the energy from the photovoltaic panels the Group has installed. In 2022, work has been carried out for the installation of new photovoltaic panels for generating electricity, with an electricity production target that is estimated to double the existing self-consumption infrastructure.

Currently, the amount of electricity consumed by Línea Directa in 2022 that comes from self-consumption represents 6.1% of the total electricity consumed.

In addition, various measures have been taken in the CAR garages in Madrid and Barcelona to reduce consumption and

environmental impact. At CAR Madrid, the solar panels became fully operational in June 2022, generating an energy consumption savings of 25% per month. In addition, the change of compressors and the change of lighting to LED technology have helped to reduce energy consumption. CAR Barcelona is located in a high-efficiency building with LED lighting, high-efficiency compressors and energy-efficient paint booths. In addition, the fleet of replacement vehicles for customers has been renewed at both sites, giving priority to those with lower emissions and higher safety features.

LDA Reparaciones, the Group's subsidiary that provides services to the Home line, has renewed its fleet of leased vehicles used by professionals to provide home assistance services, shifting to vehicles that are less harmful to the environment. In 2022, despite the increase in activity, fuel consumption has remained stable compared to 2021. As a result, emissions generated by these services in 2022 amounted to 29.73 tonnes CO₂, a reduction of 9% compared to 2021, thanks to the greater efficiency of the fleet.

To support employees in this change, the company has provided 10 charging stations for electric and hybrid cars this year.

WASTE MANAGEMENT

For the management of waste produced in the workplaces, Línea Directa has waste collection centres in each plant and office that are properly signposted so that all employees can separate organic waste, paper waste and plastic packaging.

All waste resulting from business activity is collected by authorised waste managers, with the aim of carrying out final waste recovery treatments so that the resources used have a second life.

These treatments, which are specific to each type of waste, require the company to carry out waste segregation. To this end, the company has raised staff awareness and has installed specific areas for waste segregation in all buildings.



Circular economy

In recent years, the Línea Directa Group has developed a plan to promote the circular economy, which is one of the main global challenges. This plan is based on three main pillars:

- The project, which began in 2016, to reduce paper consumption through the implementation of digital procedures. Customers can have all documents available digitally through the “Digital Policy”, which is sent to the policyholder when the policy is taken out.
- Use of sustainable materials, promoting responsible consumption of resources, through the use or reuse of more sustainable materials, for example, in home repairs, whenever technically feasible.
- Reducing waste generation and increasing the reuse, recycling or other recovery of the waste produced. In particular, both CAR Madrid and CAR Barcelona have obtained the “Towards Zero Waste” certificate, which indicates that more than 60% of the waste produced as a result of production activity has been subjected to treatment.
- Other measures that have helped to raise awareness among employees to save paper is the extension of the use of electronic signatures, present both in document-based relations with customers and in contracts with suppliers and employees, allowing each contract to have a specific digital file that reduces the need for paper.



These three lines of action, together with the technological changes implemented, have helped to gradually develop a cultural change within the Group, which has a direct impact on environmental performance in general and waste management in particular.

In the case of the CAR Madrid and CAR Barcelona repair shops, the subsidiaries have a strict waste management policy due to their activities and the type of materials they work with.

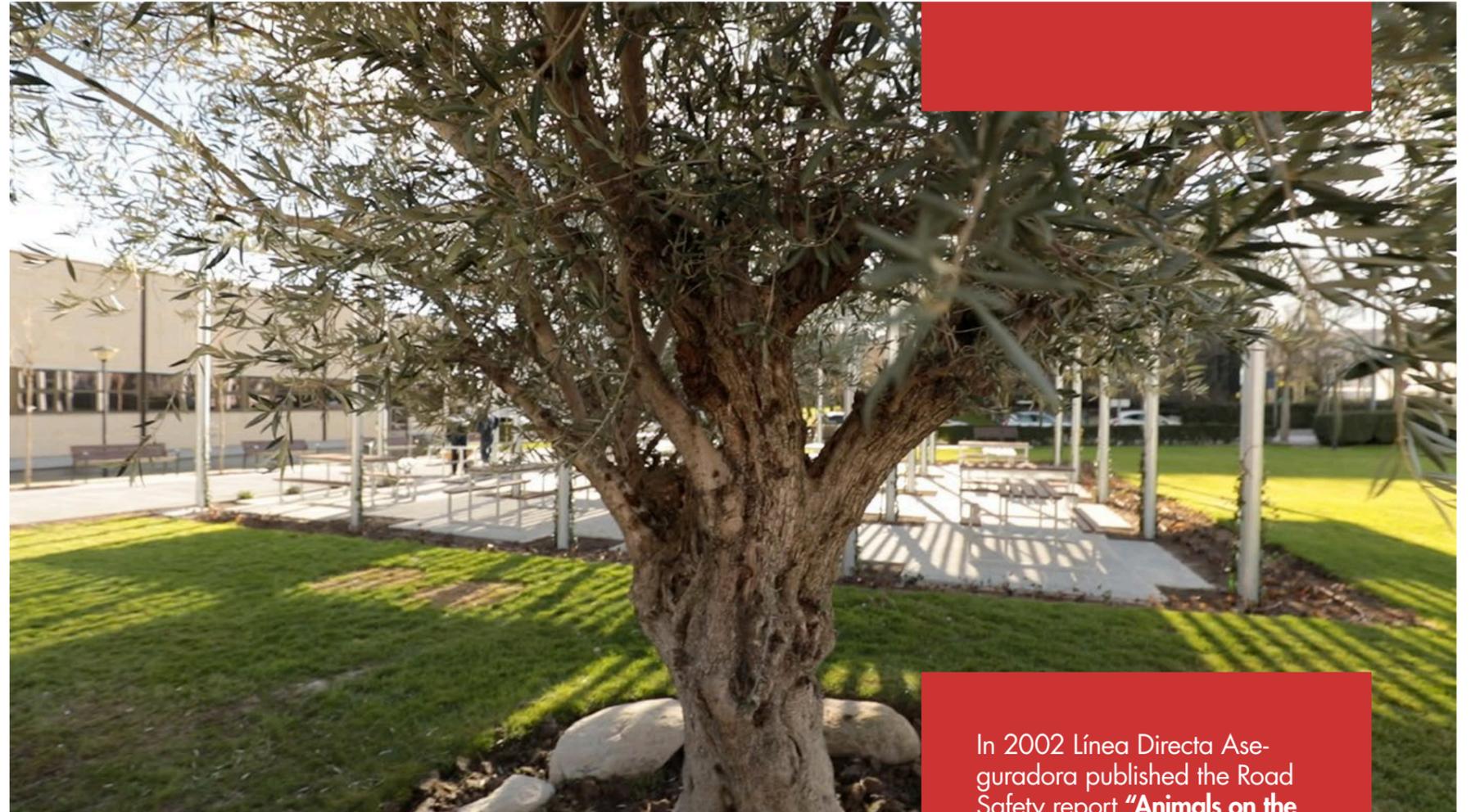
Biodiversity

The Línea Directa Aseguradora Group has no impact on protected natural areas and/or biodiversity as its headquarters are located in urban areas.

However, as a sign of its commitment to the environment, the Línea Directa Group supports the WWF initiative, "Earth Hour", which mobilises people, companies and governments to reverse the loss of nature's biodiversity. The company has actively collaborated with the actions promoted by the initiative and also participates through a monetary contribution to this project.

The company also runs campaigns aimed at employees with recommendations on how to reduce their environmental impact and publishes a good environmental practises manual on its intranet, which is available to all employees who wish to consult it.

In addition, in 2022, Línea Directa Aseguradora published the Road Safety report "Animals on the road: A mortal danger. Accidents involving animals on Spanish roads (2017-2021)" with a dual objective: to raise awareness of a road safety hazard and to provide information on actions to take to try to safeguard wildlife in the event of an accident involving an animal.



In 2002 Línea Directa Aseguradora published the Road Safety report "**Animals on the road: A mortal danger. Accidents involving animals on Spanish roads (2017-2021)**"

Adaptation to climate change

The aim of publishing the EU taxonomy is to steer capital flows towards sustainable activities, with the main challenge for companies being the adaptation of their business model towards a low-carbon economy.

Regulatory context

In recent years, the European Commission, in the context of the 2015 Paris Agreement on Climate Change and the United Nations 2030 Agenda for Sustainable Development, commissioned a group of technical experts to develop the European Union (EU) strategy for sustainable finance, as part of its commitment to direct capital flows towards sustainable activities.

As a result of this strategy, in December 2021, the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and setting out the technical eligibility criteria that an activity must meet in order to contribute substantially to the objectives of "Climate Change Mitigation" and "Climate Change Adaptation".

In the specific case of financial institutions (credit institutions, asset managers, investment services firms and insurance and reinsurance undertakings), the publication of Delegated Regulation (EU) 2021/2178 set out the key performance indicators to be published and further specified the methodology for complying with such disclosure. Financial institutions are a key player in the transition to a more sustainable economy through the management of significant capital flows.

Currently, the expert group is still in the process of finalising the criteria for four other environmental goals: "Water protection", "Circular economy", "Pollution prevention" and "Biodiversity and ecosystems".



Content of the Regulation

The Taxonomy establishes a set of harmonised criteria to determine in a homogeneous way whether an activity or investment is sustainable by making a substantial contribution to one of the environmental goals set out in the Regulation. The detailed definition of these criteria provides the basis for the development of standards or labels to assess the sustainability of a financial product.



Eligibility and alignment

An economic activity or an investment is considered **eligible** under the EU Taxonomy when it corresponds to the definitions of activities provided by the Regulation or the CNAE of activity matches the one defined in the Regulation.

However, an activity is considered to be **aligned** with an environmental goal, if in addition to being eligible it meets the following requirements:

- It contributes substantially to an environmental goal by meeting the technical selection criteria defined by the Regulation.
- It does not significantly harm another environmental goal set by the Regulation.
- The company assesses the **social safeguards** established by the Regulation and achieves a favourable outcome.

Disclosure obligation

Article 8 of the Taxonomy Regulation requires companies obliged to publish Non-Financial Information under Articles 19 bis or 29 bis of Directive 2013/34/EU (as amended by Directive 2014/95/EU) to include, in their non-financial information reports, indicators on the extent to which the company's activity is associated with economic activities that are considered environmentally sustainable under the Taxonomy.

In the particular case of insurance entities, there is an obligation to report information on:

- **Insurance activities:**

- Eligibility of the insurance activity on the basis of the activities defined by the Taxonomy.
- In the future, the alignment of insurance activity with the EU's environmental objectives must also be reported, through compliance with the technical selection criteria defined by the Regulation.

- **Investing activities:**

- Eligibility of the company's investments based on the activities defined by the Taxonomy.
- In the future, the alignment of investments with the EU's environmental objectives must also be reported, through compliance with the technical selection criteria defined by the Regulation.

Eligible activities according to the Taxonomy

The implementation of the Taxonomy reporting obligation is phased in gradually for both financial and non-financial institutions. The obligation to report key performance indicators for financial companies is expected to come into force in 2024, while non-financial companies will already have to include the key indicators in their 2022 report.

Línea Directa Aseguradora has assessed both its 2022 activity and investments based on the methodology established by the Taxonomy. In this regard, the following indicators are reported:

Share and amount of gross premiums written of non-life and reinsurance business from activities identified as environmentally sustainable according to the Taxonomy.

The company's activity corresponds to the activity "Non-life insurance: insurance against climate-related risks", corresponding to the contribution to the goal of **Climate Change Adaptation**.

KPIs related to underwriting activities have been calculated as the share of non-life gross premiums written corresponding to insurance activities that comply with the Taxonomy in relation to Non-Life gross premiums written.

		Motor, general liability insurance (€)	Motor. Other Guarantees (€)	Fire. Other damage to property (€)	Assistance (€)	Medical expenses (€)	TOTAL (€)
2022	Total gross written premiums	356,047	416,740	143,713	1,097	29,082	946,679
	% eligible premiums	100%	100%	100%	100%	100%	100%
2021	Total gross written premiums	341,746	406,354	131,243	1,397	26,449	907,189
	% eligible premiums	100%	100%	100%	100%	100%	100%



The proportion in total assets of exposures to eligible and non-eligible economic activities according to the Taxonomy.

The calculation has been made with the market value of the positions on the balance sheet for each of the categories and on the total assets of Línea Directa Group. All positions held by the company in the portfolio, except for the holding in TIREA, have been assigned a CNAE code.

Eligible/Non-eligible: the percentage of the portfolio in non-eligible is mostly due to investment, both in bonds and shares of financial institutions, and a minority of positions in motor, pharma, healthcare, consumer, commodities, etc., which are activities that have not yet been developed by Taxonomy.

Debts and agencies: include all portfolio positions in sovereign debt and other bonds in both domestic and supranational agencies.

Listed and unlisted funds and investment companies: are considered exempt, except for those for which specific ESG information is available. As at 31 December, the company has a CNAE code assigned as a financial product and is therefore exempt.

Derivatives: includes portfolio percentage.

Property: the following are considered eligible properties that, at the end of 2022, have environmental or energy efficiency certifications (ISO 14.001, ISO 50.001 or LEED certification) or are in the process of certification.

		Value (€M)	KPI 1: eligible (%)	KPI 2: non-eligible (%)	KPI 3: debt and agencies (%)	KPI 4: derivatives	KPI 5: no CNAE (%)	Exempt (%)
2022	Total assets Línea Directa Group	1,195.41	16.82	14.39	27.70	0.66	0.00	14.70
2021	Total assets Línea Directa Group	1,368.48	10.52	16.98	29.98	-0.69	0.00	22.55

In 2022, the steps taken in opening new positions in the investment portfolio have led to an increase 6 pp, exceeding the target of 1.1 pp increase in eligible assets, as established in the 2022 Sustainability Plan, of the assets in the portfolio that are considered eligible under the EU Green Taxonomy.



PEOPLE AND TALENT

ALIGNMENT WITH THE COMPANY'S BUSINESS STRATEGY

DIVERSITY AND EQUALITY

TALENT ATTRACTION

TALENT MANAGEMENT

EMPLOYEE WELLNESS

CORPORATE REMUNERATION AND BENEFITS

PAY GAP

HEALTH AND SAFETY

EMPLOYEE RELATIONS

DISABILITY AND ACCESSIBILITY



People and talent

In February 2022, the Board of Directors of Línea Directa Aseguradora appointed Patricia Ayuela as the company's Chief Executive Officer. This appointment has meant a new direction for the organisation and, consequently, the strategy of the People area this year has been adapted to the new needs defined by the CEO and the new management team.

The new Chief Executive Officer has established the strategic priorities of Línea Directa Aseguradora, focusing on four main pillars of action: focus on the customer, strong growth, digitalisation and profitability. To tackle these challenges, the company has designed a new structure that aligns the organisation with this ambitious new strategy. The Motor and Home areas have been unified and are now organised into two main areas. The first is the Commercial area, responsible for attracting new business and new customers, leveraging the company's strengths as a multi-line group, its strategic alliances and new market opportunities. The second is the Portfolio area, which is responsible for fostering a more continuous and closer relationship between customers and the Group, focusing on building long-term loyalty among policyholders and on innovating products and services for customers. In addition, a new Corporate Risk area has been established, which centralises the company's second line of defence in risk control in order to consolidate control and risk. Moreover, a Digital Transformation department has been created in order to drive the digitalisation of the company's processes and customer relations. This department reports directly to the CEO and

leads digital transformation with a single strategic and comprehensive vision.

For this new phase at the company, attracting and retaining the best talent has been key. This has always been one of Línea Directa's main objectives in terms of employees, and the company remains focused on the external selection and internal development of highly qualified and dedicated professionals to meet the organisation's new challenges. The company has its own model for attracting talent based on a well-defined value proposition.

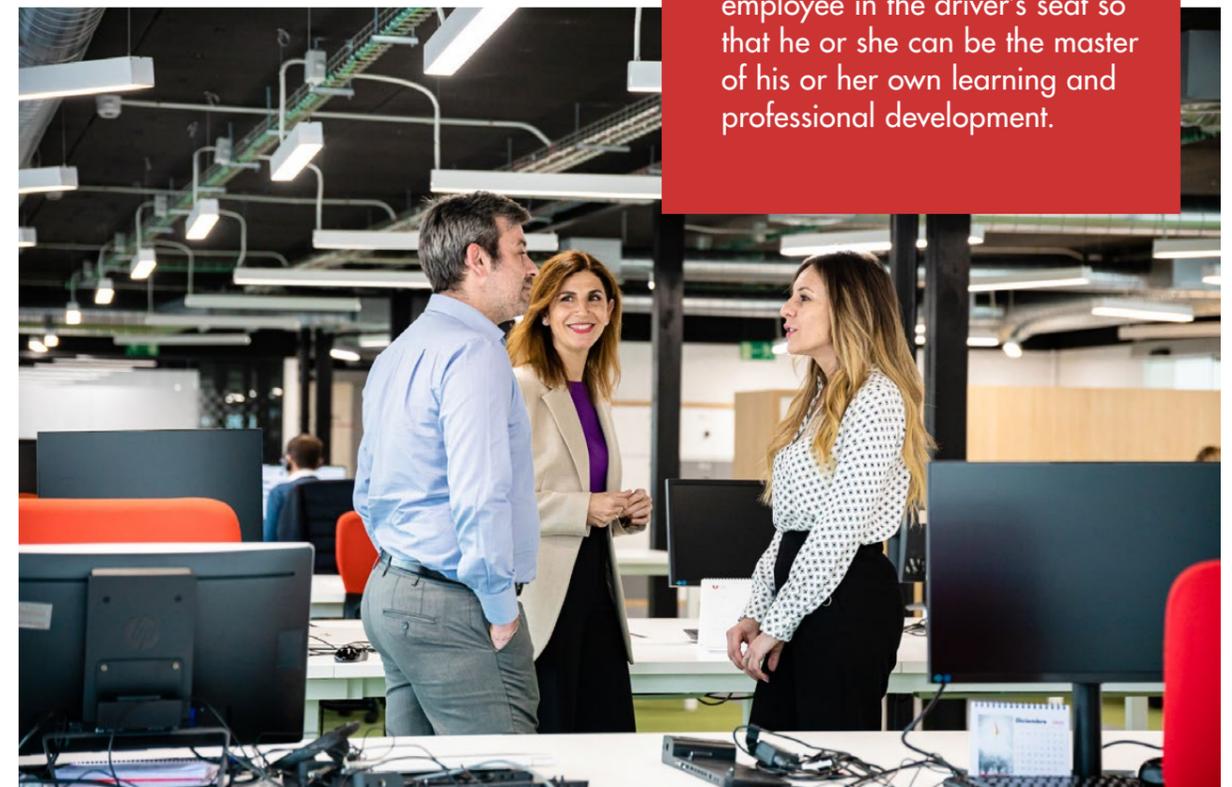
The Talent area has laid the foundations for a new strategy aimed at motivating employees to take on new challenges, take on internal job changes within the organisation and enhance their professional development through new ways of learning. Regarding this last point, in 2022, the focus has been on an internal campaign to promote a culture of career development within the organisation. The role of training has also been critical at a time of structural change in order to train professionals on a new company mission in record time.

We have continued to focus on innovative forms of learning and putting employees in the driver's seat so that they can be the masters of their own learning and professional development. To do so, several digital platforms and Microsoft 365 collaborative tools have been developed.

This year, the company has strengthened its Wellness and Health strategy with more activities and webinars, incorporated new flexibility and digital switch-off measures, and reinforced its diversity, equality and inclusion strategy with a greater number of initiatives. In the area of generational diversity within the company, 2022 has shone a spotlight on attracting young talent by encouraging more senior talent to share with them and pass on their experience.

It is also important to highlight the implementation of a new flexiwork model that has allowed Línea Directa to gain agility and efficiency, as well as to optimise time spent working – and, at the same time, to focus on flexibility and well-being, taking care of employees as the main driving force of the organisation – in order to achieve its ambitious medium and long-term objectives.

In 2022, we have continued to focus on innovative forms of learning and putting the employee in the driver's seat so that he or she can be the master of his or her own learning and professional development.



Alignment with the company's business strategy

In 2022, Línea Directa Aseguradora has continued to grow, with an average workforce of 2,538 employees and a commitment to quality employment. In an environment of change and high volatility, the business and people needs of the organisation have been at the centre of HR strategy decisions.

This year, the new CEO has placed particular emphasis on communication through meetings with the entire chain of command to share strategy and results. She has also defined the new annual strategic business objectives, which are communicated to all employees through the Performance Management System. Subsequently, each area manager sets the goals for their area of responsibility in accordance with the strategic

corporate goals, and all of these goals are assigned to the individual employees.

This way, the People area is fully aligned with the company's strategic objectives and contributes to achieving them, taking on special importance this year under the new management. Proof of this is the joint work that the area is doing together with the new management and with all the business and

Corporate culture is, in short, a fundamental component that supports organisational change, as it makes a significant difference in the employee's life at the company.

service areas, keeping up a constant dialogue, taking part in day-to-day strategic decisions, understanding the organisation's challenges and incorporating new trends in agile and innovative work methodologies. The People area has had a dual role to play; on the one hand, enabling people to carry out their current functions and achieve their short-term objectives and, on the other, preparing the company to take on new challenges, providing it with the talent it will need in the medium and long term.

In a year of changes in the organisation, communication channels with employees have become particularly important, both to provide them with first-hand information on the changes taking place involving key people and to attend to all employees' needs through the People Care department in a friendly and completely personalised manner.

In this context, it has been key to establish the alignment of the workforce with the company's new strategy. To this end, opinion surveys have been carried out throughout the year, enabling Línea Directa to draw up action plans in accordance with the needs and motivations of the people in the organisation. In this regard, it has been more important than ever to maintain the essence of Línea Directa's culture, which rests on two main pi-

llars: a form of leadership that is open and honest, and strongly communicative, with its own style, which is adept at balancing serious and profound messages with more casual ones. Corporate culture is, in short, a fundamental component that supports organisational change, as it makes a significant difference in the employee's life at the company.

In 2022, the company has passed two rigorous external audits to become certified once again as one of the Spanish companies recognised as a Flexible and Responsible Company (EFR). Línea Directa has also devoted special attention to the employee health, focusing on prevention and well-being, mainly in relation to psychosocial risks and employees' emotional health.

Initiatives have also been developed to improve the employee experience. The People area has focused on strengthening and expanding a comprehensive package of corporate benefits with the aim of attracting employees by offering a different value proposition.

The company's #LíneaDirectaDNA encapsulates its ethos as a means of attracting talent: "We are Different, we Nurture and care about people, and we are Agile."



Diversity and equality

Línea Directa Group has a Diversity and Inclusion Policy, approved by the Board of Directors, which sets out the principles through which the company contributes to the achievement of its objectives in this area. The principles set out in this Policy are:

- Ensuring a **culture of respect for people** and diversity-friendly behaviour among employees and suppliers.
- Ensuring **fair selection, recruitment, training, promotion, remuneration and severance** processes for employees.
- Promoting the **inclusion of the most vulnerable groups**, facilitating their proper integration into the company and ensuring a respectful working environment.
- Fostering a **culture of diversity and inclusion** backed by programmes, activities and action protocols that facilitate the integration of all employees.

This Policy also sets out the company's key **commitments** regarding generational, functional, cultural, gender and sexual orientation diversity. In addition, other people management policies such as the Recruitment, Hiring, Talent, Equality and Internal Vacancy Policies and the Internal Vacancy Procedure were designed taking diversity criteria into account.

Línea Directa is a member of the European Diversity Charter, promoted by the European Commission, through which private institutions and organisations contribute to creating a more diverse and respectful environment and society, in line with the European anti-discrimination directives. Adherence to this Charter implies acceptance of the following principles:

- To respect the fundamental principles of equality.
- To promote behaviour that respects the right to inclusion of all people, regardless of their different profiles in the work environment and in society.
- To recognise the benefits of including cultural, demographic and social diversity in the organisation and implement concrete measures to promote a working environment free from prejudice in employment, training and promotion.
- To promote anti-discrimination programmes for disadvantaged groups.

In terms of talent attraction and recruitment procedures, the company has a selection procedure and a recruitment procedure in which it ensures that all of the processes observe the following:

- Respect **equal opportunities** and promote non-discrimination on the basis of race, colour, gender, marital status, world view, political opinion, nationality, religion or any other personal, physical or social condition.
- Include all professionals who match the required profile and ensure that selection is based on **objective criteria** in terms of knowledge, skills, attitudes and values and that all applicants are treated equally throughout the process.
- Help **young people to get their first job** through grant schemes and other arrangements.
- Promote the recruitment of **people with disabilities** who are affected by or at risk of social exclusion, thus favouring socially acceptable employment.
- Provide candidates with a **competitive job offer** based on a remuneration proposal commensurate with their experience, a challenging environment that respects equal opportunities and an appropriate work-life balance.



One of the key principles is the culture of respect for people.

Diversity initiatives at Línea Direct

In 2022, the company has carried out different initiatives in order to promote diversity inside and outside the organisation. It is important to note that these are some of the initiatives that have been highlighted as good practices in the Family Responsible Company (EFR) audit and analysed by the Top Employer Institute.

- **Training:** the company has trained key groups in HR management as well as technical experts from the back office on diversity and non-discrimination through various training programmes. This training is primarily aimed at professionals responsible for teams.
- **Sensitisation and internal mobilisation.** The company works to raise employee awareness of its Diversity Policy and has promoted the celebration of European Diversity

Month among the workforce, holding various activities on the employee portal, as well as on the internal social network.

- **External communication:** Línea Directa has announced milestones in terms of diversity on the company's social networks throughout the year. Examples of this include posts on International Day for the Elimination of Racial Discrimination, or European Diversity Day, with the sharing of the milestone of the European Charter for Diversity's renewal.
- **Collaboration with other stakeholders:** the organisation has collaborated with other companies, associations and working groups to foster and promote diversity and inclusion policies.

Equality

Línea Directa has an **Equality Plan** and a **Gender Equality Policy** approved by Senior Management and the Board of Directors. They set out the guidelines and commitments that apply to the company's daily work in this area. In addition, the company has a technical equality team made up of experts in people management and in analysis.

The main commitments included in the Equality Plan are as follows:

- Equal **access to employment, hiring and termination.**
- Promotions and **professional development** based on individual merit and achievements.
- **Remuneration policies** in accordance with the above principles.
- **Training** as a specific tool for the development of the objectives pursued by this plan and, at the same time, as an essential element of the company's activity per se. Co-responsibility and reconciliation of work, private and family life for Línea Directa employees.
- **Communications and advertising** as a channel for transmitting values, participation and mutual commitment.
- **Prevention of occupational risks**, taking into account the gender perspective, especially in relation to psychosocial risks, including harassment.

The principles and lines of action of the Equality, Inclusion and Non-discrimination Policy are as follows:

- **Promote equal opportunities** based on the commitment of senior management by creating models to attract and retain talent in the company regardless of gender.
- **Ensure transparency and dissemination** of this Policy and related documents to raise awareness of gender equality at all levels.

- **Foster a culture of flexibility** that favours a balance between work, private and family life, while guaranteeing quality employment regardless of the gender of employees.

Línea Directa also has a **Harassment Prevention Protocol**, publicly available to all employees, which sets out the principles of action in this area to prevent any type of harassment, as well as the procedure for reporting, handling and resolving these situations. These are some of the main measures taken to promote equality:

- Mandatory chapters on equality, diversity and inclusion in **training and leadership programmes.**
- Specific and confidential whistleblowing channel to which any employee can turn in the event of a breach of the principles that distinguish the company as a family-conscious company. Línea Directa offers employees three reporting channels: a **confidential internal whistleblowing channel** in the event of breaches of its code of ethics, contact with the head Family-Responsible Company matters, as well as a direct channel that employees can use by contacting Fundación Más Familia.



- Package of **particular measures and time off** to adapt and reconcile family situations with work commitments.

In addition to the Equality policies and the Harassment Prevention Protocol, Línea Directa is committed to using training as the main vehicle for promoting a diverse culture in the organisation and having a staff that is sensitised and aware of the issue. In 2022, training plans on equality, gender-based violence and diversity for team leaders and technical recruitment staff have been implemented, as well as awareness-raising days for the entire workforce. Specific sections on Diversity and Equality are included in the opinion surveys carried out throughout the year. In fact, **92% of staff believe that the company promotes genuine equality between women and men.**

Gender equality commitments

As part of its commitment to equality, non-discrimination and inclusion, the company is a signatory to the following codes of conduct, networks of companies, sectors and foundations that promote all the principles set out herein:

- **United Nations Global Compact**, a UN initiative that encourages companies to align their strategies and operations with 10 universal principles, including on human rights and labour standards.
- **Women's Empowerment Principles (WEPs)**, an initiative launched by UN Women and

the Global Compact to promote gender equality in business.

- **Target Gender Equality (TGE)**, also supported by the UN, with the aim of boosting the presence of women on company boards and in executive management positions. This programme is an accelerator of equality in the company as it has a UN-sponsored equality measurement tool and training programmes for professionals in the People area in charge of promoting new policies and measures.
- **IBEX Gender Equality**, an index promoted by Bolsas y Mercados Españoles (BME) that measures the presence of women in management positions and on the Board of Directors of Spanish companies.
- **Top Employers**, an international seal that recognises the company as one of the best employers in the country. The certifier analyses human resource management practises, including those related to equality and diversity.
- Award given to companies for a **"Society free from gender-based violence"** ("Sociedad Libre de Violencia de Género"), promoted by the Spanish Ministry of Gender Equality.
- **The UNESPA Good Practise Guide on Gender Equality and Non-Discrimination**, which provides a catalogue of actions and measures that are considered good practises in the field of gender equality in the sector.

- **Fundación Más Familia (EFR)**, a foundation that audits Línea Directa is annually through DNV, which analyses equality plans and policies, related measures, actions and specific protocols, with particular attention to the Harassment Prevention Protocol and the indicators and reports of the technical equality team.
- **EWI sector network**, a network of companies in the insurance sector of which Línea Directa has been a member since its foundation. Its aim is to promote the presence of women in the management bodies of companies in the sector. The company is present in promoting the working groups of Talent Attraction and Selection.
- **Código Eje&Con**, a code of good practises in female talent in organisations.
- **MásHumano**, a network of companies committed to implementing flexible working models based on co-responsibility, productivity and humanity as principles of sustainability.

Gender-based violence

The company's chain of command receives annual training in the detection and prevention of gender-based violence, in collaboration with the Integra Foundation. There are also two annual awareness-raising campaigns with various activities for the entire workforce, coinciding with **25 November** (International Day for the Elimination of Violence against Women) and **8 March**, International Women's Day. In 2022, on the occasion of International Women's Day, in addition to the internal acti-

vities carried out every year, the CEO took part in the "Ring of the Bell for Gender Equality" organised by BME (Bolsas y Mercados Españoles) and the Spanish Network of the United Nations Global Compact, which aims to encourage the active participation of women in the financial world and promote actions in the area of equality from the management level. Also on the same day, the CTO participated in a panel discussion on "Women who transform, women who inspire" organised by Afi Escuelas (Analistas Financieros Internacionales) to inspire other women to take up positions of responsibility in STEM careers.

In addition, senior management participates in a **mentoring programme for women victims of gender-based violence** called **"Leadership for a job"**, which promotes integration for women victims of gender-based violence or exclusion, to help create new professional opportunities.

For years, Línea Directa has been involved in a **"School of Empowerment"** through the company's volunteer group, where women who have been victims of gender-based violence are trained in how to prepare and conduct job interviews to help them find a foothold in the job market.

Talent attraction

Línea Directa is once again among the 50 companies with the best capacity to attract talent in Spain according to the Merco Talent ranking.

In the last financial year, the company moved up four positions in the ranking, from 49th to 45th place. In addition, it has renewed its Top Employers certification, which ranks the company as one of the best employers in Spain.

Línea Directa's talent attraction strategy, under the slogan "Línea Directa DNA", which stands for "Different, Nurturing and Agile", aims to attract the best professionals to tackle the organisation's current and future challenges. To this end, the People team participates in the definition of the business strategy to identify the talent necessary in the short, medium and long term. Given the innovative nature of the business and its strong commercial component, **highly skilled professionals are needed to commit to the company.**

The first step in attracting talent is to position the Línea Directa brand as a good place to work. In this sense, the focus of the employer brand strategy is to project a real and transparent image that is a true reflection of the culture and professional life at Línea Directa.

In the 2021 and 2022 social media campaign "7 Razones Línea Directa", each employee gave a first-person account of why they like working at Línea Directa.

In the last financial year, the company has made a commitment to improve the **digitalisation of the selection process, the implementation of advanced selection and analysis tools and the incorporation of new channels for attracting young talent.** In this regard, Línea Directa is committed to the use of different communication channels (digital and telephonic, including WhatsApp) and social media. The Talent Attraction team maintains agile, approachable and highly personalised communication with each candidate.

The candidate's journey starts with the recruitment process and ends with the onboarding programme, which includes personalised mentoring and a tailored training plan to make the candidate feel like part of the company from day one. Lastly, in terms of talent management, employee loyalty plays a fundamental role, as it is the driving force of the organisation and the success of its future.



New hires, talent policies and selection process

Línea Directa focuses on segmented and specialised searches through different channels to position the company and attract talent. The company is present on the most important platforms, on the job boards of the top business schools in the country, on social networks such as LinkedIn and TikTok, where it is developing a specific strategy to attract young talent, as well as on the website "Un Futuro Asegurado" by Estamos Seguros, a sectoral project to attract talent promoted by UNESPA, the Spanish Insurance Business Association.

In 2022, the organisation recruited 21 people into strategic areas such as technology, digital transformation, engineering, finance, risk analysis, regulatory compliance, human resources and marketing. The commercial and customer service teams are also being continuously bolstered.

In order to attract talent to the organisation, Línea Directa has a Talent Policy and a selection procedure that includes the following principles:

- Make the incorporation of each individual an experience that allows the new arrival to integrate and get to know the company culture through a blended onboarding process (online and face-to-face).
- Keeping the focus on the search for professionals who are core to the company, such as STEM profiles, who are able to meet the new challenges of digital transformation by implementing the latest developments.
- Continue to provide the business units with well-qualified sales staff with high standards in their customer relationships.

For the selection of talent, the company has a trained and specialised recruitment team, which deals individually with each process. The added value of this team is that it strategically generates an experience for the candidate that allows them to get to know the company and their future area of work even before joining Línea Directa.



Candidate journey

In 2022, the company has redefined the roadmap of the candidate journey, identifying the touchpoints that are key to crafting a distinctive experience.

In addition, the measurement of candidate satisfaction has been introduced through questionnaires that have allowed for first-hand knowledge of the perception of newly hired employees and also to measure the degree of satisfaction with the selection and hiring process.

Young talent and STEM

Young STEM talent is key for Línea Directa. The organisation has taken on 46 interns in the last year, many of whom have their first-ever work experience at the company. Línea Directa launches initiatives aimed at raising awareness about the organisation through its culture and the challenging projects that are most attractive to this audience:

- **Scholarship program** agreements with universities and business schools to provide students with internships at the company. In 2022, agreements were made with leading business schools.
- **Presence at fairs and university events** with presentations given by the heads of the Technology and Technical areas on the topics of greatest interest to students.
- **Hackathon Big Ideas**, an on-site collaborative day of work aimed at university students,

recent graduates or master's students, which the company held in 2022 for the fifth consecutive year.

- **Job advertisements and employer brand communications** on social media where the company seeks talent with a personalised strategy targeting each advert to each potential employee. In addition, posts are made on the company's various social networks (LinkedIn, Facebook, Twitter and Instagram) to share Línea Directa's employer brand with the general public.
- **New TikTok channel**, launched in 2022 as part of the strategy to attract young talent. On this new social media account, Línea Directa seeks to bring the TikTok community closer to its ethos, such as its culture, working environment, values, commitment to sustainability, day-to-day life at the Línea Directa Campus, professional development programmes and everything that makes the Group an attractive employer brand. In less than six months of existence, the account reached 16,500 followers by the end of the year.
- **Other avenues of collaboration** with Vocational Training and Dual Vocational Training Centres, through agreements with these institutions in order to forge a link between vocational training and professional practice.

For interns who join the company, activities are carried out as part of the Young Talent programme, such as meetings organised so that they can share their experiences and

learn first-hand about the latest developments in the organisation.

The aim of the strategy for attracting young talent is that trainees will eventually join the workforce following their internship period.

Young STEM talent is key for Línea Directa. The organisation has taken on 46 interns in the last year, many of whom have their first-ever work experience at the company.



Talent management

Building the future of the organisation

The organisational changes launched in 2022 have made it challenging to align the talent management strategy with the company's business objectives.

The new organisational structure shines the spotlight on the customer, with the aim of consolidating Línea Directa as a multi-branch motor and home insurance company in order to address new business priorities such as digitalisation, growth, profitability and sustainability. To this end, the customer journey has been transferred to the company's structure with the creation of new areas such as the Commercial area, to attract new customers, and the Portfolio area, focused on the loyalty of all policyholders (motor and home). This new strategy has led to a new way of working in all other areas across the organisation.

This change has been a major milestone in 2022. It has brought with it a new way of managing talent based on fostering a new culture of professional development at all levels and training employees, in a personalised way, to successfully face the challenges of the future.

Fostering a culture of development

The new environment requires agility in adapting to change, fostering motivation and goal-oriented team development. That is why, in 2022, Línea Directa designed a campaign to promote a culture of professional development. It is called "Re-evolucionación" (re-evolve) and is based on three main pillars:

- **Re-EVOLUCIONA goals:** Motivating employees, through their team leaders, to set goals and challenges for new professional development experiences.
- **Re-EVOLUCIONA learning:** Focusing on self-guided learning so that each individual has the necessary skills for new challenges. It is the individual who sets their training roadmap, with the help of the company.
- **Re-EVOLUCIONA job mobility:** Encourage internal job mobility and promotions through a model for identifying potential talent within the organisation.

This campaign has been carried out through initiatives aimed at building loyalty and developing talent.



Employee motivation and professional development initiatives

The main lever for motivating employees is to convey to them the important role they play in building the future of the company. To this end, as soon as the new organisational structure was implemented, the CEO set the company's strategic objectives, which flowed downwards like a waterfall down through the Performance Management System. In this respect, 92% of employees have set objectives linked to this strategy and 90% have them evaluated.

Some initiatives carried out in 2022 in the field of motivation and professional development:

- **Individual development plan:**

Línea Directa Aseguradora has promoted the Development Conversations project, based on conversations between leaders and their teams, which follow an innovative methodology in the field of Human Resources. The aim of these talks is to promote a culture of development that links the area's objectives to the talent strategy and makes it possible to identify and develop the skills and knowledge necessary to achieve them.

Leaders have been trained to be able to identify the strengths and weaknesses of their teams, fostering their development with a global vision for the medium and long term, promoting the knowledge, challenges and experiences that will be key for each of the employees and that can help them to achieve their goals. The aim of this project is for employees to take control of their own development and for the manager to accompany them and facilitate their professional growth.

- **Identifying potential talent within the organisation**

In this context of adapting to change and with the aim of attracting and retaining talent, it is important to establish, together with the Management Committee, the key positions in the organisation and to identify people with the potential to fill strategic positions in the short and medium term.

This exercise has served to prioritise development, training and retention efforts on a personalised basis.



Learning and training initiatives

Línea Directa's talent management strategy encourages people to contribute to the success of the company from their sphere of responsibility. In a key year such as 2022, marked by a new management, the Management Development Programmes, the Training Schools and the integration of external talent into the organisation have been of particular importance.

- **Management Development Programmes:**

Management has been key to defining the new strategy of the organisation. That is why the Management Development Programme plays a crucial role this year. To carry it out, two strategic partners, IESE and Foro de Foros, have been involved. Knowledge of the global economic context, disruptive trends, new emerging markets and the development of the sector are essential elements to guide the new management.

In addition to the development programme for the Management Committee, the leadership programmes for the Darwin, Grow and Smile Communities (made up of team leaders, coordinators and supervisors) have placed special emphasis on people development and working on individuals' potential, as well as on their role in change management, accompanying and encouraging the teams in the face of new challenges.

- **Training schools:**

- The **Business School** has played a key role in multi-line skills training in 2022: With the new Commercial and Portfolio areas, many people have had to be trained in record time to respond to the needs of customers in all their types of insurance, following the consolidation of the Motor and Home insurance areas. To this end, a training programme has been conducted throughout the year with the entire sales team, providing them with new knowledge, skills, operations and tools to provide unified customer service for both products. And, in the Portfolio area, a multi-line team has

been trained and is being progressively expanded to reach the right size.

The team of Vivaz, the health insurance brand, has carried out the Mind-Training Programme focused on detecting how people emotionally manage changes, with the aim of implementing self-motivation mechanisms to achieve challenges in a changing environment.

- The **Technical School** has promoted self-directed learning so that employees can be the protagonists of their own growth. Línea Directa Aseguradora has a **learning ecosystem** made up of several digital platforms that allow employees to self-manage their training sessions. Individuals are provided with training plans that enable them to progress in the skills necessary for digital transformation.

To promote this new culture of self-directed learning, in 2022, the company created the "**Learners Awards**", which aim to recognise the people who have completed the most training during the year, both under guidance and by their own initiative.

Within the Technical School, talent communities are particularly relevant.

- **Talent Communities:**

These Talent Communities are made up of professionals with similar skills and duties, in order to promote learning among people in the same role. These communities share forums, meeting points and training programmes to develop skills and enhance their knowledge. The aim is to project and manage the organisation's internal talent so that they can successfully per-



Talent communities are aimed at developing the capacities and enhancing the knowledge of specific groups.

form their functions, achieve their goals and develop professionally to meet new challenges, add value and contribute to the company's success.

• **Pi Community.** The Pi community is made up of all the analysts at Línea Directa, a critical group for digital transformation. In 2022, they worked on increasing their analytical skills and statistical knowledge, as well as the handling of tools for processing unstructured data. The community meets in person once a quarter for inspirational sessions on trends in the world of analytics, with both external professionals and company insiders sharing best practices.

• **Agile community.** The Agile community is made up of the process and technology teams that drive technology projects. The objective is to gain agility in the implementation of new projects and to improve customer service. The teams have been trained in agile methodologies and project management tools. In 2022, the Remember Agile programme has been developed to recall the key concepts of the methodology and share experiences, successes and mistakes in order to generate learning and improvements in the efficiency of technology projects. Gamification is part of the project, involving knowledge games via Learning Up, Línea Directa Aseguradora's learning app.

• The **School of Sustainability** is becoming increasingly significant. In the area of Good Governance, initiatives have been carried out in the following areas:

• **Cybersecurity.** By 2022, 95% of the company's workforce had completed the cybersecurity awareness and sensitisation campaign launched the previous year. In the programme, through gamification, employees were taught key elements of prevention of potential cyber-attacks: ransomware, phishing, whaling, smishing, etc.

• **Regulations.** In 2022, the entire underwent training in regulatory compliance. The company's chain of command, in particular, has learned the main principles of data protection, operations and rights, which are necessary for the proper performance of their duties. The relevant groups have also been trained in key tax issues. In addition, a new Corporate Risks area has been created in which all the teams that make up the second line of defence have been grouped together and have attended a training programme to improve their skills and strengthen their knowledge.

• Integration of external talent

This year, onboarding programs for new employees have also been key. The onboarding process ensures the proper integration of individuals into the company. It starts before the employee joins, providing them with essential information about the culture, values, organisation, facilities and services through the Learning Up App. This mobile application guides the entire onboarding process, from the welcome programme to the quarterly follow-ups that allow us to assess adaptation, motivations and potential so that the incorporation into the culture of Línea Directa Aseguradora is a success.

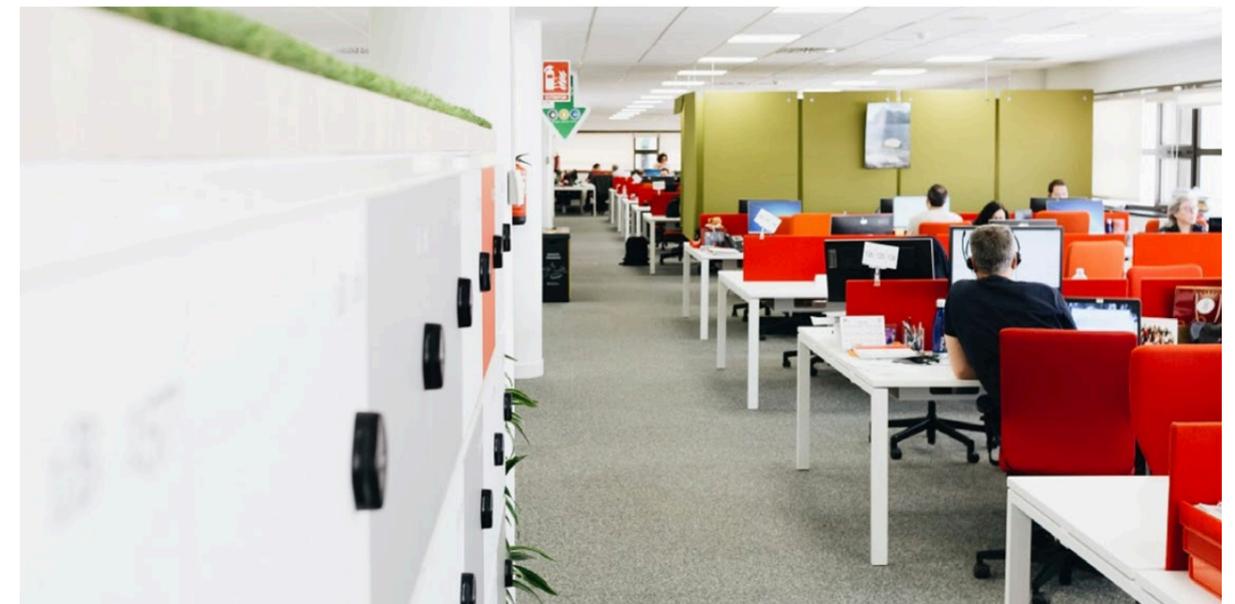
Initiatives to promote internal talent

The new organisational structure has generated professional opportunities within the

company. Línea Directa Aseguradora is committed, first and foremost, to the professional development of its employees, offering them new opportunities that allow them to broaden their vision of the business, work with different people, acquire new knowledge and develop new skills. All this is based on a system of classification of duties or **Role Models** that can be adapted to any organisational structure.

This year, a new Management Committee was formed, with 4 new Committee members, 3 of whom were promoted internally and 2 of whom were women. In addition, in 2022, 71 people were promoted within the organisation, 59% of whom were women.

All professionals who change jobs are accompanied by the support necessary for a quick and easy integration through the onboarding programmes in the new position called "Hand in Hand".



Employee wellness, work-life balance and digital disconnection policy

Wellness program

The Línea Directa Group's main objective in people management is the safety and health of its employees, but it also addresses the broader concept of well-being. In addition to health and safety measures, the company has a wellness strategy that it offers its employees through a Wellness Programme, called "Well-being to Be Well", which includes measures focused on different aspects of their well-being (physical, emotional, financial, etc.).

Throughout 2022 Línea Directa has carried out specific training sessions, courses and campaigns for employees:

- Training session on the health benefits of sleep given by a specialist in occupational medicine.
- Training session on current dietary guidelines to encourage employees to maintain a healthy diet, from the expert nutritionist-dietician and advisor of Vivaz, the company's health insurance brand.
- Internal presentation and dissemination of the study "Perception vs Reality in the eating habits of Spaniards" a presentation by the expert dietitian-nutritionist advisor of Vivaz, exclusively for staff. This activity was held on the occasion of World Food Day.

- 4-session online Mindfulness course with a mindfulness instructor and yoga teacher as part of World Yoga Day, with the aim of taking care of employees' mental health.
- Training session on the health benefits of yoga with a yoga teacher as part of International Yoga Day.
- Internal campaign "What is wellness for you?" in which employees were encouraged to define wellness from their own perspective through an internal competition. With this type of initiative, the company seeks to motivate employees to share healthy experiences and become ambassadors of wellness through internal social networks.

The Wellness Programme involves the collaboration of Vivaz, Línea Directa Aseguradora's health insurance brand, to promote healthy habits among employees in three areas: physical activity, rest and food. Thanks to the Vivaz Activity App, different challenges linked to physical activity and sleep have been launched during the year 2022. A commitment to the use of new technologies in the delivery of physical activity. The challenges have high



impact through close communication and combine collective engagement with individual recognition through wellness.

One of the challenges in 2022 focused on encouraging employees to get seven hours of sleep and one hour of exercise for 20 consecutive days. Those who succeeded in the challenge could enjoy wellness and health experiences or a cheque for sportswear. Línea Directa Group employees clocked almost 13,000 hours of sleep and more than 27.8 million steps.

In addition to these activities, we must take into account others that have long been implemented at Línea Directa, such as the Runners Club, sports tournaments, discounts at gyms, healthy menus, healthy and gluten-free products in all vending machines, healthy Christmas hampers, relaxation rooms, health awareness campaigns, vaccination campaigns and specific medical check-ups or discounts on physiotherapy, among others.

Línea Directa's employee wellness activities are accompanied by a strong communication plan linked to the actions, including information about relevant milestones to motivate employees to take up the challenge of improving their health. The company aims to involve and motivate employees, but also to spread the idea of self-care.

The programme also offers a range of different digital and exclusive content on emotional balance, available on the company's internal training platform (@prende).

To promote the financial well-being of its employees, Línea Directa, in collaboration with Bankinter, organises personalised training and financial information for the company's employees as part of its Wellness Programme. In regular webinars, employees can learn about a variety of financial products, especially savings products, mortgages, mutual funds and pension plans, with the help of financial experts. The company's employees can also use a digital training space ("School of Finance") with a wide range of training content on relevant aspects of finance. In 2022, employees received specific investment advice through the Broker academy for investment and share purchases, including the Línea Directa Aseguradora Share Purchase Plan.

A focus on food

Línea Directa also wants to extend its wellbeing to society. For this purpose, the Vivaz brand has launched the “Eating Healthy” campaign, aware of the importance of eating well in preventing illnesses. This campaign has been focused on different company stakeholders to inform society as a whole about this commitment to good nutrition as a fundamental part of well-being.

Ongoing content has been rolled out during this campaign, which is available to customers and society in general – such as recipes, posts and video tips. **These have been developed by Vivaz’s consultant dietician and nutritionist, Juan Revenga,** and have been published on Vivaz’s and Revenga’s social networks, in the “Juan Revenga’s Corner” section of the Vivaz website and on the @prende platform, as an internal training resource for employees.

In addition to this content published throughout the year, other specific initiatives have been carried out, such as:

- Publication of the study “Perception vs. Reality in the eating habits of Spaniards”, which concludes that, although Spaniards have a very optimistic perception of their diet, they do not, however, have good eating and cooking habits.
- Three livestreams on Vivaz’s Instagram account with Juan Revenga, where the community of followers asked the expert their questions and doubts related to food.
- Training for employees through healthy eating sessions led by expert nutritionist Juan Revenga.

- Launch of the “Healthy Eating” campaign in El Comidista, an online platform specialising in food, affiliated to the newspaper El País, led by the prestigious journalist Mikel López Iturriaga.
- Promotion of the “Healthy Eating” social media challenge in which people were encouraged to shop in a healthy way by eliminating ultra-processed products from their shopping trolleys. Gift cards from a large supermarket platform were awarded among the participants to enable families to shop better in a context of rising prices.

Work-life balance

Both Línea Directa Aseguradora and Línea Directa Asistencia are certified by the Fundación Más Familia as family responsible companies with a proactive B+ level.

The Más Familia Foundation awards the EFR (“Family-conscious company”) certification to Spanish companies that are strongly committed to work-life balance through their own work-life balance management model, which the certified companies must develop internally. The EFR model is audited by DNV in the case of Línea Directa.

Following the last audit, which was passed in October 2022, more than 130 measures that the company uses to promote work-life balance were analysed, which are available through the employee portal and are based on the following principles:

1. Quality in employment
2. Flexibility in space and time
3. Employee family support
4. Professional development
5. Equal opportunity

The employee portal also has special sections where you can find information on work-life balance issues, and in any case, all company employees can contact Línea Directa’s customer service.

Línea Directa is strongly committed to work-life balance and has its own or extraordinary leave, which is not provided for by law. It helps employees and their immediate families during times of particular importance in their lives, facilitating work-life balance and time availability. Among other things, the company offers its employees blocks of time to care for and accompany family members in a situation of dependency. There is also the possibility of

providing time to accompany family members affected by oncological diseases to chemotherapy and radiotherapy sessions, as well as special leave to help family members with certain diagnostic tests.

An “à la carte” shift schedule has also been developed for those employees with customer contact who have to adapt their working hours to the customers’ schedules, so that each employee can choose the shift that best suits their needs at a given time.

In 2022, the company, as a responsible company committed to flexibility and work-life balance, has analysed the launch of individualised initiatives to facilitate co-responsibility between the employee and the company, ensuring equal opportunities and quality of employment. This is one of the pillars that the company will develop in 2023.



Línea Directa, a flexible and family-responsible company

The Family-Responsible Company (EFR) certification from the Fundación Más Familia is an international model of people management that audits companies in terms of their responsibility and respect for the balance between employees' personal, family and working lives. It also promotes support for equal opportunities and the inclusion of the most disadvantaged, based on existing and binding legislation and collective bargaining, so that companies that opt for EFR certification carry out voluntary self-regulation in this area.

Línea Directa Aseguradora renewed its EFR certification in 2022, obtaining a good score. For the company, this recertification involves a triple validation (internal audit, external audit and review from the foundation) which analyses all of the organisation's parameters relating to work-life balance, flexibility and shared responsibility between employees and the organisation.

Certification involves the implementation of a management system within the organisation that is built upon measures for employees, but also promotes a review of all people mana-

gement processes from the perspective of flexibility, shared responsibility and work-life balance. EFR also certifies the company as a member of the Flexibility and Telework Charter as a company where all employees have some measure of eligibility under existing policies.

EFR also reviews all of the company's policies, protocols and procedures on people management to ensure that they meet the minimum requirements to be considered a company that works proactively towards flexibility, responsibility and work-life balance.

The company conducted a survey in 2022, "The Voice of the Employee", in which more than 2,500 employees give their opinion on the company's flexibility measures. Employees rate **time and space flexibility measures 4 out of 5**.

Finally, it is important to mention the company's partnership with MásHumano, which aims to create work environments that are more flexible, friendly and focused on people's well-being.

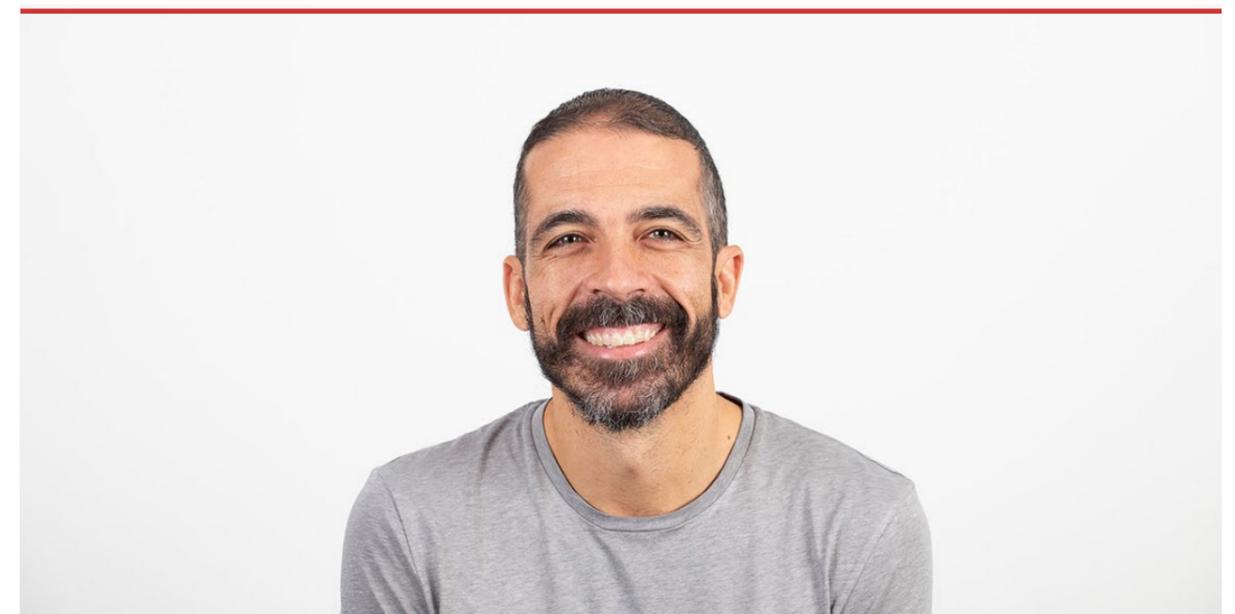
Digital disconnection policies

As a socially and family-conscious company, the Group strives to organise the working time of its employees in such a way that they can reconcile their private, family and professional lives. The company believes that the new forms of work offered by new technologies must be at the service of people, providing them with the autonomy and flexibility to facilitate the necessary balance between work and private life. In this regard, Línea Directa, in addition to adhering to the Insurance and Reinsurance Agreement with regard to digital disconnection, has an Internal Digital Disconnection Policy that was created with the aim of reinforcing this commitment.

This Policy explicitly recognises the right of employees not to respond to business communications outside of their working day, except in cases of justified urgency, and recommends that team leaders avoid this type of communication. In fact, the newly introduced technological systems include, for example, warnings that it is not advisable

to send messages outside working hours. This initiative was launched in 2022, and the same year, the company was audited for the EFR (Family Responsible Company) seal in matters of digital disconnection.

At Línea Directa, employees have digital tools that enable collaborative work regardless of whether they work in person or remotely. In this situation, special care was taken to ensure that the employees' right to digital disconnection was still guaranteed. To this end, regular training and awareness-raising activities have been carried out, aimed at optimising the organisation of work (attention to staff agendas and schedules, planning and full information on the necessity or advisability of attending meetings and recommendations on limiting their duration) and aimed at raising awareness on the appropriate use of technological tools in order to avoid the risk of computer fatigue.



Corporate remuneration and benefits

Total remuneration

The insurance sector is one of the 10 best paid in the Spanish economy, and it also generates stable, quality employment.

At Línea Directa, the total remuneration programme is one of the levers for retaining talent in the organisation. In 2022, the company developed a new section in the employee portal where people have access to all the elements that form part of their total remuneration package. That is, they can access their fixed, variable and in-kind remuneration, in addition to the different social benefits and advantages to improve their quality of life and to promote balance between personal, family and work life.

Variable remuneration is defined by the monthly, quarterly and annual incentive programme, linked to the achievement of corporate objectives as a company, as an area and in individual professional development. Through this incentive plan, employees can earn achievements of more than 140%, receiving a very appealing variable remuneration in addition to their fixed salary.

In addition, it is important to highlight that the company is making progress in the design of a comprehensive emotional remuneration programme that includes all corporate benefits, advantages, loyalty initiatives and professional development programmes, as well as all the policies that have a positive impact on the people in the organisation.

Employee Share Purchase Plan

In 2022, Línea Directa launched its first Share Purchase Plan aimed at employees. By joining this Plan, employees allocate part of their salary to the purchase of shares at a 5% discount, also benefitting from the advantages of flexible remuneration.

Two information and advice sessions were held to promote financial education for the workforce and to help employees understand this initiative before making their decision.

The Línea Directa Share Purchase Plan was very well received by the staff, with a satisfaction rating of 4.7 out of 5.

At Línea Directa, the total remuneration programme is one of the levers for retaining talent in the organisation.



One-off extraordinary payment to employees for inflation

Due to the increase in the cost of living as a result of inflation in 2022, Línea Directa Aseguradora has decided to make a one-off extraordinary payment to all its employees, with the exception of the Management Team, equivalent to 1% of their fixed salary, with a minimum of €300. This payment was made in January 2023.

Social benefits

Línea Directa offers its employees life and accident insurance with an insured capital that can significantly exceed the traditional Insurance Agreement commitment, reaching three times the fixed salary for all employees.

Defined contribution insurance

With regard to pension obligations for retirement and with the main objective of generating future savings for employees, Línea Directa has a specific defined contribution insurance scheme with annual contributions for each employee.

This new scheme covers death and disability of any kind, in addition to the normal pension case for employees who have been with the company for at least three years, and allows vesting of acquired collective insurance rights.

Corporate benefits

Línea Directa offers its employees an attractive package of corporate benefits and advantages that strengthen employee loyalty and invite them to get to know the company's products in depth. The most relevant of these include:

- **Favourable conditions when taking out insurance policies in all the company's business lines** for employees and their families, with discounts of up to 50%.
- **Flexible remuneration programme** through which employees can arrange different services and products for personal and family use. Línea Directa's programme facilitates work-life balance and fosters staff commitment to the company and a sense of belonging, which is a lever for attracting and retaining talent.

The program contains:

- **Health insurance:** Employees who take out health insurance through flexible remuneration can deduct up to €500. In addition, family members, such as spouse and children, can be included in the same policy with the same tax benefit.
- **Childcare payment:** Employees who pay their children's monthly childcare fees through their flexible remuneration programme will enjoy unlimited personal income tax exemption. This means that if employees pay for childcare this way, they can save approximately two monthly payments.

- **Public transport:** A very popular service within flexible remuneration is the transport pass, especially for workers who use it on a daily basis to travel to and from their workplace.
- **Daily meal:** This is one of the most used services among employees who eat at or near their workplace. The company provides a card, and the employee can consume up to €11 per working day.

Un 39% of the Group's employees used this flexibility tool in 2022.

- **Free access for all employees to the video consultations** from Vivaz, the health insurance brand of Línea Directa Aseguradora.
- Own **virtual office** for employees offered by Bankinter as a partner so that they can access specific advantages such as sharing 50% of the profits associated with the virtual account.
- **Advances and loans.** Línea Directa offers its staff the possibility to apply for advances and loans for special cases that go beyond the applicable legal provisions. The examination of the cases is carried out by the Personal Care Team.
- **Advantages and discounts on financial products.** The company offers its employees benefits and discounts on financial products and advice under a coopera-

tion agreement. In addition, all employees who have an account with our cooperation partner enjoy an annual distribution of the benefits associated with their accounts.

- **Support for language and specialised training.** Línea Directa employees have access to language scholarships that allow them to study or improve their level in various language academies. Likewise, employees pursuing formal specialised studies related to the company's activities or a possible future job are entitled to financial support to finance their specialised academic training.
- **Advantages portal** which any employee can access from their personal device and where they can obtain important discounts and benefits in leisure, culture, cuisine, fashion, travel, etc.
- **Línea Directa Renting:** the company has been managing a programme since 2018 that offers employees the opportunity to lease top brands' vehicles at a discount on the market price, along with Línea Directa's comprehensive insurance.
- **Access to the purchase of second-hand vehicles** at below-market prices.
- **Legal advice:** all Línea Directa employees have this service free of charge, thanks to an agreement between the insurer and one of the main providers of legal advice.
- **Christmas hamper,** with a choice between one hamper with sustainable products and

another with typical Christmas products. The hampers also represent a contribution by the company to a foundation that supports the employability of people with disabilities.

The Benefits and Advantages plan is complemented by a number of other measures (as an Family-conscious company), with the total package containing more than 130 benefits, actions and measures which Línea Directa employees can enjoy. All of these benefits and advantages are audited as part of DNV's annual assessment process. Línea Directa, as an Family-conscious company, must pass this process to maintain the certification.



Pay gap

Linea Directa defends equal pay for men and women and carries out salary reviews, year after year, with common criteria for both genders. Proof of this is that the total average remuneration of women and men is very similar and the **pay gap** at the end of 2022 was **2.8%**.

To calculate this adjusted gap, employees are grouped into clusters consisting of people performing similar duties or performing a similar job.

The gap is calculated for each cluster and the total gap is weighted by the number of people in each cluster. The gap calculation is performed on a month-by-month basis to ensure that each person is compared with their peers. The calculation formula is as follows:

$$\text{Adjusted pay gap} = \sum_{n=1}^N \frac{\text{Gap in each cluster} \times \text{Number of employees in the cluster}}{\text{Total number of employees}}$$

The gap in each cluster is calculated as follows:

$$\text{Pay gap} = \frac{\text{Average male salary} - \text{Average female salary}}{\text{Average male salary}}$$

Linea Directa defends equal pay for men and women and carries out salary reviews, year after year, with common criteria for both genders.



Health and safety

The Línea Directa Group’s main goal in the management of people is to ensure the safety and health of its employees.

Línea Directa has signed up to the Luxembourg Declaration promoted by the European Network for Workplace Health Promotion since 2017. By doing so, the company commits to accepting and implementing the fundamental objectives of workplace health promotion and aligning its strategies with the principles of this declaration.

In addition, Línea Directa has developed a Wellness strategy aligned with the principles of the International Labour Organization (ILO) and which follows the recommendations of the European Union on Occupational Health and Safety.

In 2022, the company has continued with vaccination campaigns, especially for influenza, given its importance in distinguishing common symptoms from COVID-19 infection. In addition, the company has carried out various actions focused on employee health, in addition to all the initiatives carried out throughout the year in the Wellness Programme, including the Psychosocial Factors Study and the celebration of World Health Day with the participation of employees.

Study of psychosocial factors

In 2022, Línea Directa conducted a study of **Psychosocial Factors** based on an employee survey, with the aim of ensuring the staff’s emotional health and well-being. The results have highlighted the points most valued by the people in the organisation and the areas for improvement. The three aspects that scored best among staff are suitable working time; the interest that the company shows in employees and their remuneration; and an appropriate variety in the content of tasks. Meanwhile, employees want to see greater participation in the company’s organisational methods and request more training on time management. With these results, the company has developed an Action Plan, which has been shared with all the staff, where the following roadmap has been proposed:

- Provide greater visibility to information related to working time management in the employee portal.
- Launch training campaigns aimed at team leaders to set performance objectives and thereby enhance the autonomy of individuals on teams.
- Promote awareness-raising activities on digital disconnection, in accordance with internal policy, with the aim of strengthening the balance between employees’ personal and professional lives.

- Implement specific actions within the Wellness Programme related to emotional well-being.
- Develop focus groups on different topics to increase employee engagement.
- Create continuity in Digital Transformation plans by training employees in the use of digital and collaborative tools as well as including more specific training activities for time management.

World Health Day

Línea Directa has carried out an internal campaign to celebrate **World Health Day** in which employees were encouraged to share a photo on the internal Social Network featuring healthy dishes they prepared themselves, daily fitness routines or other activities along with the hashtag #bienestarlineadirecta. To encourage participation and engage employees, wellness-related prizes were raffled off.

Through activities like this, the company seeks to promote healthy lifestyle habits and show concern for the health of the individuals who form part of the day-to-day of the organisation, as well as providing references within the company that encourage others to keep up good habits.

Health and Safety Committee

Línea Directa Aseguradora is equipped with the necessary resources to support and advise the company in the adoption of the relevant preventive measures.

The company takes charge, with its own resources, of the preventive specialities of Occupational Safety, Occupational Hygiene and Ergonomics and Applied Psychosociology provided for in the specific regulations on the prevention of occupational risks, through a senior technician who holds the post of head of Occupational Risk Prevention at Línea Directa. The preventive speciality of Health Surveillance is arranged with an External Prevention Service. The in-house prevention service assumes responsibility for maintaining appropriate coordination with the external prevention service and with the external specialist advisors who may be commissioned to implement specific prevention measures.



Employee relations

The return to normal in the offices following the COVID-19 pandemic and the implementation of a flexible working model has been a great challenge for the People area and the relationship with employees.

That is why the Línea Directa Group has established a flexiwork model that combines in-person work at the offices with remote work. From April until now, shift-rotating models were gradually phased out and a flexible system was introduced. This system allows back-office employees to have up to 6 days of flexible remote work per month at their disposal. As for the front office, given the special needs of call centers that engage in contact with customers and work in different shifts, it is easier for them to have schedules that contain more days of working from home, according to the needs of each area. The **Remote Work Policy** was simultaneously implemented and made available to employees.

This new way of working has been possible due to the commitment and responsibility of employees and the company's digital culture. The combination of these factors has made it possible to implement flexibility measures aimed at facing the great challenges of 2022.

This task of changing the model of working was carried out by the People area of Línea Directa following a benchmarking of the market, as well as seeking the opinion of a group of employees and various listening processes.



Focus on flexibility

Following the remote leadership training for managers given in 2021, the company has leaders capable of managing teams in a hybrid, face-to-face and remote way, in a unified and fluid manner.

This past year, in 2022, an IT tool has been designed for the employee portal that enables employees to autonomously and flexibly manage their working days at home, in direct communication with their manager.

The organisation has consolidated the Be365 collaborative tool program, which facilitates an agile and flexible work model and enables employees to take maximum advantage of the capabilities of these new technology tools the company has implemented. During the introductory phase of this new technology, weekly training sessions on best practises in the use of these collaborative tools were organised for middle management.

A group of staff, called "change ambassadors", continued their work in each area to make the change and the introduction of the new communication and collaboration systems accessible to all teams. Thus, at the end of 2021, work began on the proper use of the collaboration tools to make the most of them and avoid the digital fatigue that teleworking causes.

Change management

2022 has been a challenge for the People area, which has managed an organisational and cultural change in preparing the different areas to lay the foundations of the organisation's future strategy.

The work of Human Resources has been very important in order to aid all people in the process of creating the new organisation, and as well as to aid those in charge, so that all employees could understand the importance of their work at such a decisive moment. Focus groups have been promoted as levers of motivation and commitment to unify employees as they journey in the new direction marked out by the company's Management.

Internal communication has played a key role in keeping employees informed about each milestone achieved in the year, with a vocation to share the company's strategy to all employees in a clear and global way.

Respect for people

Línea Directa has a digital channel through which any employee can ask their doubts or questions on any subject. All requests are resolved almost immediately by specialised staff from the People area. This team manages the life of the employee in the company and attends to all their needs directly. In addition, it provides them with very useful information and friendly help with special understanding. The specialists that make up this team were also crucial in the management of the pandemic, as they were responsible for direct contact with the affected staff and for dealing with all issues and incidents related to COVID-19 which was still present in 2022.

Dialogue with employees

Communication with employees is key in the organisation. The CEO, newly appointed in 2022, held a meeting with the entire staff to introduce herself and announce the main lines of the new strategy.

In addition to new management's communication, the new technologies and collaborative tools implemented during the years of the pandemic have allowed all of the company's information and communications to reach more and more people.

The company has various direct and unmediated communication channels for employees through which information flows in all directions, thanks to the universally accessible employee channel and the management of the People Care Team.

The company has various internal communication channels:

- The "En Línea" Employee Portal, a portal that can be accessed by the entire workforce and contains information of interest in a more convenient, transparent and digital way. Here employees can find news, company social apps, personal information and management tools.
- The 'LiDiA' Chatbot, a virtual assistant anchored in the navigation bar of the corporate intranet and programmed to answer employees' most important questions in conversation.
- A monthly newsletter summarising the company's key milestones during the month, with content of particular interest on sustainability, health and wellness, and innovation.
- Mailings and communications with campaigns directed to all staff (or segmented, depending on communication needs) via company email.
- A network of screens installed in the transit areas of all workplaces. These screens reinforce corporate messages, campaigns published in other formats and welcome new employees.
- Corporate chat, which is universally accessible and enables instant communication as well as virtual meetings, joint project work or the exchange and simultaneous work on work files.
- The company is also a pioneer in its use of WhatsApp. The company has started to use bot technology for customer transactions and it is also a regular communication channel with its employees, as all management teams have company mobile phones for professional use.
- Línea Directa Yearbook: every year, the company publishes a yearbook in which the most important milestones of the year are recorded. The communicative significance of this yearbook lies in the fact that it always features employees of the company and every year, there is a recurring motif that serves as a unifying thread.
- The pandemic has reduced the number of face-to-face events for the most part, but in 2022 Línea Directa began holding face-to-face meetings again, as well as activities that promote communication and meetings with staff. These activities are a regular channel of relationship with employees.



At Línea Directa, a listening strategy has been defined, with the purpose of understanding, involving and gathering employees' ideas



Opinion surveys

At Línea Directa, the commitment and involvement of all employees is key to meeting the challenges facing the organisation. That is why a listening strategy has been defined, with the purpose of understanding, involving and gathering employees' ideas and their perception at different points throughout the employee life cycle. The objective is to ensure that their commitment is aligned with the objectives and goals of the company.

Throughout 2022, activities have been carried out, such as role-specific focus groups (analysts, team leaders, etc.) and meetings with external speakers to share trends and projects. In addition, throughout the year, the organisation has been checking in with employees through surveys to evaluate how they have understood and perceived organisational changes. Based on these opinion surveys, action plans are launched to roll out initiatives aimed at boosting these points of improvement.



Union representation

All employees of the Línea Directa Group are subject to the collective bargaining agreement that applies in each workplace of the companies that make it up:

- In Línea Directa Aseguradora, the Insurance and Reinsurance Agreement.
- In Línea Directa Asistencia, the Offices and Bureaux Agreement, the Engineering and Technical Studies Agreement and the Metalworkers' Agreement in Alicante, Malaga, Seville, Barcelona, Madrid and Valencia.
- At CAR Barcelona, the Barcelona Metalworkers' Agreement.
- At CAR Madrid: the Madrid Metalworkers' Agreement.
- In Línea Directa Reparaciones, the Madrid Construction Collective Bargaining Agreement.

The Group has union sections that exercise their rights in accordance with the Organic Law on Freedom of Association.

In accordance with current legislation, the company is continuing with the open negotiation process it started in 2021 with the most relevant trade unions to establish a new Equality Plan for the Group's companies.

Information and consultations with employees (opinion surveys, EFR postbox, psychosocial risk assessment, etc.) are of utmost importance for the Línea Directa to know how employees perceive their working conditions and to be able to implement appropriate action plans if necessary.

Disability and accessibility

Disability

As part of the commitment to diversity and inclusion promoted as part of the corporate culture, one of the main pillars is the inclusion of employees with a disability card and the promotion of their recruitment and socially acceptable employment.

With this goal in mind, Línea Directa Aseguradora's **Sin Límites programme** was launched in 2009 to promote diversity inclusion in the workplace in four areas: attracting talent with different skills through selection processes, internal diversity, development of and/or participation in social inclusion projects and projects that contribute to employability through specialised employment centres (CEE). The programme has a specialised person from the company – the guide or tutor – who ensures the standardisation of processes and that the employee has a suitable working environment from the moment they join the company, with a personalised onboarding process tailored to their needs. The guide approaches the employee who is to receive the disability card, advises him or her and offers assistance with the procedures, guaranteeing confidentiality.

Internally, people with disabilities receive financial support of €1,500. The programme also includes the **Tú Sumas Plan**, which offers advice and support to all employees who have a family member with a disability, in collaboration with the Randstad Foundation.

Línea Directa collaborates with other foundations and associations in social and professional inclusion projects, involving a whole network of volunteers who contribute their knowledge, experience and time by designing and/or leading employment workshops. For example, the company helps young people with disabilities at the **Aprocor Foundation** to carry out work placements related to the training they receive at the foundation. Línea Directa also collaborates with organisations and associations whose users are people with functional diversity or intellectual disabilities, carrying out different inclusive leisure activities or sharing activities that form part of their learning and training programmes. For example, charity markets where the products for sale are made by the users of these specialised partner centres.

The Línea Directa Group has been contributing to the employment of people with disabilities for

DISABLED EMPLOYEES	2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Average disabled employees	18.2	21.7	40.0	19.0	20.0	39.0
Average headcount	1,098.0	1,481.3	2,579.3	1,078.2	1,459.9	2,538.1
Percentage employees	1.66%	1.47%	1.55%	1.76%	1.37%	1.54%

The figure reported is the annual average rather than the number of people at year-end as it is more representative. The average is calculated by weighting by the number of days that each person is in the Group and dividing by 365 days.

Accessibility

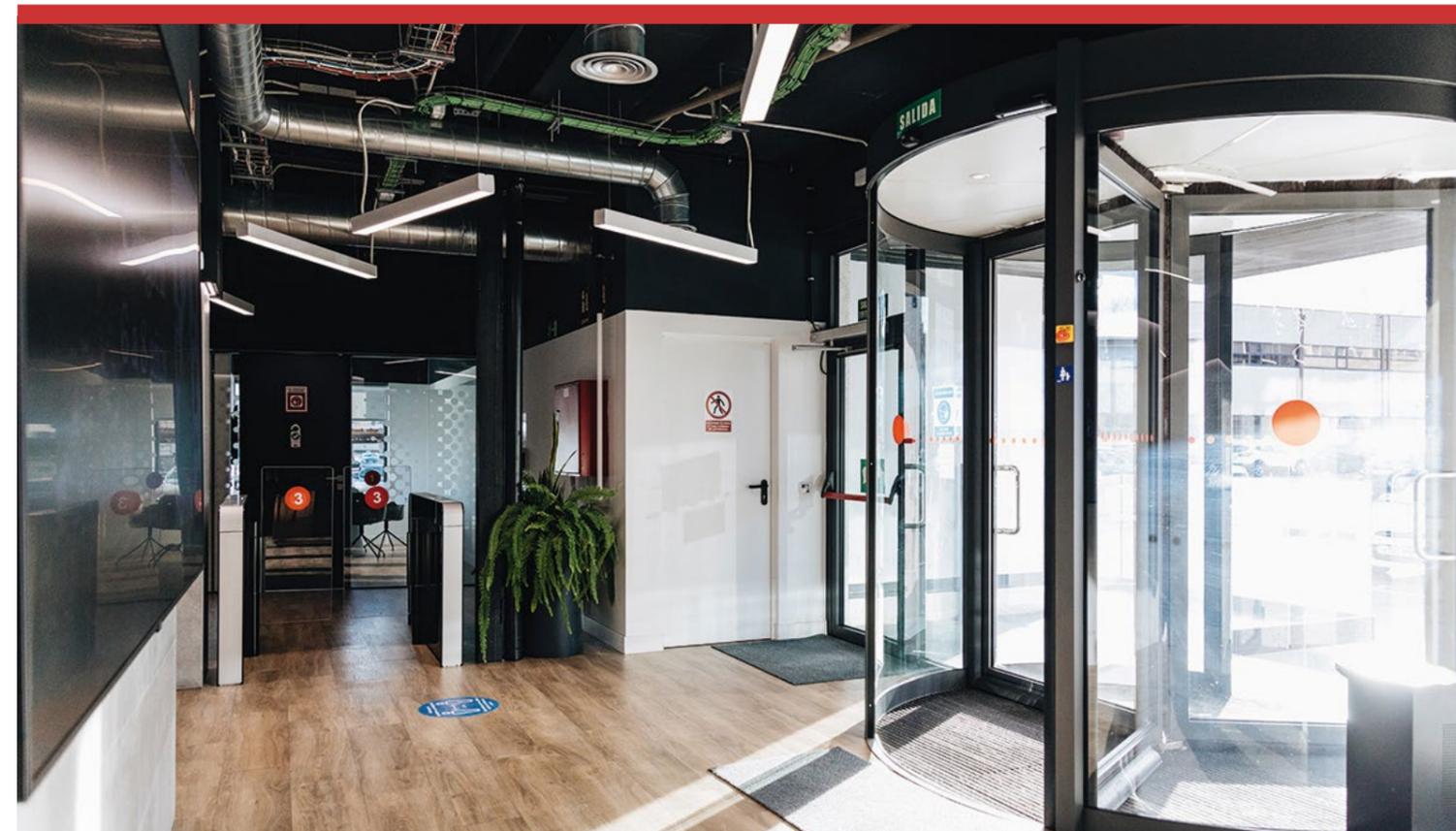
more than a decade, through the recruitment of specialised employment centres.

Línea Directa has joined the Randstad Foundation's "Companies for Equality, Diversity and Inclusion" initiative as a sponsoring company, seeking to promote the principles of this group of companies in society and spread good practises in this area.

At the end of the year, the Línea Directa Group was employing 39 people with some form of disability, representing 1.54% of the workforce.

All the workplaces of the Línea Directa Group are accessible. In addition, the company is working on internal and external communication and awareness-raising on the subject of disability and **has improved the digital accessibility of its corporate websites.**

The Group is actively working on incorporating best practices in web accessibility throughout 2023.



SOCIETY

SUSTAINABLE INVESTMENT

RESEARCH SUPPORT

SUSTAINABLE PRODUCTS

LÍNEA DIRECTA FOUNDATION, A LEADER IN ROAD SAFETY

CORPORATE VOLUNTEERING

SUBCONTRACTING AND SUPPLIERS

CUSTOMER SERVICE DEPARTMENT

SERVICE QUALITY



Society

Línea Directa Aseguradora is a responsible company that is involved in the communities in which it operates and is committed to the progress of society.

Commitment to road safety

The main contribution to society is made through the Línea Directa Foundation, covering road safety research, promotion and training activities.

In 2022, the Línea Directa Foundation published 3 road safety studies with a strong media impact and carried out road safety training for unemployed teachers.

Insurance sector

The Línea Directa Group actively participates with insurance sector entities, such as ICEA, which deals with research, statistical studies, training and advice applied to insurance activity, and UNESPA, the association that is the voice of the insurance sector on issues of concern to society.

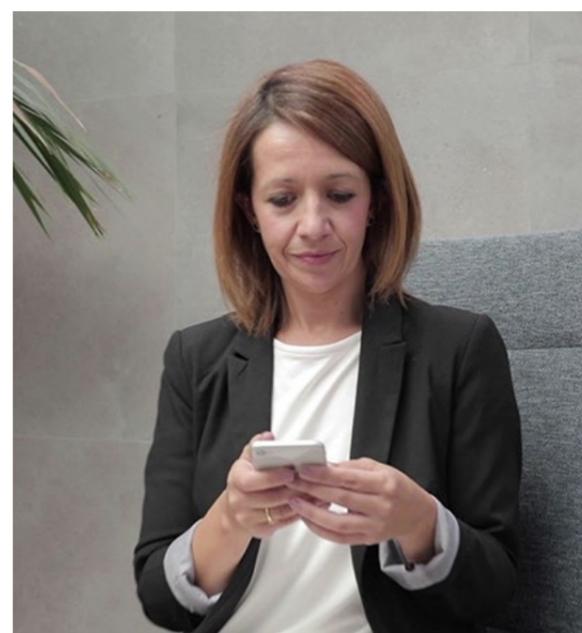
The amount allocated by the company to support these insurance sectoral entities amounted to €126,632 in 2022, compared to €114,712 in 2021.

Other contributions

The Línea Directa Group, as a sign of its commitment to society, has contributed €658,061 to foundations and non-profit organisations, mainly directed to community investments and to a lesser extent to charitable donations.

The total amount of contributions in 2021 amounted to €849,942 as a result of the extraordinary contributions made by the company to contributions made by the company to mitigate the effects of the Covid-19 pandemic.

Línea Directa also promotes the social commitment of its employees by supporting activities carried out through corporate volunteering in collaboration with various foundations, associations and NGOs.



Sustainable investment

The European Commission's firm commitment to sustainable finance in recent years has encouraged financial institutions, which are considered a key player in promoting an economy committed to climate and sustainable development, to incorporate environmental, social and good governance (ESG) criteria into their investment policies and even develop plans to exclude some controversial sectors or define a roadmap for the decarbonisation of their investment portfolios.

The Línea Directa Group, as an investment manager, works to participate in a responsible financial system. In this regard, in 2022 an ambitious Sustainable Investment Policy has been defined which actively promotes the integration of these criteria into investment decisions and avoids participating as an investor in organisations, projects or products that promote or could cause serious violations in these areas.

The company has also implemented the market-leading Morningstar Sustainalytics tool for automatic monitoring and tracking of ESG investments. The tool provides real-time information on the general exposure to ESG risks, both in operations and in products and services, and to take specific actions to mitigate these risks.

Additionally, the coming into force of the EU's Taxonomy reporting obligation for financial institutions' investment portfolios entails an additional challenge due to the regulatory requirements faced by companies in assessing the degree of alignment of their activity with the Taxonomy.

Lastly, it should be noted that since 2022, the following are reported: the ESG-rated percentage of the portfolio, the percentage of the portfolio with low or negligible risk and the ESG risk of the portfolio in the company's quarterly results.

Research support

Línea Directa Aseguradora finances various research projects that represent added value for the company's reputation due to their scientific relevance and specific weight in terms of sustainability.

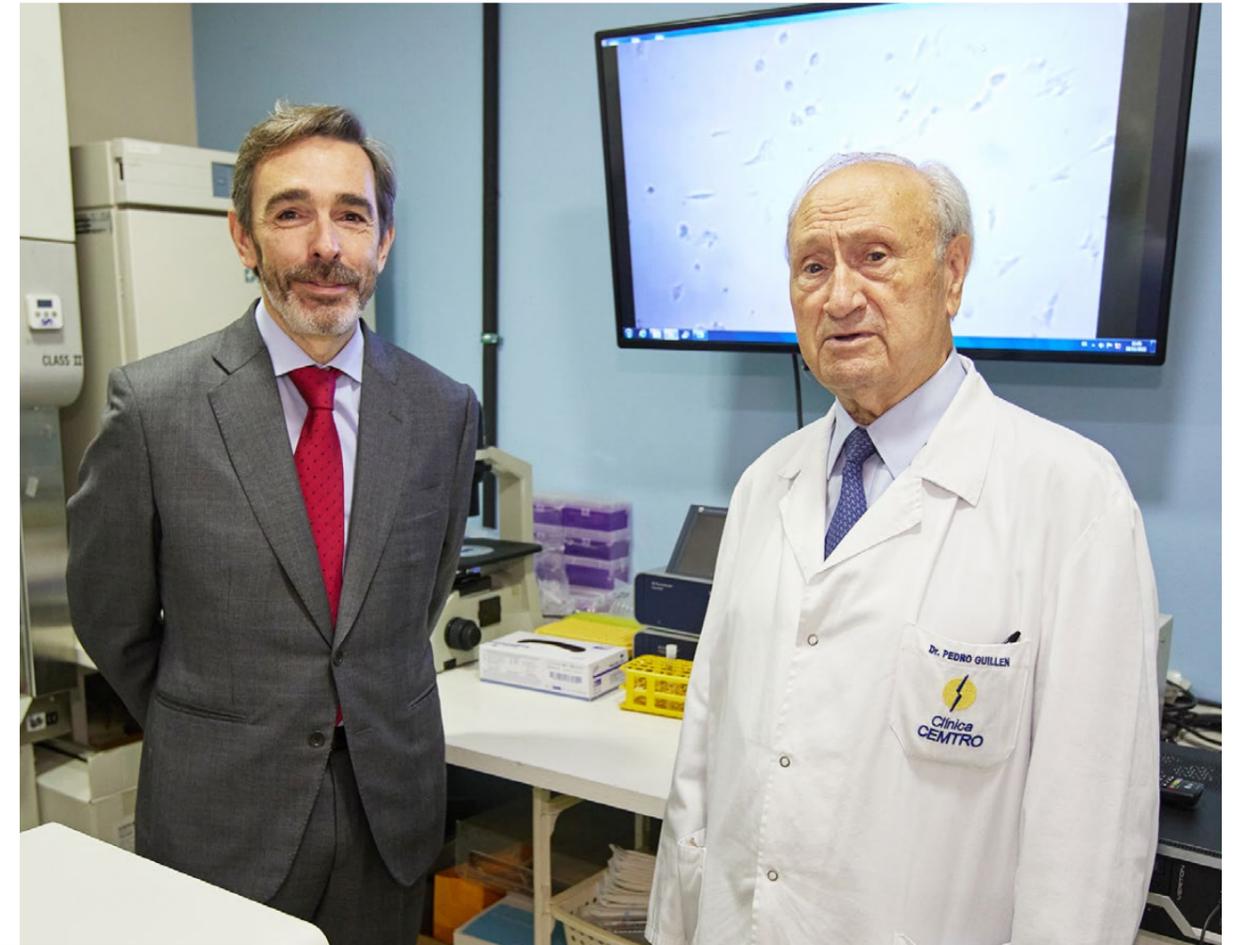
Línea Directa Aseguradora financed and supported in 2022 a number of projects in a wide range of areas, such as health, electric vehicles and energy. The most significant investments made by the company in health were as follows:

- A high-accuracy VR sensor to simulate and refine radiation-therapy treatments.
- Research on a new solution for comprehensive genetic risk assessment of common diseases.
- Research and development of precision medicine for lung cancer screening.
- Research on the molecular identification of the metabolomic fingerprint associated with mastitis during breastfeeding.

With regard to the automotive industry, and reinforcing the company's commitment to sustainable mobility, support for research and development of a new ultra-fast and mobile recharging system for electric vehicles stands out. Lastly, in the energy sector, the company funded research projects on new materials and processes for the development of primary aluminium-air batteries.

All these projects funded by Línea Directa Aseguradora have contributed to the development of R&D throughout Spain, as the companies involved are located in Madrid, Cantabria, and Catalonia.

Línea Directa reaches an agreement with the Dr. Pedro Guillén Foundation to promote research into traumatology.



Sustainable products

Sustainable growth makes it possible to respond to the company's current needs, but it also means thinking in the long term and adapting the business model to the characteristics of the market environment, thus ensuring a balance between economic growth, social well-being and the environment.

For years, the Línea Directa Group has been committed to sustainability, which is reflected in its three-year sustainability plan. The current plan in force includes 71 specific actions in 15 action areas for the period 2020-2022, is aligned with the Sustainable Development Goals (SDGs) and is incorporated into the corporate strategy. The Group's sustainability policy is based on concern for the business,

the organisation and society. As regards to the business activity, the Group has been developing and launching different products and services that respond to the goal of ensuring that its activity and products generate a positive impact on society and the environment, in each of the company's three business lines: Motor, Home and Health.



ConducTOP

Out of concern for road safety and to promote safe driving, the company has continued to promote **ConducTOP, an app that rewards customers who are the most responsible behind the wheel.** The app takes into account the smoothness of cornering and braking as well as acceleration, appropriate speed on any road and concentration. According to these parameters, the customer collects discounts that can be redeemed for discounts on purchases from company partners.



ECO-labelled replacement vehicles

The Advanced Repair Centres (CARs) of Línea Directa Aseguradora, state-of-the-art shops with comprehensive customer service, have among their services a range of replacement vehicles with the Eco label, with LPG (Liquefied Petroleum Gas) combustion, a propulsion system with almost zero CO² emissions.



Concerned about road safety the company has continued its commitment to ConducTOP, an App that rewards the most responsible drivers.



Póliza Respira (Breathe Policy)

Six years ago, as part of its commitment to a new model of urban mobility that is more environmentally friendly and helps reduce CO2 emissions, the company developed a special insurance policy for electric cars known as Póliza Respira. This was initially a supporting product for drivers buying electric vehicles, but **from 2022 it has been extended to include plug-in hybrids and motorbikes**, non-electric vehicles with the lowest environmental impact. This is a fully comprehensive insurance with excess for private drivers with a flat rate during the first year, and is suited to the needs of these vehicles, incorporating a series of specific services depending on the type of vehicle: covers the battery in the event of an accident and the charging cable in the case of theft, as well as offering roadside assistance without mileage limit for battery fault or discharge. At the end of 2022, Línea Directa Aseguradora had 4,000 Póliza Respira customers.



Llámallo X

During the year, the company continued to offer its innovative "Llámallo X" product, **the first fully comprehensive insurance with excess that includes a vehicle** and the cost of maintenance and taxes for a fixed monthly price, turning the traditional model of linking insurance and car financing upside down. On this occasion, in a clear commitment to sustainability, it has included two new hybrid models, which are in great demand in the market for their design, efficiency and features. At the end of 2022, "Llámallo X" has more than 1,900 policies.



lineadirecta.com

Presenta Llámallo X:
El seguro que incluye un coche

SEGURO A TODO RIESGO
+ FIAT 500 HÍBRIDO

199 €/mes*
Precio final, impuestos incluidos

Seguro a Todo Riesgo con franquicia de 180 €

Six years ago, the company developed a special insurance for electric cars called Póliza Respira. In 2022, it has been extended to plug-in hybrid vehicles and motorcycles, which have a lower environmental impact.

Safe&Go

In recent years, mobility has been experiencing a revolution that has changed the way people get around the city and paved the way for Personal Mobility Vehicles (PMVs). Electric scooters, electric bikes and Segways allow for more agility and flexibility as well as greater respect for the environment.

Línea Directa, under Vivaz, the health insurance brand of Línea Directa Aseguradora, launched in 2021 Safe & Go, a product that **covers the person and their mobility and can be contracted on demand** under the revolutionary concept of on/off insurance or pay-as-you-go: By seconds or trips or for a whole year.

Safe & Go offers insurance cover that is unique in its category, as it not only covers damage caused to third parties, but also physical damage suffered by the user himself, and even legal defence. In addition, in the event of an accident, the insurance app pinpoints the location, which can shorten the response times of the emergency services and get you help quickly.





Vivaz Actividad

Vivaz has an app, **Vivaz Activity**, for both customers and non-customers, that helps users maintain healthy habits. At the end of the year, more than **21,596 users** enjoy the benefits of using Vivaz, as well as discounts on their health insurance policy if they are Vivaz customers.

Cooperation with Special Employment Centres

In 2022, Línea Directa Asistencia's professional drivers were available to the company's customers to pick up their vehicles or transfer them to where they were indicated, with the aim of providing a safe, fast and reliable service that includes the transfer of cars to MOT centres and the personalised delivery of new or used cars, among many other options. In order to offer this service through Línea Directa Asistencia, the company has entered into an agreement with Special Employment Centres (CEE), which enables it to employ disabled workers and thus facilitate their integration into the labour market.

Research aimed towards increasing prevention and awareness

Whether through Línea Directa Aseguradora or the Línea Directa Foundation, the company puts its knowledge and experience at the service of society by carrying out studies and research, seeking to raise awareness and prevention in specific areas, especially health and road safety.

Línea Directa Aseguradora published at the beginning of the year the study **'VI Insurance Fraud Barometer: Fraud in Motor and Home Insurance'**, which analysed the trend in insurance fraud in Spain and the causes (mainly economic) that make fraudsters act in this way. The report concludes that, despite the confinement, car insurance fraud soared during 2020 to reach almost 7% of all open claims, a proportion 21% higher than the previous year, while home insurance fraud increased moderately to reach 2.7% of claims in 2020. The most common frauds in the sector are false claims and attempts to cover damage prior to the signing of the policy.

In the second half of the year, Línea Directa Aseguradora published the study **'Animals on**

the road: A mortal danger. Accidents against animals on Spanish roads (2017-2021)', focusing on the increasingly frequent and more serious accidents involving animals on Spanish roads; it also analysed the regulatory changes in this area in recent years and the effects they have had.

Línea Directa Aseguradora's health insurance brand, Vivaz, published the study **'Perception vs. reality in the eating habits of Spaniards'**, which concluded that, although 76% of the Spanish population rate their diet as good or outstanding, a third consume ultra-processed food almost daily.

Lastly, in relation to Home segment, the study **'Spanish households facing inflation in 2022'** was published at the end of the year: household spending and saving in the current economic scenario', which analysed households' difficulties caused by the price rises in recent months. The report indicates that half of Spaniards say they have changed energy companies due to price, and one third look are looking around for cheaper insurance options. In addition, almost 80% of Spaniards claim they are dipping into their savings to make ends meet and 2 out of 10 are paying on credit to make ends meet.



Línea Directa Foundation, a leader in road safety

Línea Directa Aseguradora, due to its direct contact with customers, has been particularly sensitive to traffic accidents and their consequences since the very beginning. That is why the Línea Directa Foundation was established in 2014 with the slogan “For road safety: Here and now”, develops numerous initiatives to fight against a problem that, every year, permanently scars the lives of thousands of people in our country.

The **Línea Directa Foundation** was created in 2014 with the aim of combating road fatalities, bringing together the Group’s extensive experience and knowledge in accident prevention. The Foundation, which acts under the slogan “**For road safety: here and now**” as a synthesis of its commitment in this area, has four lines of action: **Research, Dissemination, Social Action and Training**, through which it promotes and develops powerful initiatives with great social impact.

Among the Foundation’s most outstanding actions are **interesting studies** that analyse, from a very social and informative point of view, the causes and most characteristic elements of traffic accidents, achieving a wide repercussion in the media. It also organises the **Road Safety Journalism Award**, one of the leading competitions in the Spanish journalistic field which, year after year, recognises those journalistic works which, due to their originality and quality, can make a decisive contribution to raising awareness among drivers of the need to drive responsibly.

The Foundation has also become an important **startup accelerator** through the **Entrepreneurs and Road Safety Award**, which supports road safety entrepreneurship by funding projects and entities that, due to their innovative nature and economic viability, can contribute to building safer mobility. In addition, the Foundation carries out numerous **training** and **social action** activities in collaboration with other entities, organisations and institutions in our country.

The organisation’s determination and strong commitment to road safety has allowed it to be recognised, despite its youth, with important honours, including the **Silver Cross of the Order of Merit of the Guardia Civil** and the **Bronze Medal of Merit for Road Safety**, awarded by the Ministry of the Interior and the DGT.



RESEARCH

Research is a fundamental pillar in the fight against traffic accidents. For this reason, every year the Línea Directa Foundation, which has become a major leader in this area, tackles issues of great social significance with the aim of awareness-raising in society on key aspects of road safety, thus supporting responsible driving habits.

Since its creation in 2014, the Línea Directa Foundation has been preparing important studies in collaboration with leading institutes, foundations and universities with the goal of raising awareness among Spaniards about the risks of driving. The choice and preparation of these reports, which have a great impact on the media, are based on values such as **originality, significance** and their **usefulness** as a tool in the fight against road accidents.

In 2022, the Línea Directa Foundation conducted **3 studies** that have been widely followed in the media, with **732 news items** and a **cumulative audience of more than 382 million**.

- “New Urban Mobility and Road Safety: Accident rates in the new mobility culture”
- “Speed, the silent scourge. Speeding in fatal accidents in Spain (2011-2020)”
- “Obsolete cars, a real risk. The influence of the age of the automobile population on accidents (2011-2020)”



“New Urban Mobility and Road Safety: Accident rates in the new mobility culture”

The first report published in 2022 analysed the influence that the urban planning and mobility **changes** in recent years could have on **accident rate**, especially in view of the challenge set by the UN and the EU to **reduce by 50% the number of people killed** in traffic accidents in this current decade.

The truth is that these changes are increasing the frequency of **urban accidents**, which, from 2011 to 2019, increased **by 42%**, resulting in almost **4,700 deaths**. Also, **vulnerable road users** already account for 80% of fatalities in cities (2020) partly due to the rise of cycling and PMVs, two groups which, last year, registered almost 7,000 accident victims and accounted for 10% of the total number of vulnerable road users killed in urban areas.

“Speed, the silent scourge. Speeding in fatal accidents in Spain (2011-2020)”

The second study of the year investigated the influence of speed on traffic accidents, one of the main causes of accidents along with distractions and alcohol.

One of the most striking conclusions of the report is that **only 6%** of drivers **know the speed limits** for cars and **only 1% know the speed limits for all types of vehicles**. Moreover, the study shows that **43% of drivers admit to regularly exceeding speed limits** and the equivalent of 1.1 million confess to having exceeded 200 km/h on some occasion.

“Obsolete cars, a real risk. The influence the age of the automobile population on accidents (2011-2020)”

The third study carried out by the Foundation in 2022 focused on one of the major concerns in the fight against accidents: the ageing of the Spanish vehicle fleet. According to the report, Spanish vehicles have become obsolete, since, in our country, **more than 16 million cars** and motorbikes are more than **15 years old** and almost 23 million are more than a decade old.

Moreover, the outlook is not good: **registrations have plummeted by 35%** in the last 3 years, making the Spanish vehicle population one of the oldest in the countries in our vicinity, reaching an average age of **13.5 years** in 2021. These figures have a direct impact on the accident rate, since, taking into account the lethality of vehicles according to their age, if the average age of Spanish cars could be brought below 10 years, **260 lives could be saved every year**.

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AWARENESS-RAISING

Through this awareness-raising action line, the Línea Directa Foundation promotes one of the most successful and best known initiatives in the fight against traffic accidents: Road Safety Journalism Award. This competition, which in 2022 reached its nineteenth edition, rewards the best reports and articles on road safety published in the Spanish media.

In 2022, the Línea Directa Foundation organised the XIX edition of the Road Safety Journalism Award, which was presented at the **Gran Teatro Príncipe Pío in Madrid**. The competition recognised the best reports and articles published and broadcast in Spain in the following categories: **Written Press and Online Media, Radio and Television**, each with a net prize of €10,000.

In addition, the **Solidarity Award**, which awards €10,000 net to organisations, institutions and foundations whose area of action is road safety, and the **Honorary Award for Road Safety Journalism**, which recognises the career of a professional journalist in this area, were also presented.



The number of applicants submitted for this edition was **1,900 entries**, a number 21% higher than that recorded the previous year. This year's winners were **Juan Antonio Marrahí**, from Las Provincias (Written Press and Online Media); **Ana María Herrero**, from Onda Cero Palencia (Radio), and **Beatriz Correal**, from La Sexta (TV).

The Solidarity Award has gone to the **FEDACE** (Spanish Brain Injury Federation), for its contribution to improving the quality of life of people who suffer brain injury, and of their families. The journalist and editor **Enrique Hernández-Luiké** has received the **Honorary Journalism Award** posthumously, for his outstanding efforts to disseminate road safety throughout his professional career at the head of the Luiké Group.

The Jury of the XIX edition

The components of the Jury of the XIX edition were:

- **Pere Navarro**, Director General of Transport. Chairman of the Jury.
- **María del Pilar González de Frutos**, President of UNESPA (Spanish Association of Insurance and Reinsurance Companies).
- **Pere Macias i Arau**, Chairman of the Commission for Road Safety of the Chamber of Deputies during the 2011-2015 legislature.
- **Pedro Guerrero Guerrero**, Chairman of Bankinter.
- **Carlos Franganillo**, Journalist and presenter of the 2nd edition of the Telediario de La 1 (TVE).
- **Leticia Iglesias**, Journalist and presenter of Informativos TELECINCO.
- **Cristina Villanueva**, Journalist and presenter of LA SEXTA NOTICIAS.
- **Iván Gómez**, Journalist of DIARIO DE ALMERÍA, winner in the 18th edition of the Road Safety Journalism Prize under Written Press and Online Media.



TRAINING AND SOCIAL ACTION

The Línea Directa Foundation develops different initiatives through its Training and Social Action lines of action with the goals of promoting knowledge about road safety and actively collaborating with the creation of a fairer and more cohesive society. For this reason, in 2022, it held another edition of the Entrepreneurs Award and launched a pioneering action in our country: the first course on road safety aimed at teachers in employment.

Entrepreneurs and Road Safety Award

In 2022, the eighth edition of the Entrepreneurs and Road Safety Award was held, a project that seeks to accelerate start-ups by boosting their proposals in the area of traffic accident prevention. **The Award, the first of its kind, is endowed with €20,000 (drag along or co-investment do not apply)**, as well as mentoring, training and access to investment rounds, and consists of a jury made up of eight professionals from business, the entrepreneurial environment and the public administration that especially values the quality of the project, economic viability, innovation and potential to improve road safety.

A total of 62 projects were received in 2022, of which 5 were selected as finalists. The

startup Livall Europe was the winner with its proposal: smart helmets for use with bicycles and scooters with an automatic LED lighting system that includes indicators that can be controlled from the handlebars. The helmets also feature built-in speakers, a windproof microphone and Bluetooth.

Segurvital Roads from La Rioja was the second best rated startup thanks to a structure that attaches to the lower part of the guardrails to reduce the severity of injuries in the event of an accident. In addition, thanks to a protective strip made from recycled tyres, this solution prevents a motorcyclist or cyclist in an accident from being thrown into the middle of the road.

An innovative social initiative

On the occasion of the inclusion of road safety as a curricular subject in all educational stages, the Línea Directa Foundation, in collaboration with the RACE Foundation, **decided to organise the first course on road safety and sustainable mobility especially aimed at unemployed teachers from all over Spain.**

The training, which was free of any cost or charge for the students, took place at the Jarama Circuit and was structured in two parts. There was a 5-hour online training course, as well as 5 classroom hours in which the students practiced on the RACE Foundation's rollover simulator and learned first-hand about the effects of alcohol and drugs on driving thanks to the use of special goggles.

The course also addressed topics such as the human factor in driving, the importance of the road, active and passive safety, emergency response, driving in adverse weather conditions and a special focus on the role of pedestrians and cyclists, always aimed at training future teachers of the subject.



Social media

At the end of 2022, the Línea Directa Foundation had a community of 4,409 followers on Facebook and Twitter, achieved completely organically, without having carried out recruitment campaigns.

Through the promotion and development of this channel, the Foundation promotes transparent and flexible communication with its followers and society, to which it transfers its actions and initiatives in the fight against accidents.

Corporate volunteering

The Línea Directa Group offers its employees the opportunity to join its volunteer network, which as of this year is named “Conmovedores Línea Directa”. The network aims to promote social and environmental commitment and carry out actions with a great impact on the environment. Corporate Volunteering was launched in 2009 and currently has 178 volunteers.

In 2022, Línea Directa Aseguradora’s social action has undergone a significant development, effectively integrating into the sustainability strategy. At the beginning of the year, “Movimiento Línea Directa” was launched, with the purpose of making visible and encompassing social action, as well as framing volunteering in the company’s Sustainability Plan. This relaunch initiative also sought a call to action with the aim of involving more people in the community. This new direction of the volunteer network also aims to include social action and sustainability programs that accommodate all the solidarity concerns of the company’s employees.

All volunteer actions in ‘Conmovedores Línea Directa’ have begun to align with the UN Sustainable Development Goals and the priorities have been inclusion, children, equality, sustainability, health, transparency, diversity and the elderly.

Corporate volunteering focuses on actions for children, young people and adults at risk of social exclusion, people with disabilities and women in situations of gender violence that add value to communities, strengthen organisational culture internally and enable the

development of new competencies, skills and sensitivities among participating volunteers and in their professional environment.

The Group uses a tool to document, quantify and categorise social initiatives according to the type of activity carried out and the resources provided, in order to measure the contributions and impact of social action on society.



Inclusion volunteering (employment workshops)

Integra Foundation - Empowerment School

No. of volunteers: 17

No. of beneficiaries: 140

Volunteer hours: 68

During the year, volunteers from Línea Directa Aseguradora conducted 9 employment workshops and job preparation days as part of the Integra Foundation’s Escuela de Fortalecimiento job placement programme, focusing on these moments of truth in the job search:

- “Coping with the job interview”.
- “Practising the job interview”.
- “Group dynamics”.
- “The interview: mistakes and successes”.

In these workshops, examples and role plays were used to analyse and deal with the different situations that can arise during a job interview, both individually and in a group.

The beneficiaries of the Integra Foundation are people with disabilities, groups at risk of exclusion and women in situations of gender-based violence.



Norte Joven Association

No. of volunteers: 11

No. of beneficiaries: 14

Volunteer hours: 12

Línea Directa Group works with this association by carrying out corporate volunteering actions to help young people between 16 and 25 years old who are at risk of exclusion or vulnerability prepare for working life and integration into society. In April, company volunteers held a job preparation day with two workshops, one to simulate personal job interviews and a group dynamics workshop. These workshops are part of the training programme these young people receive at the association. Based on the feedback and assessments from the interviews, the supervisors of these young people work with them individually on the aspects that will help them achieve full social and professional inclusion.

Foundation of Pediatric Psychology of Seville – Rehabilitation of vegetable garden

The management team of Línea Directa Aseguradora collaborated for three days with the Foundation of Pediatric Psychology of Seville, together with the Randstand Foundation, rehabilitating an vegetable garden for its occupational centre and creating a space for the enjoyment of the people the centre serves.

The action has been done hand in hand with young people and adults with intellectual disabilities, thus promoting their integration and development.

No. of volunteers: **15**

No. of beneficiaries: **133**

Volunteer hours: **168**



Integra Foundation – International Women’s Day

No. of volunteers: **16**

No. of beneficiaries: **15**

Volunteer hours: **16**

On the occasion of International Women’s Day on 8 March, the Línea Directa group organised a day for a group of women affected by gender-based violence, during which three different activities were carried out:

- Hiring workshop, in which the interview was conducted using role plays and in which each volunteer interviewed each candidate for about 15 minutes.
- Group dynamics with feedback from the volunteers.
- Listeners in the sales departments, issuing and receiving calls for one hour, each of them standing next to a sales manager, watching and listening to them make the call and dealings with customers.

Adopt a Grandparent - Hacker Grandparents

The volunteers of Línea Directa Aseguradora have put their digital knowledge at the service of ten elderly people of the Domusvi residence in Tres Cantos and, with the help of Adopta un Abuelo, they have been offered training in new technologies.

With this action, the company contributes to minimising the digital divide among the elderly, promoting their autonomy. In addition, Línea Directa Aseguradora has donated a mobile phone to all the elderly participants.

No. of volunteers: **11**

No. of beneficiaries: **10**

Volunteer hours: **22**



Environmental volunteering

Green patrols with Prodis

No. of volunteers: **8**

No. of beneficiaries: **12**

Volunteer hours: **28**

On the occasion of World Environment Day, a recycling activity was organised at the Línea Directa Campus with the Prodis Foundation and its green patrols.

This activity has offered employees knowledge on how to properly recycle waste, also enjoying a day of inclusion with young people with intellectual disabilities of the Prodis Foundation.

Donation of CPUs and monitors

No. of volunteers: **1** technician and **1** volunteer

No. of beneficiaries: **17** young people living in the Hogar el Olivo

Volunteer hours: **3**

This year, we have donated 3 monitors and 1 CPU to Hogar el Olivo. These teams have been located in the study room of the residence, allowing a greater number of young people to access technological tools for educational purposes.

Give & Gain - Christmas solidarity campaigns

The Corporate Volunteering and Solidarity Action Week, organised by Forética, aims to recognise and give visibility to the social initiatives and projects carried out by companies through volunteering. It is a benchmark initiative for corporate volunteering at international level. During this edition, Línea Directa Aseguradora proposed to include its two Christmas campaigns: "Solidarity Food Collection", with Banco de Solidaridad; and "Become a Wise Man", with Hogar el Olivo.

Solidarity Food Collection, with Solidarity Bank

This is a food bank that serves more than 300 families in the Madrid region. On this occasion, 300 kgs of food donated by Línea Directa Aseguradora employees were packaged in the form of Christmas packages, with the aim of bringing Christmas cheer to people who need it most.

No. of volunteers: **15** voluntarios

No. of beneficiaries: **60** families living with food insecurity

Volunteer hours: **3**

Become a Wise Man, with Hogar el Olivo

The network of volunteers organised to give clothes and toys for Christmas to the young people in this home run by the Autonomous Community of Madrid. The volunteers share with their colleagues the letters received with their wish lists and, together, they collect donations so that the employees can become their own Three Wise Men.

No. of volunteers: **22**

No. of beneficiaries: **17** young people from Hogar el Olivo

Volunteer hours: **3**



Once again this year we have become the Three Kings for a day.

Wellness and health

IX Madrid Race against Cancer

Participants: **100**

Donation: **€2,000**

The Línea Directa Group has participated in the Run Against Cancer organised by the Spanish Association for Cancer Control (AECC) for four years. This year, the company bought 135 race bibs to encourage employees to participate and thus contribute to the purpose of the run, cancer research.

Carrera Hay Salida

Participants: **50**

Donation: **€2,000**

As a member of the group "Companies for a Society without Gender Violence", Línea Directa Group co-sponsored "Hay Salida" (There is a Way Out), the solidarity run against gender violence organised by the Ministry of Equality in June. Each year, specific projects such as comprehensive support for victims and vulnerable groups, social awareness, training and prevention of victimisation are carried out. **Encouraging staff participation creates greater awareness of the problem faced by these women**, which helps to improve their lives and those of their children.



Each year, specific projects such as comprehensive support for victims and vulnerable groups, social awareness, training and prevention of victimisation are carried out.



Donations

Foundation of Pediatric Psychology of Seville

For the rehabilitation of the vegetable garden and the construction of the pergola in its facilities by the company's management team, Línea Directa has donated €9,300 to the Foundation of Pediatric Psychology of Seville.

With this amount, the company has supported the Foundation of Pediatric Psychology of Seville in its efforts to provide support to people with intellectual disabilities and their families in the province of Seville, through services and programmes that take into account their interests at different stages of life, with an ethical commitment to promote their inclusion and rights.

Cáritas with Ukraine

All profits from the sale of Línea Directa Aseguradora policies on Friday 8 April 2022 were donated to humanitarian aid for people affected by the war in Ukraine through Caritas.

The €35,000 collected by the company has been used to purchase food, provide shelter, psychological care and to assist in the safe evacuation of the most vulnerable.

Solidarity Market 2022 in favour of San Camilo

All gifts that arrived at Christmas 2022 to Group employees from suppliers and other companies were donated to a charity market. This year, as part of the charity market, Línea Directa Aseguradora also made 20 recycled mobiles in good condition available at a symbolic price of €20. The final collection exceeded €2,000.

The market was organised by 15 volunteers, giving support to the professionals of San Camilo who were attending the Market. In the San Camilo geriatric residence live more than 150 elderly and dependent people. The funds collected have been used for products that improve the care and quality of life of the residents.



Alianzas

- Randstad Foundation
- Aprocor Foundation
- Integra Foundation
- A la Par Foundation
- Solidarity Bank
- San Camilo Centre for the Humanisation of Health Care
- Norte Joven Association
- Cáritas
- Adopt a Grandparent
- AECC
- Hay salida ("There is a way out") (Ministry of Equality)
- Prodis Foundation

Subcontracting and suppliers

The engagement of new suppliers is subject to an approval process adapted to the needs of each business area and overseen by the Purchasing area. Before submitting the request to the Purchasing team, the requester must follow the procedures included in the Company's Purchasing Policy, including the recommendations of the Data Protection Office.

Responsible Purchasing Policy

The year 2022 has been a key milestone for the company's Purchasing department: Línea Directa has approved the **Responsible Purchasing Policy**, which sets out that suppliers will be encouraged to define a strategic plan on sustainability, with ESG criteria, to be in line and aligned with the company's commitment in this regard.

Additionally, non-financial criteria - environmental, social and governance - have also been included in the supplier evaluation and approval process.

Supplier Code of Conduct

This policy mandates that all suppliers must adhere to the Supplier Code of Conduct approved by the Board of Directors. The purpose of this code is to ensure that all suppliers and contractors comply with the requirements of the United Nations Global Compact, promote sustainable development, ensure human rights, comply with labour regulations and promote environmental protection, among other things. In short, it aims to ensure that suppliers share and respect the ethical values that guide the conduct of the Group and its employees.

The principles described in this Code of Conduct are an important part of the selection and evaluation of suppliers, and their non-compliance may also lead to termination of the contract.

100% of suppliers approved in 2022 have accepted the Code of Conduct for suppliers

52% of suppliers approved in 2022 have provided ESG information



Number of approved suppliers in 2022:

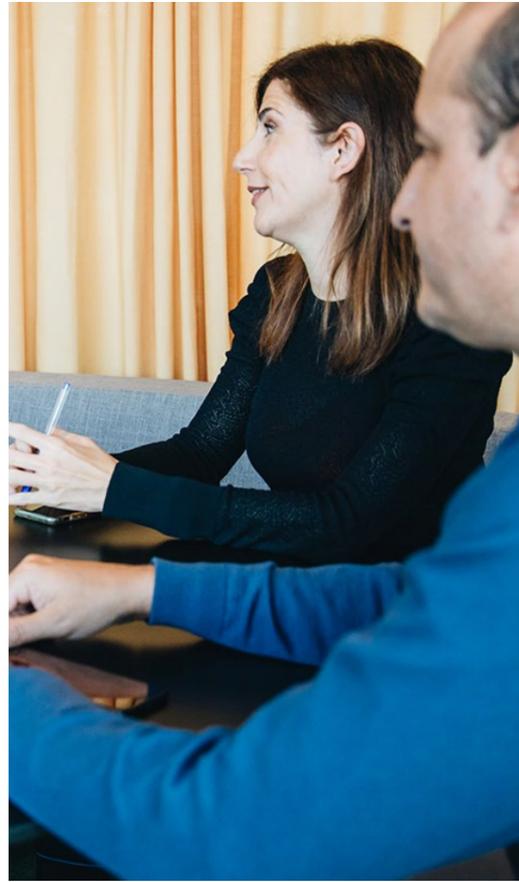
494

Number of active suppliers in 2022:

119

% of active local suppliers in 2022:

92



Outsourcing Policy

Moreover, any outsourcing of critical operational functions or activities is carried out in compliance with the requirements set out in the Outsourcing Policy, which has also been revised in 2022 and subsequently approved by the Board of Directors.

The Outsourcing Policy also defines the process to be followed and the requirements to be met by a service provider that is to carry out an activity considered critical, as provided by the policy.

Supply chain: purchases from local suppliers

Línea Directa is committed to the development and growth of the Spanish productive fabric, as 75% of its active suppliers are local, the vast majority being small or medium-sized enterprises (SMEs).

Assessment of critical suppliers

Periodically, the company evaluates the suppliers that carry out critical operations, resulting in an informative document that is made available to management, with the aim of ensuring the good performance of those suppliers that play a key role in the critical operations of Línea Directa.

Environmental and sustainability requirements for suppliers

Línea Directa, through its dialogue channels, asks a series of questions to all approved suppliers. These issues assess aspects related to the code of conduct, working conditions and human rights, occupational risk prevention, business ethics, conciliation, equality and diversity, personal data protection and the implementation of a corporate social responsibility policy.

Human Rights Due Diligence

As part of the Human Rights Due Diligence process, Línea Directa has assessed the possible impacts of its supply chain in this area, as well as the processes and controls in place to mitigate them.

This assessment has identified a series of improvement actions to achieve greater control of the supply chain and thus reduce the probability of occurrence of impacts caused by a supplier's bad practices in human rights matters.



Customer service depart

The Customer Service Department has the goal of guaranteeing service excellence in accordance with the provisions of the law and the contract signed with the customer. For this purpose, the company analyses the information obtained from the complaints received and proposes different measures to the business areas with the goal of promoting the improvement of service and products.

All the department's efforts aim to put the customer at the center of all decisions, for which the service processes that have motivated their complaint are reviewed, they are informed of any progress in the procedure, and they are kept promptly informed through the communication channel they choose.

The Customer Service Department acts with complete independence and is separate from the company's commercial services, which guarantees specialised attention to complaints and claims and a reasoned response to customers based on contractual clauses, transparency rules and the protection of their interests.

In 2022, the company maintains very short response times in the resolution of complaints and claims, averaging 12.5 days.



Activity Report of the Customer Service Department

During the year 2022, the Customer Service Department resolved 5,809 files, of which 398 were complaints and 5,411 were claims, a decrease of 6.4% compared to 2021.

DEVELOPMENT COMPLAINTS AND CLAIMS

YEAR	COMPLAINTS	CLAIMS	TOTAL
2022	398	5,411	5,809
	6.85%	93.15%	
2021	374	5,833	6,207
	6.03%	93.97%	
2020	665	7,052	7,717
	8.62%	91.38%	

YEAR	APPLY	DO NOT APPLY	TOTAL
2022	2,215	3,594	5,809
	38.13%	61.87%	
2021	2,190	4,017	6,207
	35.28%	64.74%	
2020	2,386	5,331	7,717
	30.92%	69.08%	

*Data extracted as at 01/01/2023 on claims closed in 2022 regardless of their submission date.

DISTRIBUTION BY THE DIFFERENT MANAGEMENT AREAS

AREA	PERCENTAGE	COMPLAINTS AND CLAIMS
Accident Management	69.48%	4,036
Quotations and Policy Management	18.06%	1,049
Quote and Close	2.81%	163
Additional Services	5.78%	336
Roadside Assistance	3.10%	180
Other	0.77%	45

The company seeks in any case to provide the customer with a solution to the complaint raised, always adapted to their particular needs and within the scope of best practices, the contract and the law.

In fact, Línea Directa has a **Customer Ombudsman**, who promotes transparency and protection of the interests of the insured and guarantees the use of best practices with binding resolutions for the company.



Activity Report of the Customer Ombudsman

In 2022, 428 complaints were resolved through the Customer Ombudsman, of which 287 (67%) were resolved in favour of the customer and 141 (33%) in favour of Línea Directa.

TOTAL COMPLAINTS RESOLVED BY THE CUSTOMER OMBUDSMAN	
428	
FAVOURABLE	UNFAVOURABLE
287	141
ESTIMATED	UNCONTESTED
9	278

* Data provided by the Customer Ombudsman in its 2022 Report.

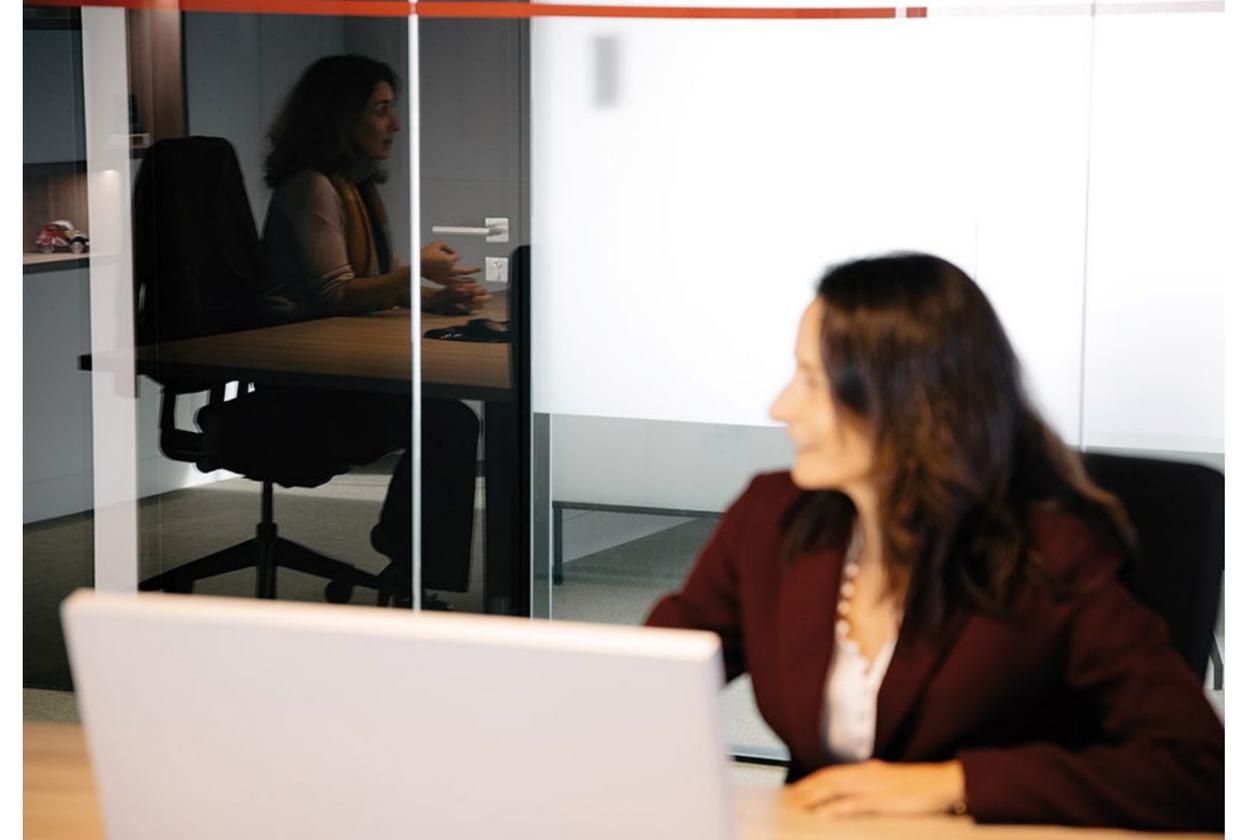
Service quality

The direct model, with no agents or intermediaries, offers a differential advantage over the traditional model: direct contact with customers. In this regard, knowing first-hand the needs of policyholders is a very useful tool when it comes to detecting areas for improvement and promoting a service based on innovation, quality and excellence.

Quality is one of the fundamental pillars of Línea Directa Aseguradora's business model. For this reason, the company has a **Quality System** that promotes, develops and implements a culture of excellence in all areas and actions of the company.

Meanwhile, Línea Directa's **Strategic Quality Plan** has a specific system for measuring all key business processes. This system, based on the **Net Promoter Score (NPS)**, attempts to

determine **customer loyalty** by asking them whether they would recommend the company on a scale of 1 to 10. In this regard, the company's overall NPS closed the 2022 financial year with **46.98%**, which is a very notable improvement compared to previous years, as the **recommendation index** has increased by **7.8 points** compared to 2021 and by **9.3 points** compared to 2020.

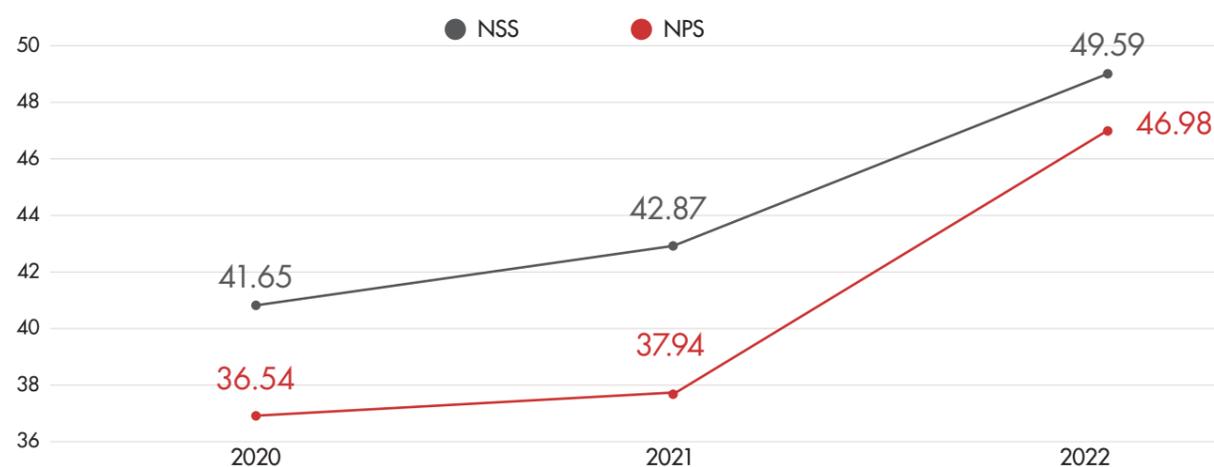


Throughout 2022, quality measurement has been extended to new processes, always with the aim of guaranteeing excellence in service and identifying opportunities for improvement. In fact, given the importance that the **service is reaching through digital channels**, Línea Directa has begun to focus on these processes, setting very challenging objectives.

In addition to the NPS, Línea Directa Aseguradora works with other quality indicators, such as the degree of **satisfaction with the attention of its telephone agents**, in which customers assess their satisfaction with the attention of the company's specialists, as well as with the service received, with **the professionalism and treatment of the professionals being the most highly valued aspect**. Satisfaction with each service, whether after a call or after digital management, is assessed using the Net Satisfaction Score (NSS) indicator, which in 2022 stood at 49.59%, 6.7% higher than the NSS in 2021. As a result, the NSS target for 2022, which had been set to exceed the 2021 NSS, has been far exceeded.

In 2022, the company has also included improvements in the measurement of quality, incorporating new variables and adapting the management of results to the needs of each area, which optimises the accuracy of the categorisation of policyholders' suggestions. **The processes with the greatest room for improvement have also been reviewed**, taking into account customer comments and an exhaustive review of each file and each complaint or claim.

These analyses have been carried out in direct collaboration with the different areas with the goal of generating an action plan based on the conclusions obtained, which has been reported to the company's Management and the affected areas. Additionally, **all the information** on policyholder assessments, data analysis and customer suggestions is **reported to the Management Committee on a monthly basis**.



ANNEXES

REQUIREMENTS OF THE LAW

DIRECTOR JURISDICTION MATRIX

ENVIRONMENTAL INDICATORS

PEOPLE INDICATORS

INDEPENDENT VERIFICATION REPORT



REQUIREMENTS OF LAW 11/2018 REGARDING NON-FINANCIAL INFORMATION

Areas	Content	Associated GRI Standards	GRI description	Chapter of the Report	Page of the Report
Business model	Brief description of the Group's business model, which will include: 1.) its business environment, 2.) its organisation and structure, 3.) the markets in which it operates, 4.) its objectives and strategies, and 5.) the main factors and trends that may affect its future development.	2-1	Organization details	Purpose, mission, vision and values Business environment Business model Sustainability management	Pp. 11-43
		2-6	Activities, value chain and other business relationships		
		2-7	Employees		
		2-22	Statement on sustainable development strategy		
Policies	A <u>description of the policies</u> pursued by the group in relation to those matters, including 1.) the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts. 2.) the verification and control procedures, including what measures have been taken.	3-3	Management of material topics	Purpose, mission, vision and values Sustainability management	Pp. 11-18
					Pp. 37-43
Short-term, medium-term and long-term risks	The <u>main risks</u> in relation to matters associated with the group's operations including, when relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and * how the group <u>manages</u> those risks, * explaining the <u>procedures used to detect</u> and assess the risks in accordance with national, European or international reference frameworks for each topic. * Should include <u>information on the impacts detected</u> , with the related breakdown, in particular on the main short-, medium- and long-term risks.	3-3	Management of material topics	Risk management model	Pp. 63-68
KPIs	Non-financial key performance indicators that are relevant to the particular business activity and that meet criteria of comparability, materiality, relevance and reliability. * In order to facilitate the comparison of information, both over time and among entities, certain standards for non-financial key performance indicators that may be generally applied and that comply with the guidelines of the European Commission in this regard and the Global Reporting Initiative standards will be used, whereby the national, European or international framework used for each area must be specified in the report. * The non-financial key performance indicators must be applied to each section of the non-financial statement. * These indicators must be useful, taking into account the specific circumstances that are consistent with the parameters used in their internal risk management and assessment procedures. * In any case, the disclosures must be accurate, comparable and verifiable.	1-3	Reporting in accordance with the GRI Standards	Reported in the NFS	

Areas	Global environment	Associated GRI Standards	GRI description	Chapter of the Report	Page of the Report	
Environmental issues	1.) Detailed information on the <u>actual and potential impacts of the company's operations on the environment</u> and, where applicable, health and safety, the assessment procedures or environmental certificate; 2.) The <u>resources allocated to the prevention of environmental risks</u> ; 3.) The application of the <u>precautionary principle, the amount of provisions and guarantees for environmental risks</u> . (e.g. arising from the Environmental Responsibility Act)	3-3	Management of material topics	Climate Change Governance and Management Risks and opportunities in the face of climate change Carbon footprint Environmental management system Biodiversity Adaptation to climate change	Pp. 71-79	
		2-23	Policy commitments			
		3-3	Management of material topics			
		201-2	Financial implications and other risks and opportunities due to climate change			
		308-1	New suppliers that were screened using environmental criteria			
	Pollution					
	1) <u>Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment</u> ;	3-3	Management of material topics	Climate Change Governance and Management Risks and opportunities in the face of climate change Carbon footprint Environmental management system Biodiversity Adaptation to climate change	Pp. 71-79	
		305-5	Reduction of GHG emissions			
	2.) <u>Taking into account any form of activity-specific air pollution, including noise and light pollution.</u>					
	Circular economy and waste prevention and management					
	<u>Circular economy</u>	3-3	Management of material topics	Environmental management system: Waste Management	Pg. 75	
	<u>Waste: Prevention measures, recycling, reuse and other forms of recovery and elimination of waste</u> ;	3-3	Management of material topics	Environmental management system: Waste Management	Pg. 75	
		306-1	Waste generation and significant waste-related impacts			
		306-2	Management of significant waste-related impacts	Annex: Environmental indicators	Pg. 129	
		306-3	Waste generated			
	<u>Actions to combat food waste.</u>	3-3	Management of material topics	About this report	Pg. 9	
	Sustainable use of resources					
The <u>consumption of water and the supply of water in accordance with local restrictions</u> ;	303-5	Water consumption	Annex: Environmental indicators	Pg. 129		
<u>Consumption of raw materials and the measures taken to improve efficiency in their use</u> ;	3-3	Management of material topics	Environmental management system	Pg. 74-75		
	301-1	Materials used by weight or volume	Annex: Environmental indicators	Pg. 129		
<u>Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy.</u>	3-3	Management of material topics	Environmental management system	Pp. 74-75		
	302-1	Energy consumption within the organization	Annex: Environmental indicators	Pg. 129		
	302-3	Energy intensity				
	302-4	Reduction of energy consumption				

Climate change						
Cuestiones medioambientales	The important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services produced;	3-3	Management of material topics	Carbon footprint	Pg. 73	
		305-1	Direct (Scope 1) GHG emissions	Annex: Environmental indicators	Pg. 129	
		305-2	Energy indirect (Scope 2) GHG emissions			
	305-5	GHG emissions intensity				
	The measures adopted to adapt to the consequences of climate change;	3-3	Management of material topics	Risks and opportunities in the face of climate change	Pg. 72	
		201-2	Financial implications and other risks and opportunities due to climate change	Annex: Environmental indicators	Pg. 72	
	The voluntarily established medium- and long-term emission reduction targets to reduce greenhouse gas emissions and the measures implemented for this purpose.	3-3	Management of material topics	Environmental management system Annex: Environmental indicators	Pp. 74-75	
		305-5	Reduction of GHG emissions		Pg. 129	
	Biodiversity protection					
	Measures taken to preserve or restore biodiversity;	Impacts caused by activities or operations in protected areas.	3-3	Management of material topics	Biodiversity	Pg. 76
Taxonomy						
Eligibility of business activities according to the Taxonomy		Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and delegated regulations mentioned		Adaptation to climate change	Pp. 77-79	

Areas	Employment	Associated GRI Standards	GRI description	Chapter of the Report	Page of the Report
Social and personal issues	Total number and distribution of <u>employees by gender, age, country and professional classification</u>	3-3	Management of material topics	Talent attraction Talent management	Pp. 86-90
		2-7	Employees	Annex: People indicators	Pp. 130-131
		405-1	Diversity of governance bodies and employees		
	Total number and distribution of <u>work contracts by type</u> ,	2-7	Employees	Annex: People indicators	Pp. 130-131
		2-7	Employees	Annex: People indicators	Pp. 132-134
	Annual average of <u>permanent, temporary and part-time contracts by gender, age and professional category</u> ,	405-1	Diversity of governance bodies and employees		
	<u>Number of dismissals by gender, age and professional category</u> ;	401-1	New employee hires and employee turnover	Annex: People indicators	Pp. 143-145
	Average salaries and their progress broken down by sex, age and professional classification or equal value;	3-3	Management of material topics	Corporate remuneration and benefits	Pp. 94-95
		405-2	Ratio of basic salary and remuneration of women to men	Annex: People indicators	Pg. 141
	<u>Pay gap</u> , remuneration for equal or average jobs in society,	3-3	Management of material topics	Corporate remuneration and benefits	Pp. 94-95 Pg. 96
	Average remuneration of <u>directors and executives</u> , including variable remuneration, attendance fees, severance payments, payments to long-term savings schemes and any other compensation <u>broken down by gender</u> ,	405-2	Ratio of basic salary and remuneration of women to men	Annex: People indicators	Pg. 141
		3-3	Management of material topics	Corporate Governance System	Pp. 45-53
102-35, 2-19		Remuneration policies			

Areas	Employment	Associated GRI Standards	GRI description	Chapter of the Report	Page of the Report	
Social and personal issues	Implementation of <u>labour disconnect policies</u> ,	3-3	Management of material topics	Employee wellness, work-life balance and digital disconnection policy	Pg. 93	
	Employees with <u>disabilities</u> .	3-3	Management of material topics	Disability and accessibility	Pg. 101	
		405-1	Diversity of governance bodies and employees			
	Organisation of work					
	Organisation of work time	3-3	Management of material topics	Employee wellness, work-life balance and digital disconnection policy	Pp. 91- 93	
	Number of hours of absenteeism	403-9	Work-related injuries	Annex: People indicators	Pg. 146	
		403-10	Work-related ill health			
	Measures aimed at facilitating <u>work-life balance and promoting shared responsibility of both parents</u> .	3-3	Management of material topics	Employee wellness, work-life balance and digital disconnection policy	Pp. 91- 93	
	Health and safety					
	Health and safety conditions in the work place;	3-3	Management of material topics	Health and safety	Pg. 97	
		403-1	Occupational health and safety management system			
		403-2	Hazard identification, risk assessment, and incident investigation			
		403-3	Occupational health services			
		403-4	Worker participation, consultation, and communication on occupational health and safety			
		403-6	Promotion of worker health			
		403-8	Workers covered by an occupational health and safety management system			
	Occupational <u>accidents</u> , in particular their frequency and seriousness; Occupational illnesses, broken down by gender.	403-9	Work-related injuries	Annex: People indicators	Pg. 146	
		403-10	Work-related ill health			
	Social relationships					
	Organisation of <u>social dialogue</u> , including procedures for notifying and consulting personnel and negotiating with them;	3-3	Management of material topics	Employee relations	Pp. 98-100	
Percentage of <u>employees covered by collective bargaining agreements by country</u> ;	2-30	Collective bargaining agreements	Employee relations	Pg. 100		
<u>Balance</u> of collective bargaining agreements, in particular with regard to occupational health and safety.	3-3	Management of material topics	Health and safety	Pg. 97		
	403-4	Worker participation, consultation, and communication on occupational health and safety				
Mechanism and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of <u>information, consultation and participation</u> .	3-3	Management of material topics	Employee relations	Pp. 98-100		
Training						
<u>Policies implemented</u> with regard to training;	3-3	Management of material topics	Talent management	Pp. 88-90		
	404-2	Programs for upgrading employee skills and transition assistance programs				
<u>Total number of hours of training by professional category</u> ;	404-1	Average hours of training per year per employee	Annex: People indicators	Pg. 147		
Universal accessibility for persons with disabilities	3-3	Management of material topics	Disability and accessibility	Pg 101		

Equality					
Social and personal issues	Measures adopted to promote equal treatment and opportunities for men and women;				
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for effective equality of men and women), measures adopted to promote employment, protocols against sexual and gender harassment, the integration and universal accessibility for disabled persons;	3-3	Management of material topics	Diversity and equality	Pp. 83-85
	Policy against all types of discrimination and, where applicable, for diversity management.				

Areas		Associated GRI Standards	GRI description	Chapter of the Report	Page of the Report
Human rights	Application of <u>due diligence processes</u> with regard to human rights	3-3	Management of material topics	Guiding principles on business and human rights	Pg. 61
	Prevention of risks of human rights violations and, where applicable, measures to mitigate, manage and repair potential abuses committed	2-23	Policy commitments		
		2-26	Mechanisms for seeking advice and raising concerns		
	<u>Reports</u> of cases human rights violations;	3-3	Management of material topics	Guiding principles on business and human rights	Pg. 62
		406-1	Incidents of discrimination and corrective actions taken		
	<u>Promotion and compliance</u> with the provisions of the <u>core conventions of the International Labour Organization</u> related to respect for the freedom of association and the right to collective bargaining;	3-3	Management of material topics	Health and safety	Pg. 97
	The <u>elimination of discrimination</u> in employment and occupation;	3-3	Management of material topics	Guiding principles on business and human rights	Pg. 61
The <u>elimination of forced</u> or compulsory labour;	406-1	Incidents of discrimination and corrective actions taken			
The <u>effective abolition of child labour</u> .					

Areas		Associated GRI Standards	GRI description	Chapter of the Report	Page of the Report
Corruption and bribery	<u>Measures adopted to prevent corruption and bribery.</u>	3-3	Management of material topics	Ethics and compliance	Pp. 54-57
		2-23	Policy commitments		
		2-26	Mechanisms for seeking advice and raising concerns		
		205-3	Confirmed incidents of corruption and actions taken		
	<u>Measures to combat money laundering,</u>	205-2	Communication and training about anti-corruption policies and procedures	Ethics and compliance	Pg. 57
<u>Contributions</u> to foundations and NGOs.	413-1	Operations with local community engagement, impact assessments, and development programs	Society	Pg. 103	

Ámbitos	The company's commitment to sustainable development	Estándares GRI asociados	GRI description	Chapter of the Report	Page of the Report
	The <u>impact</u> of the company's activity on <u>employment and local development</u> ;	3-3	Management of material topics	Línea Directa Foundation, a leader in road safety	Pp. 108-111
		203-1	Infrastructure investments and services supported		
		203-2	Significant indirect economic impacts		
		413-1	Operations with local community engagement, impact assessments, and development programs		
	The <u>impact</u> of the company's activity on <u>local populations and the region</u> ;	203-1	Infrastructure investments and services supported	Línea Directa Foundation, a leader in road safety	Pp. 108-111
		203-2	Significant indirect economic impacts	Corporate volunteering	Pp. 112-115
		413-1	Operations with local community engagement, impact assessments, and development programs		
	The <u>relationships</u> with the main players in local communities and the types of dialogue with them;	2-29	Approach to stakeholder engagement	Corporate volunteering	Pp. 112-115
		413-1	Operations with local community engagement, impact assessments, and development programs		
	Association or sponsorship actions.	2-28	Membership associations	Society	Pg. 103
Subcontracting and suppliers					
Society	* The inclusion of social, gender equality and environmental issues in <u>procurement policies</u> ; * Consideration of social and environmental responsibility in relationships with suppliers and subcontractors;	2-6	Activities, value chain and other business relationships	Subcontracting and suppliers	Pp. 116-117
		3-3	Management of material topics		
		308-1	New suppliers that were screened using environmental criteria		
		414-1	New suppliers that were screened using social criteria		
	Supervision and audit systems and their results.	3-3	Management of material topics	Subcontracting and suppliers	Pp. 116-117
Consumers					
Measures for the health and safety of consumers;	3-3	Management of material topics	Customer service	Pp. 118-120	
	416-1	Assessment of the health and safety impacts of product and service categories	Service quality		
Systems for claims, complaints received and resolution	3-3	Management of material topics	Customer service	Pp. 118-119	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			
Tax information					
Profit obtained country-by-country, Taxes paid on profits	3-3	Management of material topics	Ethics and compliance: Tax practices	Pg. 56	
Public subsidies received	201-4	Financial assistance received from government	Ethics and compliance: Tax practices	Pg. 56	

DIRECTOR JURISDICTION MATRIX

Jurisdiction			Alfonso Botín	Patricia Ayuela	John de Zu- lueta	Ana Plaza	Rita Estévez	Elena Otero-Novas	Fernando Masaveu		
1	Regulated sectors	Insurance, banking and stock exchange	1.1 Insurance	x	x	x	x	x	x		
			1.2 Banking	x	x	x		x		x	
			1.3 Stock exchange	x		x	x		x	x	
2	Financial and risks	Finance and accounting Audit and risk management	2.1 Finance and accounting	x	x	x	x	x	x		
			2.2 Audit and risk management	x		x	x		x	x	
3	Digital transformation	Digitalisation and new technologies Cybersecurity Regulatory compliance	3.1 Digitalisation and new technologies	x	x	x	x	x			
			3.2 Cybersecurity and data protection	x		x		x	x		
			3.3 Regulatory compliance	x		x	x	x	x	x	
4	Diversity	Diversity of gender, nationality and age	4.1. Gender	Men	Women	Men	Women	Women	Women	Men	
			4.2. Nationality	Spanish	Spanish	American	Spanish	Spanish	Spanish	Spanish	Spanish
			4.3. Age (<50) (51-60) (>60)	Between 50 and 60	<50	>60	Between 50 and 60	<50	Between 50 and 60	Between 50 and 60	
5	ESG	Experience and training in ESG matters	5. ESG matters	x		x	x	x	x	x	
6	Customers	Comercial and marketing Quality Consumers	6.1 Commercial and marketing	x	x	x		x		x	
			6.2 Quality and consumers		x	x			x	x	
7	Strategy	Strategy. Business development	7. Strategy and business development	x	x	x	x	x	x	x	
8	International	International experience	8. International experience	x	x	x	x	x	x	x	
9	Boards	Experience on other boards	9. Experience on other boards	x	x	x	x	x	x	x	
10	People	People management. Talent and remuneration	10. People management. Talent and remuneration	x	x	x		x	x	x	

ENVIRONMENTAL INDICATORS

Indicator	2019	2020	2021	2022
POWER CONSUMPTION				
Diesel (l)	19,447.75	10,475	8,319.7	11,547
Diesel (MWh)	190.59	102.66	81.5	111.77
Natural gas (MWh)	2,950.01	2,414.99	3,143.34	2,414.5
Electricity (MWh)	5,630.4	4,762.6	5,209.9	5,223.1
Self-generated electricity (MWh)	-	-	-	318.4
% electricity from renewable sources	70.12%	63.7%	0%	69.1%
Electricity from renewable sources (MWh)	1,682.33	1,728.71	0	3,611.47
Electricity from non-renewable sources (MWh)	3,948.14	3,033.95	5,209.92	1,611.64
Total energy	5,630.17	4,762.66	5,209.92	5,223.11

Indicator	2019	2020	2021	2022	Objetivo (%22 vs,21)	
CARBON FOOTPRINT						
SCOPE 1						
Scope 1: Direct CO2 emissions (tonCO2e)	654.7	469.6	602.3	470.95	-50% Scope 1 and 2	
SCOPE 2						
Scope 2 (market-based) indirect CO2 emissions from electricity consumed (tonCO2e)	1,459.8	431.7	1,178.3	395.96		
Scope 2 (location-based) indirect CO2 emissions from electricity consumed (tonCO2e)*	1,459.8	1,190.6	1,178.3	1,239.86		
Scope 3 CO2 emissions from water	7.56	3.97	4.58	2.4		
Scope 3 CO2 emissions from paper**	59.1	25.7	16.5	0.2		
Scope 3 CO2 emissions from business trips	26.33	6.9	7	22.01		
Scope 3 CO2 emissions from employee travel to and from work	2,690.5	1,305.3	2,296.4	2,653.4		
Scope 1 intensity (tonCO2e/average staff)	0.27	0.19	0.23	0.19		
Scope 2 intensity (tonCO2e/average staff)	0.61	0.17	0.46	0.15		
Intensity (Scope 1 + Scope 2)	0.88	0.36	0.69	0.34		

* An improvement in the calculation of Scope 1 and Scope 2 emissions has been implemented in 2021.

** An improvement in the calculation of paper emissions has been implemented in 2021.

Indicator	2019	2020	2021	2022
WATER CONSUMPTION				
Drinking water (ml)	23.5	12.43	14.32	16.12
WASTE MANAGEMENT				
Total waste	-	-	107,822	112,042
Hazardous waste (Kg)	-	-	35,715	40,435
Non-hazardous waste (Kg)	-	-	72,106	71,608
Paper (Kg)	-	-	14,839	17,898
Plastic (Kg)	-	-	16,976	14,010
Other non-hazardous waste	-	-	40,291	39,700
WASTE RECOVERY				
Waste recycled/reused (Kg)	-	-	97,332	81,156
Discarded waste (Kg)	-	-	0	0
Waste sent to landfill (Kg)	-	-	0	0
Incinerated waste (with or without recovery) (Kg)	-	-	0	20,202
Wastes disposed of in other ways, please specify (Kg)	-	-	0	0
Wastes with unknown disposal method (Kg)	-	-	10,490	10,684
ENVIRONMENTAL CERTIFICATION SCOPE				
Occupants in environmentally certified centers (%)	-	-	76%	76%
RAW MATERIAL CONSUMPTION				
Paper consumption (Kg)	30,538	18,520	11,712	9,705
Toner consumption (Kg)	-	-	30.8	23.4

PEOPLE INDICATORS

Staff data at year-end

Indicator	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total staff	1,095	1,466	2,561	1,096	1,480	2,576	1,068	1,432	2,500
<i>Distribution of staff by seniority and gender</i>									
<=5	568	618	1,186	557	599	1,156	510	542	1,052
6-15	369	528	897	325	452	777	293	380	673
16-25	156	319	475	207	417	624	256	471	727
>25	2	1	3	7	12	19	9	39	48
<i>Distribution of staff by age and gender</i>									
<30	110	144	254	104	131	235	102	129	231
>=30 and <50	852	1,061	1,913	826	1,054	1,880	771	968	1,739
>=50	133	261	394	166	295	461	195	335	530
<i>Distribution of staff by professional group and gender</i>									
Directors	36	36	72	35	35	70	37	37	74
Expert professionals	181	167	348	189	176	365	187	169	356
Professionals	359	407	766	283	422	705	264	412	676
Staff	519	856	1,375	589	847	1,436	580	814	1,394
<i>Distribution of staff by type of contract and gender</i>									
Permanent	1,031	1,386	2,417	1,050	1,444	2,494	1,050	1,417	2,467
Temporary	64	80	144	46	36	82	18	15	33
<i>Distribution of staff by type of working day and gender</i>									
Full-time	703	620	1,323	709	631	1,340	720	664	1,384
Part-time	392	846	1,238	387	849	1,236	348	768	1,116

	2020	2021	2022
<i>Percentage of nationalities in relation to total staff (%)</i>			
Spain	95.4%	95.4%	95.7%
Venezuela	1.1%	1.3%	1.5%
Peru	0.7%	0.6%	0.5%
Other nationalities*	2.8%	2.7%	2.4%
Total number of nationalities	29	28	24

*with a weight less than 0.5% of total

PEOPLE INDICATORS

Staff data at year-end

Indicator	2020			2021			2022		
	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL
Total staff	1,323	1,238	2,561	1,340	1,236	2,576	1,384	1,116	2,500
<i>Distribution of staff by seniority and type of working day</i>									
<=5	371	815	1,186	362	794	1,156	392	660	1,052
6-15	566	331	897	469	308	777	382	291	673
16-25	383	92	475	491	133	624	568	159	727
>25	3	0	3	18	1	19	42	6	48
<i>Distribution of staff by age and type of working day</i>									
<30	55	199	254	59	176	235	73	158	231
>=30 and <50	1,010	903	1,913	972	908	1,880	956	783	1,739
>=50	258	136	394	309	152	461	355	175	530
<i>Distribution of staff by professional group and type of working day</i>									
Directors	71	1	72	70	0	70	74	0	74
Expert professionals	317	31	348	333	32	365	326	30	356
Professionals	654	112	766	599	106	705	566	110	676
Staff	281	1,094	1,375	338	1,098	1,436	418	976	1,394
<i>Distribution of staff by type of contract and type of working day</i>									
Permanent	1,031	1,116	2,417	1,320	1,174	2,494	1,371	1,096	2,467
Temporary	22	122	144	20	62	82	13	20	33
<i>Distribution of staff by type of contract</i>									
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Total staff	2,417	144	2,561	2,494	82	2,576	2,467	33	2,500
<i>Distribution of staff by seniority and type of contract</i>									
<=5	1,042	144	1,186	1,074	82	1,156	1,019	33	1,052
6-15	897	0	897	777	0	777	673	0	673
16-25	475	0	475	624	0	624	727	0	727
>25	3	0	3	19	0	19	48	0	48
<i>Distribution of staff by age and type of contract</i>									
<30	211	43	254	213	22	235	214	17	231
>=30 and <50	1,823	90	1,913	1,830	50	1,880	1,724	15	1,739
>=50	383	11	394	451	10	461	529	1	530
<i>Distribution of staff by professional group and type of contract</i>									
Directors	72	0	72	70	0	70	74	0	74
Expert professionals	348	0	348	365	0	365	356	0	356
Professionals	752	14	766	701	4	705	675	1	676
Staff	1,245	130	1,375	1,358	78	1,436	1,362	32	1,394

PEOPLE INDICATORS

Average staff data

Indicator	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Average headcount	1,085.7	1,422.4	2,508.1	1,098.0	1,481.3	2,579.3	1,078.2	1,459.9	2,538.1
Distribution of average staff by seniority and gender									
<=5	560.4	587.9	1,148.3	565.8	619.1	1,184.9	532.7	577.5	1,110.2
6-15	385.1	537.7	922.8	345.0	486.3	831.3	300.1	400.3	700.3
16-25	139.0	296.7	435.7	181.0	368.7	549.7	237.9	451.0	688.9
>25	1.2	0.2	1.3	6.2	7.3	13.5	7.5	31.2	38.7
Distribution of average staff by age and gender									
<30	129.4	142.9	272.3	109.6	143.1	252.7	99.0	131.4	230.4
>=30 and <50	833.0	1,043.5	1,876.5	841.3	1,058.3	1,899.5	794.8	1,006.4	1,801.2
>=50	123.3	236.0	359.3	147.2	280.0	427.2	184.4	322.1	506.5
Distribution of average staff by professional group and gender									
Directors	35.3	35.8	71.0	34.9	35.0	69.9	35.3	36.2	71.4
Expert professionals	194.9	193.3	388.4	184.4	175.8	360.2	189.9	171.3	361.3
Professionals	340.3	337.8	678.0	278.3	419.4	697.7	274.8	419.7	694.5
Staff	515.3	855.4	1,370.7	600.4	851.2	1,451.6	578.2	832.8	1,410.9
Distribution of average staff by type of contract and gender									
Permanent	1,019.8	1,352.3	2,372.1	1,039.6	1,417.2	2,456.8	1,046.1	1,421.3	2,467.3
Temporary	65.9	70.1	136.0	58.4	64.2	122.6	32.1	38.7	70.8
Distribution of average staff by type of working day and gender									
Full-time	700.8	610.9	1,311.7	703.6	626.5	1,330.1	688.8	640.0	1,328.8
Part-time	384.9	811.5	1,196.4	394.4	854.8	1,249.3	389.4	819.9	1,209.3

PEOPLE INDICATORS

Average staff data

Indicator	2020			2021			2022		
	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL
Average headcount	1,311.7	1,196.4	2,508.1	1,330.1	1,249.3	2,579.3	1,328.8	1,209.4	2,538.1
Distribution of average staff by seniority and type of working day									
<=5	367.8	780.5	1,148.3	367.9	817.0	1,184.9	349.1	761.1	1,110.2
6-15	588.9	333.8	922.8	512.0	319.3	831.3	405.1	295.3	700.3
16-25	353.6	82.1	435.7	436.8	112.9	549.7	540.9	148.0	688.9
>25	1.3	0.0	1.3	13.4	0.1	13.5	33.7	5.0	38.7
Distribution of average staff by age and type of working day									
<30	63.7	208.7	272.3	56.3	196.3	252.7	57.8	172.6	230.4
>=30 and <50	1,009.3	867.2	1,876.5	990.6	908.9	1,899.5	936.3	864.9	1,801.2
>=50	238.7	120.6	359.3	283.2	144.0	427.2	334.7	171.8	506.5
Distribution of average staff by professional group and type of working day									
Directors	70.9	1.0	71.0	69.9	0.0	69.9	71.4	0.0	71.4
Expert professionals	347.3	41.2	388.4	327.8	32.4	360.2	331.1	30.2	361.3
Professionals	591.8	86.3	678.0	591.5	106.2	697.7	585.7	108.8	694.5
Staff	301.8	1,068.9	1,370.7	340.9	1,110.7	1,451.6	340.6	1,070.3	1,410.9
Distribution of average staff by type of contract and type of working day									
Permanent	1,294.2	1,077.9	2,372.1	1,312.3	1,144.4	2,456.8	1,312.0	1,155.3	2,467.3
Temporary	17.5	118.5	136.0	17.8	104.8	122.6	16.8	54.0	70.8

PEOPLE INDICATORS

Average staff data

Indicator	2020			2021			2022		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Average headcount	2,372.1	136.0	2,508.1	2,456.8	122.6	2,579.3	2,467.3	70.8	2,538.1
<i>Distribution of average staff by seniority and type of contract</i>									
<=5	1,012.3	136.0	1,148.3	1,062.3	122.6	1,184.9	1,039.4	70.8	1,110.2
6-15	922.8	0	922.8	831.3	0	831.3	700.3	0.0	700.3
16-25	435.7	0	435.7	549.7	0	549.7	688.9	0.0	688.9
>25	1.3	0	1.3	13.5	0	13.5	38.7	0.0	38.7
<i>Distribution of average staff by age and type of contract</i>									
<30	224.4	47.9	272.3	211.2	41.5	252.7	204.5	25.9	230.4
>=30 and <50	1,800.8	75.8	1,876.5	1,825.5	74.0	1,899.5	1,764.2	37.0	1,801.2
>=50	346.9	12.3	359.3	420.1	7.1	427.2	498.7	7.8	506.5
<i>Distribution of average staff by professional group and type of contract</i>									
Directors	71.0	0	71.0	69.9	0	69.9	71.4	0.0	71.4
Expert professionals	387.1	2.7	388.4	360.0	0.2	360.2	361.3	0.0	361.3
Professionals	667.9	10.1	678.0	695.4	2.3	697.7	693.1	1.4	694.5
Staff	1,246.1	123.2	1,370.7	1,331.4	120.2	1,451.6	1,341.6	69.3	1,410.9

PEOPLE INDICATORS

Data of hires in the Group

Indicator	2020			2021			2022		
	ADDITIONS	PERIOD-END HEADCOUNT	HIRING RATE	ADDITIONS	PERIOD-END HEADCOUNT	HIRING RATE	ADDITIONS	PERIOD-END HEADCOUNT	HIRING RATE
Total	272	2,561	10.62%	298	2,576	11.57%	279	2,500	11.2%
<i>Hires in the Group by gender</i>									
Men	114	1,095	10.4%	140	1,096	12.8%	129	1,068	12.1%
New hire	110		10.05%	133		12.14%	121		11.33%
Rehire	4		0.37%	7		0.64%	8		0.75%
Women	158	1,466	10.8%	158	1,480	10.7%	150	1,432	10.5%
New hire	148		10.10%	139		9.39%	136		9.50%
Rehiring	10		0.68%	19		1.28%	14		0.98%
<i>Hires in the Group by age</i>									
<30	85	254	33.5%	109	235	46.4%	119	231	51.5%
New hire	83		32.68%	105		44.68%	116		50.22%
Rehire	2		0.79%	4		1.70%	3		1.30%
>=30 and <50	165	1,913	8.6%	171	1,880	9.1%	138	1,739	7.9%
New hire	154		8.05%	152		8.09%	122		7.02%
Rehire	11		0.58%	19		1.01%	16		0.92%
>=50	22	394	5.6%	18	461	3.9%	22	530	4.2%
New hire	21		5.33%	15		3.25%	19		3.58%
Rehire	1		0.25%	3		0.65%	3		0.57%

PEOPLE INDICATORS

Data of hires in the Group

Indicator	2020			2021			2022		
	ADDITIONS	PERIOD-END HEADCOUNT	HIRING RATE	ADDITIONS	PERIOD-END HEADCOUNT	HIRING RATE	ADDITIONS	PERIOD-END HEADCOUNT	HIRING RATE
<i>Hires in the Group by professional group</i>									
Directors	1	72	1.4%	1	70	1.4%	4	74	5.4%
New hire	1		1.4%	1		1.4%	4		5.41%
Rehire	0		0.0%	0		0.0%	0		0.00%
Expert professionals	26	348	7.5%	29	365	7.9%	9	356	2.5%
New hire	26		7.5%	28		7.7%	7		1.97%
Rehire	0		0.0%	1		0.3%	2		0.56%
Professionals	20	766	2.6%	39	705	5.5%	18	676	2.7%
New hire	18		2.3%	32		4.5%	10		1.48%
Rehire	2		0.3%	7		1.0%	8		1.18%
Staff	225	1,375	16.4%	229	1,436	15.9%	248	1,394	17.8%
New hire	213		15.5%	211		14.7%	236		16.93%
Rehire	12		0.9%	18		1.3%	12		0.86%

New hire data

Indicator	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	110	148	258	133	139	272	121	136	257
<i>Type of contract in new hire</i>									
Permanent	27	17	44	49	20	69	73	44	117
Temporary	83	131	214	84	119	203	48	92	140
<i>New hires by type of working day</i>									
Full-time	36	21	57	55	18	73	49	12	61
Part-time	74	127	201	78	121	199	72	124	196

PEOPLE INDICATORS

New hire data

Indicator	2020								
	ADDITIONS			PERIOD-END HEADCOUNT			HIRING RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	110	148	258	1,095	2,561	1,466	10.0%	10.1%	10.1%

New hires by professional group

Directors	0	1	1	36	36	72	0.0%	2.8%	1.4%
Expert professionals	14	12	26	181	167	348	7.7%	7.2%	7.5%
Professionals	12	6	18	359	407	766	3.3%	1.5%	2.3%
Staff	84	129	213	519	856	1,375	16.2%	15.1%	15.5%

Indicator	2021								
	ADDITIONS			PERIOD-END HEADCOUNT			HIRING RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total general	133	139	272	1,480	1,096	2,576	9.0%	12.7%	10.6%

New hires by professional group

Directors	1		1	35	35	70	2.9%	0.0%	1.4%
Expert professionals	19	9	28	176	189	365	10.8%	4.8%	7.7%
Professionals	25	7	32	422	283	705	5.9%	2.5%	4.5%
Staff	88	123	211	847	589	1,436	10.4%	20.9%	14.7%

Indicator	2022								
	ADDITIONS			PERIOD-END HEADCOUNT			HIRING RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total general	121	136	257	1,068	1,432	2,500	11.3%	9.5%	10.3%

New hires by professional group

Directors	2	2	4	37	37	74	5.4%	5.4%	5.4%
Expert professionals	7	0	7	187	169	356	3.7%	0.0%	2.0%
Professionals	5	5	10	264	412	676	1.9%	1.2%	1.5%
Staff	107	129	236	580	814	1,394	18.4%	15.8%	16.9%

PEOPLE INDICATORS

Performance evaluation data

Indicator	2020			2021			2022		
	EVALUATED	PEOPLE AT CLOSING	%	EVALUATED	PEOPLE AT CLOSING	%	EVALUATED	PEOPLE AT CLOSING	%
Total staff	2,506	2,561	97.9%	2,544	2,576	98.8%	2,451	2,500	98.0%
<i>Employees who have participated in the performance assessment by gender</i>									
Men	1,053	1,095	96.2%	1,075	1,096	98.1%	1,043	1,068	97.7%
Women	1,453	1,466	99.1%	1,469	1,480	99.3%	1,408	1,432	98.3%
<i>Employees who have participated in the performance assessment by age</i>									
<30	242	254	95.3%	228	235	97.0%	227	231	98.3%
>=30 and <50	1,877	1,913	98.1%	1,869	1,880	99.4%	1,711	1,739	98.4%
>=50	387	394	98.2%	447	461	97.0%	513	530	96.8%
<i>Employees who have participated in the performance assessment by professional group</i>									
Directors	71	72	98.6%	55	70	78.6%	59	74	79.7%
Expert professionals	341	348	98.0%	362	365	99.2%	348	356	97.8%
Professionals	761	766	99.3%	697	705	98.9%	666	676	98.5%
Staff	1,333	1,375	96.9%	1,430	1,436	99.6%	1,378	1,394	98.9%

Development data

Indicator	2020	2021	2022
<i>Internal selection processes</i>			
No. of internal selection processes	49	41	79
No. of people who change positions	-	41	71
No. of candidates	756	579	530
<i>Individual external selection processes</i>			
No. of selection processes	140	61	21
Candidates	4,679	5,845	3,500

PEOPLE INDICATORS

Development data

Indicator	2022								
	INTERNAL CHANGES IN POSITION			PERIOD-END HEADCOUNT			HIRING RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	29	42	71	1,068	1,432	2,500	2.7%	2.9%	2.8%
<i>Internal selection processes</i>									
Directors	5	7	12	37	37	74	13.5%	18.9%	16.2%
Expert professionals	11	14	25	187	169	356	5.9%	8.3%	7.0%
Professionals	11	18	29	264	412	676	4.2%	4.4%	4.3%
Staff	2	3	5	580	814	1394	0.3%	0.4%	0.4%

Indicator	2022								
	INTERNAL CHANGES IN POSITION			PERIOD-END HEADCOUNT			INTERNAL VS EXTERNAL POSITION COVERAGE RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	29	42	71	121	136	257	19%	24%	22%
<i>Selection processes (including group processes)</i>									
Directors	5	7	12	2	2	4	71%	78%	75%
Expert professionals	11	14	25	7	0	7	61%	100%	78%
Professionals	11	18	29	5	5	10	69%	78%	74%
Staff	2	3	5	107	129	236	2%	2%	2%

* Includes additions to staff whose vacancies are not opened internally.

Indicator	2022								
	INTERNAL CHANGES IN POSITION			PERIOD-END HEADCOUNT			INTERNAL VS EXTERNAL POSITION COVERAGE RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	29	42	71	43	49	92	67%	86%	77%
<i>Individual selection processes</i>									
Directors	5	7	12	7	9	16	71%	78%	75%
Expert professionals	11	14	25	18	14	32	61%	100%	78%
Professionals	11	18	29	16	23	39	69%	78%	74%
Staff	2	3	5	2	3	5	100%	100%	100%

PEOPLE INDICATORS

Reconciliation data

Indicator	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Employees entitled to parental leave during the year (children born during the year)	48	47	95	34	44	78	43	39	82
Employees who have taken parental leave during the year (includes those who began their leave the year before)	57	54	111	40	61	101	62	41	103
% of staff returning to work after leave	97.8%	97.0%	97.4%	96.9%	89.6%	92.5%	98.9%	97.6%	98.2%
% of staff returning to work after leave and still at the organisation 12 months later	93.5%	94.1%	93.8%	87.8%	76.7%	83.5%	97.7%	95.9%	96.8%

Indicator	2020		2021		2022	
	NO. OF DAYS OF LEAVE	NO. OF HOURS OF LEAVE	NO. OF DAYS OF LEAVE	NO. OF HOURS OF LEAVE	NO. OF DAYS OF LEAVE	NO. OF HOURS OF LEAVE
Maternity	3,285	19,112	3,868	23,259	3,537	20,439
Men	-	-	73	501	-	-
Women	3,285	19,112	3,795	22,758	3,537	20,439
Paternidad	2,291	14,324	2,217	13,711	3,526	21,684
Men	2,230	13,982	2,217	13,711	3,446	21,163
Women	61	342	-	-	80	521
Total	5,576	33,436	6,085	36,970	7,063	42,123

PEOPLE INDICATORS

Remuneration data

Indicator	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	38,917	34,722	36,513	39,933	35,292	37,268	40,902	36,667	38,468

Average remuneration by age

<30	25,274	24,792	24,999	26,855	26,517	26,663	28,520	27,418	27,895
>=30 and <50	36,339	33,848	34,956	37,539	34,628	35,917	39,127	35,636	37,176
>=50	66,555	43,815	51,532	62,786	42,184	49,337	54,870	43,529	47,686

Average remuneration by professional group

Executive level (base salary)	-	-	-	123,694	97,650	110,656	112,253	103,553	107,847
Executive level (base salary + other cash incentives)	173,088	137,926	155,507	168,139	114,905	141,490	156,337	128,877	142,431
Management level (base salary)	-	-	-	52,168	50,255	51,235	53,207	51,520	52,407
Management level (base salary + other cash incentives)	56,176	54,160	55,194	57,833	55,712	56,798	59,064	57,345	58,249
Non management level (fixed salary)	-	-	-	24,945	24,149	24,475	25,582	24,636	25,020
Professionals (base salary + other cash incentives)	35,908	36,248	36,088	39,574	36,785	37,895	40,155	37,543	38,575
Staff (base salary + other cash incentives)	25,700	25,737	25,723	27,138	27,041	27,081	28,224	27,912	28,040

Median employee remuneration

Total general				31,474	30,037	30,651	33,564	31,562	32,258
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Indicator	2020			2021			2022		
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Average remuneration of senior management

	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior management	343,445	432,953	370,986	319,971	228,244	289,396	356,889	238,785	311,144

Average remuneration of the Board of Directors

Non-executive director	27,500.0	-	27,500.0	61,782.7	68,333.7	63,966.3	91,125.0	91,562.0	91,344.0
Executive director*	446,902.5	-	446,902.5	428,190.5	-	428,190.5	54,117.6	361,846.3	415,963.9
Average	195,261.0	-	195,261.0	204,512.8	68,333.7	159,119.8	102,602.2	148,087.2	127,412.7

*The remuneration of the Executive Director in 2022 corresponds to one month's remuneration of the former CEO, Miguel Ángel Merino, and 11 months of that of the current CEO, Patricia Ayuela.

PEOPLE INDICATORS

Pay gap data

Indicator	2020		2021		2022	
	NUMBER OF PEOPLE	WEIGHTED GAP	NUMBER OF PEOPLE	WEIGHTED GAP	NUMBER OF PEOPLE	WEIGHTED GAP
Pay gap by professional group						
Directors	69	4.23%	69	6.75%	71	8.32%
Expert professionals	351	2.93%	360	4.15%	361	3.41%
Professionals	777	0.14%	697	6.15%	693	5.40%
Staff	1,346	0.21%	1,449	0.38%	1,404	1.10%

	2020	2021	2022
Pay gap calculated by type of position	0.2%	2.6%	2.8%
Pay gap calculated by type of position using median	-	2.6%	3.4%
Pay gap calculated by average of categories	-0.3%	4.4%	4.6%
Ratio of the percentage increase in the fixed compensation of the highest paid individual to the percentage increase in the median fixed compensation of all employees except the highest paid individual	1.4	1.0	0
Ratio of the fixed compensation of the highest paid individual to the median compensation of the rest of the staff	16.60	16.42	9.3
Ratio of standard entry level wages compared to local minimum wage	1.15	1.18	1.12
Variable pay gap calculated by type of position	-	-0.4%	-2.0%
Variable pay gap calculated by type of position using the median	-	5.0%	-7.6%

PEOPLE INDICATORS

Data on departures in the Group

Indicator	2020			2021			2022		
	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE
Total	164	2,561	6.4%	258	2,576	10.0%	314	2,500	12.6%
<i>Departures in the Group by gender</i>									
Men	90	1,095	8.2%	132	1,096	12.0%	144	1,068	13.5%
Dismissal	44		4.0%	70		6.4%	81		7.58%
Voluntary and other*	46		4.2%	62		6.2%	63		5.90%
Women	74	1,466	5.0%	126	1,480	8.5%	170	1,432	11.9%
Dismissal	34		2.3%	62		4.2%	94		6.56%
Voluntary and other*	40		2.7%	64		4.3%	76		5.31%
<i>Departures in the Group by age</i>									
<30	43	254	16.9%	64	235	27.2%	71	231	30.7%
Dismissal	27		10.6%	28		11.9%	26		11.26%
Voluntary and other*	16		6.3%	36		15.3%	45		19.48%
>=30 and <50	111	1,913	5.8%	171	1,880	9.1%	200	1,739	11.5%
Dismissal	50		2.6%	92		4.9%	123		7.07%
Voluntary and other*	61		3.2%	79		4.2%	77		4.43%
<50	10	394	2.5%	23	461	5.0%	43	530	8.1%
Dismissal	1		0.3%	12		2.6%	26		4.91%
Voluntary and other*	9		2.3%	11		2.4%	17		3.21%

* Voluntary and other: these include voluntary departures, retirements and termination of temporary contracts.

PEOPLE INDICATORS

Data on departures in the Group

Indicator	2020			2021			2022		
	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE
<i>Departures in the Group by professional group</i>									
Directors	1	72	1.4%	1	70	1.4%	4	74	5.4%
Dismissal	0		0.0%	0		0.0%	1		1.35%
Voluntary and other*	1		1.4%	1		1.4%	3		4.05%
Profesionales expertos	12	348	3.4%	22	365	6.0%	22	356	6.2%
Dismissal	9		2.6%	5		1.4%	11		3.09%
Voluntary and other*	3		0.9%	17		4.7%	11		3.09%
Profesionales	20	766	2.6%	34	705	4.8%	42	676	6.2%
Dismissal	2		0.3%	15		2.1%	25		3.70%
Voluntary and other*	18		2.3%	19		2.7%	17		2.51%
Staff	131	1,375	9.5%	201	1,436	14.0%	246	1,394	17.6%
Dismissal	97		7.1%	112		7.8%	138		9.90%
Voluntarios y otros*	34		2.5%	89		6.2%	108		7.75%

* Voluntary and other: these include voluntary departures, retirements and termination of temporary contracts.

PEOPLE INDICATORS

Data on departures in the Group

Indicator	2020								
	DEPARTURES			PERIOD-END HEADCOUNT			TURNOVER RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	44	34	78	1,095	1,466	2,561	4.0%	2.3%	3.0%
<i>Dismissals by professional group</i>									
Directors	0	0	0	36	36	72	0.0%	0.0%	0.0%
Expert professionals	0	0	0	181	167	348	0.0%	0.0%	0.0%
Profesionales	1	0	1	359	407	766	0.3%	0.0%	0.1%
Staff	43	34	77	519	856	1,375	8.3%	4.0%	5.6%

Indicator	2021								
	DEPARTURES			PERIOD-END HEADCOUNT			TURNOVER RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	70	62	132	1,480	1,096	2,576	4.7%	5.7%	5.1%
<i>Dismissals by professional group</i>									
Directors	0	0	0	35	35	70	0.0%	0.0%	0.0%
Expert professionals	2	3	5	176	189	365	1.1%	1.6%	1.4%
Professionals	13	2	15	422	283	705	3.1%	0.7%	2.1%
Staff	55	57	112	847	589	1,436	6.5%	9.7%	7.8%

Indicator	2022								
	DEPARTURES			PERIOD-END HEADCOUNT			TURNOVER RATE		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Overall total	81	94	175	1,068	1,432	2,500	7.6%	6.6%	7.0%
<i>Dismissals by professional group</i>									
Directors	1	0	1	37	37	74	2.7%	0.0%	1.4%
Expert professionals	4	7	11	187	169	356	2.1%	4.1%	3.1%
Professionals	13	12	25	264	412	676	4.9%	2.9%	3.7%
Staff	63	75	138	580	814	1,394	10.9%	9.2%	9.9%

PEOPLE INDICATORS

Occupational accident data

Indicator	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Accident rate	0.010	0.005	0.007	0.004	0.000	0.003	0.003	0.000	0.001
Frequency rate	4.480	0.420	2.166	5.009	0.372	2.349	4.595	0.000	1.953
Severity rate	0.080	0.010	0.040	0.132	0.014	0.064	0.070	0.000	0.030
Number of deaths from disease	-	-	-	-	-	-	-	-	-
Types of occupational diseases	-	-	-	-	-	-	-	-	-
Number of accidents	8	1	9	10	1	11	9	0	9

Accident rate: (No. of Occupational Accidents with sick leave not in itinere / Working Days) * 100

Frequency rate: (No. of Occupational Accidents with sick leave not in itinere / Working Days) * 1,000,000

Severity rate: (No. of Occupational Accidents with sick leave not in itinere / Working Days) * 1,000

Absenteeism data

Indicator	2020		2021		2022	
	NO. OF DAYS ABSENT	NO. OF HOURS ABSENT	NO. OF DAYS ABSENT	NO. OF HOURS ABSENT	NO. OF DAYS ABSENT	NO. OF HOURS ABSENT
Total	25,666	153,130	35,378	210,557	41,521	242,293
Common illness	24,926	148,674	35,006	208,094	41,248	240,697
Men	8,488	52,849	10,394	63,207	13,242	80,063
Women	16,438	95,825	24,612	144,887	28,006	160,634
Total accidents with sick leave	740	4,456	372	2,463	273	1,596
Men	323	2,076	295	1,986	162	1,050
Women	417	2,380	77	477	111	546

PEOPLE INDICATORS

Training data

Indicator	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total staff	17,326.0	20,646.0	37,972.0	25,767.2	32,993.6	58,760.8	30,145.5	38,680.9	68,826.4

Hours of training by category

Directors	1,986.7	1,160.8	3,147.5	1,744.2	1,355.6	3,099.8	1,247.3	734.1	1,981.3
Expert professionals	6,623.7	5,995.3	12,619.0	8,689.4	7,089.1	15,778.6	5,450.5	5,527.3	10,977.8
Professionals	3,413.7	5,220.6	8,634.3	6,039.2	9,529.6	15,568.7	8,135.9	9,362.4	17,498.3
Staff	5,301.9	8,269.3	13,571.2	9,294.4	15,019.4	24,313.7	15,311.8	23,057.1	38,368.9

Indicator	2020			2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total staff	17.2	14.1	15.4	23.5	22.3	22.8	28.0	26.5	27.1

Average training hours by category

Directors	55.2	33.2	44.3	49.9	38.7	44.3	35.3	20.3	27.7
Expert professionals	36.2	34.1	35.2	47.1	40.3	43.8	28.7	32.3	30.4
Professionals	12.3	12.5	12.5	21.70	22.7	22.3	29.6	22.3	25.2
Staff	10.4	9.9	10.1	15.5	17.6	16.7	26.5	27.7	27.2

Training information	2020	2021	2022
No. of training actions	340	430	481
Investment in training per person (€)	213.0	228.4	200
Investment in training per person trained (€)	216.0	234.5	196
People trained	2,470.0	2,512.0	2,598
Training hours	37,972	58,761	68,826
% staff trained	98.5%	97.4%	91.9%

NFS VERIFICATION REPORT


Línea Directa Aseguradora S.A.
Compañía de Seguros y Reaseguros

Independent verification report
 Consolidated Statement of Non-Financial Information
 31 December 2022

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders of Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the Consolidated Statement of Non-Financial Information ("SNFI") for the year ended 31 December 2022 of Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros (Parent company) and subsidiaries (hereinafter "Línea Directa" or the Group) which forms part of the accompanying Línea Directa's consolidated management report.

The content of the consolidated management report includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in el apartado "Anexo: Requerimientos de la Ley" included in the accompanying consolidated management report.

Responsibility of the directors of the Parent company

The preparation of the SNFI included in Línea Directa's consolidated management report and the content thereof, are the responsibility of the directors of Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros. The SNFI has been drawn up in accordance with the provisions of current mercantile legislation and following the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* ("GRI Standards") selected as per the details provided for each matter in the el apartado "Anexo: Requerimientos de la Ley" of the consolidated management report.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the SNFI to be free of material misstatement due to fraud or error.

The directors of Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the SNFI is obtained.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
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NFS VERIFICATION REPORT



The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in nature and timing of execution and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of Línea Directa that were involved in the preparation of the SNFI, of the review of the processes for compiling and validating the information presented in the SNFI, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the content of the SNFI for the year 2022, based on the materiality analysis carried out by Línea Directa and described in section el apartado "Análisis de materialidad e indicadores", taking into account the content required by current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the SNFI for the year 2022.
- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the SNFI for the year 2022.
- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2022 and that it was adequately compiled using data provided by the sources of the information.
- Obtaining a management representation letter from the directors and management of the Parent company.



Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SNFI of Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros and its subsidiaries, for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and following the criteria of GRI selected as per the details provided for each matter in the el apartado "Anexo: Requerimientos de la Ley" of the consolidated management report.

Emphasis of matter

The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments establishes the obligation to disclose information on the manner and extent to which the company's investments are associated with eligible economic activities according to the Taxonomy. For such purposes, Línea Directa's directors have incorporated information on the criteria that, in their opinion, best allow compliance with the aforementioned obligation and that are defined in note en el apartado "Adaptación al cambio climático" of the accompanying SNFI. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Ramon Abella Rubio

24 February 2023

Anyone interested in consulting or completing the report may contact the External Communication and Sustainability Department at the following e-mail address:

comunicacion_externa@lineadirecta.es

