

# SNFI

# 2023

2023 NON-FINANCIAL  
INFORMATION STATEMENT



LÍNEA DIRECTA ASEGURADORA, S.A.



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# LETTER FROM THE CHAIRMAN

The year **2023** has been characterised by great economic instability and political turbulence, significantly impacting global outlooks and growth. The **inflationary process** we have experienced over the last three years—caused, among other factors, by the serious geopolitical situation, the energy crisis and the economic consequences of the pandemic—has led to a **tightening of monetary policy** by the European Central Bank, raising interest rates to their highest levels in decades. The decision, which nevertheless seems to be bearing fruit in the fight against rising prices, has slowed down the euro area economy and aggravated the situation of many households and businesses, already struggling with the upward trend in inflation.

Such a combination of highly complex and unpredictable circumstances has affected the behaviour of the main macroeconomic parameters. The euro area economy was clearly sluggish throughout the year, even registering a dip in **Gross Domestic Product (GDP)** of 0.1% in the third quarter, closing 2023 with an annual growth of 0.5%. In Spain, growth was higher, at 2.5%, although 3.3 percentage points lower than in 2022, which nonetheless reveals a clear deceleration in growth.

This situation, however, does not yet seem to affect the positive trend in employment; in 2023, the number of employed people in Spain increased by **783,000**, compared to the previous year, bringing the active population of the country to **21.2 million workers**. Developments in this area have been very positive. In the last 12 months, employment has grown by 3.8%, even if there is still a long way to go, with Spain's unemployment rate still being the highest in the European Union (11.76%).

In this environment of uncertainty, the **insurance sector**, which is characterised by a strong countercyclical nature, reached a premium volume of more than **€ 76.4 billion** in 2023, 18% more than in the previous year, an increase caused by the strong momentum of the Life segment (+36.3%), which is highly exposed to rising interest rates. The **Non-Life** segment also grew, although much more moderately (+6.8%), and saw the **Motor** segment consolidate its growth (+6.6%) thanks to the gradual increase in premiums that the sector is experiencing as a response to growing costs and reduced technical margins.

We have also seen a slight recovery in the **number of vehicle registrations** (+16.7%), driven by an increased outflow of stock following the supply crisis, which is still in the process of being resolved. However, although the figures for new car sales seem very positive, the fact remains that sales are still extraordinarily low. During 2023, the **number of registrations fell 24.5%** below 2019 registrations, a dip which, together with inflation in the price of cars, continues to weigh on the industry's ultimate recovery. The situation is exacerbated by the rise in the price of money, which reduces the liquidity of individuals, their creditworthiness and their confidence to make large purchases. This is perhaps why leasing continues to grow as an alternative means of accessing a vehicle, aided by the legislative uncertainty regarding the future of motorisation. During 2023, leasing saw a 16.3% increase in business, in addition to the 16.5% seen the previous year.

The **Home** segment continued to grow at a steady rate (+6.4%), although its future faces some uncertainties: the fall in home sales, the

“ **In this complex and fast-changing context, Línea Directa Aseguradora has faced one of the most challenging years in its history. The upturn in inflation continued to weigh on the net result for the year, but already in the third quarter there were signs of recovery stemming from the significant changes we are implementing.** ”

rise in the cost of financing and the increase in weather-related damage may affect their future margins. **Health** insurance also continued to grow at a brisk pace (+6.6%), consolidating its position as a major asset in the Non-Life sector, to which it contributes volume, high premiums and diversification.

**In this complex and fast-changing context, Línea Directa Aseguradora has faced one of the most challenging years in its history. The upturn in inflation continued to weigh on the net result for the year, but already in the third quarter there were signs of recovery stemming from the significant changes we are implementing.** Línea Directa is prioritising profitable growth and remains firmly committed to **digitalisation** as a means of increasing efficiency in all its processes and reining in overhead expenses, increasing productivity and improving customer experience.

In 2023, the company achieved a **premium volume of € 973.3 million**, 2.8% higher than in the same period of the previous year, thanks to individualised premium adjustments, as well as **growth in each of the segments** in which it operates: **Motor** (+2.5%), **Home** (+4.0%) and **Health** (+4.5%), while the customer portfolio declined slightly (-4.2%) due to the moderate tightening of underwriting for some profiles, a measure that will improve profitability, reduce claims pressure and build a healthier company.

**Profitability** margins are still suffering from the impact of cost inflation and higher personal injury claims, resulting in a loss of -€ 4.4 million in 2023. However, by the second half of the year the company had already moved out of the red, posting a net profit of € 10.7 million for the second semester, a clear sign of improvement and an indicator that the foundations are being laid for a definitive return to profitability.

The improvement is the result of a **significant reduction in the Combined Ratio**, which in the second half of 2023 improved by 3.8 p.p. compared to the first half of the year, thanks to risk reduction, greater efficiency of processes and digitalisation. The company keeps **a very strong balance sheet**, with an excess over required capital of € 159 million and a Solvency Ratio of 180%.

The area of **Corporate Governance** has seen the company's Board of Directors continue to approve the company's policies in its various endeavours. In 2023, the Board approved policies in the areas of **Prevention, Safety, Health and Welfare** as well as **Product Control and Governance**, a solid step in Línea Directa's committed path towards building a sustainable, rigorous organisation aligned with all regulatory requirements. With a view to adapting to the **Corporate Sustainability Reporting Directive (CSRD)**, which will increase reporting on non-financial information, during the past year Línea Directa has evaluated **almost 300 suppliers and collaborators** in the field of sustainability, which will allow it to gain greater knowledge of its **value chain** and work towards making it more sustainable, reporting on the impact of its activity on the environment.

The past year also saw the entry into force of the **Sustainability Plan for the 2023-2025 period**, which sets out the Group's roadmap in this area. The Plan, which is aligned with the United Nations sustainable development strategy, is structured according to the three ESG dimensions and includes 6 objectives, 15 strategic lines, and a total of 87 actions. Its **objectives** are ambitious: to generate business through a sustainable commercial offer, attract and nurture talent, promote a culture of sustainability, contribute value to shareholders, attract responsible investment, consolidate as a brand with an ESG reputation, and enhance the Group's social and environmental contributions.

The **environmental component** of the Plan incorporates numerous climate change mitigation actions with the aim of reducing emissions in the organisation and achieving **NetZero by 2050**. Línea Directa has launched numerous initiatives in this area, promoting responsible consumption, a circular economy, decarbonisation and a sustainable mobility and business model. The **social component** involves a wide range of actions in the areas of equality, diversity and respect for human rights, and shapes the company's wide-ranging contribution to

society. Finally, through **Good Governance**, the company aims to ensure ethical management, not just in accordance with the law, but beyond it, seeking to meet the commitments made by the Group in full. For instance, the company continues to be a benchmark on relevant issues such as equality, with 57% of the Board of Directors, 58% of the members of the Management Team and 51% of senior management positions held by women.

I am convinced that this Plan, which has made good progress in its first year, will make Línea Directa Aseguradora an even more important player in the Spanish insurance market. Every year, the Group is included in the most important and relevant reputation monitors and certifications in Spain, such as **MERCO Empresas, MERCO Responsabilidad ESG, MERCO Talento or Top Employer**. In 2023, Línea Directa also climbed eight points in the **Dow Jones Sustainability Index** rating, moving closer to its goal of being recognised in this prestigious index as a global benchmark in sustainability.

The year 2023 saw two other important decisions made by Línea Directa. One, the preparation of the first report according to the parameters of the **Task Force on Climate-Related Financial Disclosures (TCFD)**, an initiative promoted by the G20 Financial Stability Board with the aim of improving the disclosure of financial information of companies in the field of climate, which will be approved and published in 2024. And secondly, the company signed up to the UN **Principles for Sustainable Insurance (PSI)**, which provide an essential framework for the industry to address environmental, social and governance risks and opportunities.

I would also like to emphasise once again the important work carried out by **Línea Directa Foundation**, which, in its ten years of history, has become one of the most recognised private institutions in the fight against road deaths, thanks to the social impact of its studies and important initiatives such as the Road Safety Journalism Award and the Road Safety and Entrepreneurs Award.

**Línea Directa Aseguradora** has been a great success story in the financial sector, and is firmly determined to continue building a future based on innovation and quality, with its great team of more than 2,400 professionals who, thanks to their rigour and talent, have made the company a benchmark in the sector. A track record and determination that will undoubtedly allow us to build a profitable and even more sustainable project in the future.

**Alfonso Botín-Sanz de Sautuola**

Presidente de Línea Directa Aseguradora

“ **Línea Directa Foundation has become one of the most recognised private institutions in the fight against road deaths, thanks to the social impact of its studies and important initiatives such as the Road Safety Journalism Award and the Road Safety and Entrepreneurs Award.** ”

# INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER

Patricia Ayuela, CEO of Línea Directa Aseguradora, takes stock in this conversation of the results obtained by the company in the current economic context. She looks at the progress made in the action plan announced at the 2023 Annual General Meeting, and points out the opportunities and growth levers for the organisation, as well as the Group's headways in digitalisation and sustainability.

Early last year, it was already apparent that 2023 would be a difficult year for the insurance sector due to the inflationary situation. What is your assessment of 2023?

The last two years have been among the most complex the insurance business has seen in a long time. Inflation led to a sharp rise in the cost of repairs and service provision in 2023, which meant a substantial increase in claims incurred and a significant deterioration in the margins of companies operating in the Non-Life segment, especially in the Motor insurance business. Although inflation gradually became more moderate, it remained at high levels throughout 2023.

What made the problem worse is that inflation arrived at a time when average premiums in the sector were at historically low levels, having been progressively reduced for 20 years. The combination of these two factors, a sharp increase in the cost of claims and low premiums, severely affected insurance margins in the sector and is what has led Línea Directa to record a negative net result in 2023.

At Línea Directa Aseguradora we put together an action plan that would improve our insurance margins and redress the situation. First, we carried out an individualised adjustment of prices

related to risk for each customer and then we toughened underwriting requirements. This meant prioritising profitability over growth in customers. We are also adopting measures to reduce the cost of claims. Meanwhile, we continue to push for efficiency in our entire operation, relying increasingly on digitalisation. We seek to increase our cost differential with the sector. Ultimately, we are laying the foundations for future growth by keeping product innovation going, accelerating the digitisation of customer relationships, and focusing on service quality.

In short, it is a plan that we are implementing with full determination and which is already beginning to show results.

What progress has been made in the implementation of this plan?

In the second half of the year, we began to see the very first results in an improvement in our insurance margins. Thanks to measures taken in pricing and underwriting, and despite the fact that their impact on the accounts is not immediate, income from premiums earned is growing steadily in all our business segments. Meanwhile, initiatives in claims management allowed us to reduce costs from claims incurred by 8% in the second half of the year compared to the first half.



As a result, the Group's combined ratio improved by 3.8 p.p. in the second semester, the improvement was particularly noteworthy in our Motor insurance business. Tight control of overhead expenses and increased efficiency in our operations have enabled us to further improve our Expense Ratio, which currently stands at 22.9%.

We have also managed to keep, in a complex environment, a solid Solvency Ratio of 180%, which is the basis for meeting our future commitments to our customers and shareholders.

So what can we expect from the company's performance in 2024 and what are the main challenges for the Group?

We have to be cautious because we are operating in a complex environment of enormous uncertainty and volatility.

The economy is in a clear downturn. Inflation appears to be under control, but remains at elevated levels. Due to the effect of compound interest, the increase in prices compared to three years ago is very significant. In addition, there are risk factors, such as geopolitical tensions, that could lead to a further price rally. This means that 2024 will continue to be a challenging year for the whole economy, including the insurance sector.

Under these circumstances, we need to continue to move forward with our action plan. All the improvements achieved so far indicate that we are on the right track, but we need to persevere in implementing these measures – only by achieving a sustained level of profitability can we fulfil our growth ambitions. We have great strengths, the right strategy and the determination and commitment of the whole organisation to carry it

out. I am convinced that, with all of this, we will progressively reach the level of results that Línea Directa is capable of generating.

Ultimately, our priority is to return to profitability. At the same time, we are preparing to grow faster once we achieve that balance.

**What are the company's key drivers and strengths in achieving this growth?**

Even at a time like the present, when we are prioritising profitability, we have demonstrated that we are still a very competitive company – demand for our products has performed extraordinarily well during 2023. This is due to the fact that we have a very competitive insurance offer. We are able pass on the efficiency derived from our direct business model to policyholders in average premiums lower than those of the sector, while maintaining very broad coverage and excellent service quality.

We have also developed a very strong product innovation culture, which increases our ability to stand out from the crowd. The insurance market is

highly competitive, runs a certain risk of commoditisation and, as if that were not enough, major changes are taking place in people's habits and insurance needs. This presents insurers with the challenge of being relevant to customers. We need to be imaginative, innovative and bold to meet that demand. At Línea Directa, we have made a major effort to stay at the cutting edge with products and services that make sense to customers and bring value to them. For instance, in 2023 we took the first step by an insurer in Spain towards bundling policies, with our "Car + Home Formula" product, and we have launched the first complete and comprehensive insurance against squatting, "Carefree Home".

In the last two years, we have completely reorganised the company from a segment-based organisational model to a new one with a global view of customers and their insurance needs, based on a multi-segment approach. This is enabling us to increase our commercial efficiency, strengthen our recruitment and retention capabilities, and will be critical to our future growth and diversification.

**One of the main developments of the year was the move to market health insurance under the Línea Directa brand. What is the reason for this decision?**

We believed that the time had come to do so because the business segment had reached sufficient maturity. We already have an in-depth knowledge of the industry and we are able to remain competitive in a very mature market. Since the launch of our Health insurance in 2017, we have reached 117,000 policyholders and are opening up the market to people who have never taken out a health insurance policy before. This is the result of an innovative, digital, flexible commercial proposal, with one of the most comprehensive medical lists out there and a unique programme to promote healthy habits.

The Línea Directa brand is one of our main assets due to its strength and notoriety. By operating under it, our Health business segment will benefit from greater operational efficiency and commercial effectiveness.

Moreover, by operating Health under the Línea Directa brand, we are reflecting the company's new multi-segment strategy. As a result, the Group's policyholders will benefit from a comprehensive commercial proposition and a consistent customer experience across all channels.

All of this will contribute to the growth of our activity in the health sector, which is one of the fastest growing in the Spanish market and where we see a huge opportunity to diversify our business.

**Línea Directa Aseguradora was a pioneer in the sale of policies online and has since consolidated its position as Spain's leading insurer in digitalisation. How are you approaching the Group's digital transformation and what benefits are derived from it for the company and its customers?**

Due to our direct model, first implemented over the telephone and then over the internet, Línea Directa was born with a very powerful and advanced technological base that we have also applied in other areas – for instance, in underwriting. We have kept focusing on the digitalisation of all our processes, adopting innovative and disruptive technologies. Technology is a great way to simplify, optimise and streamline processes. It allows us to be more agile. It gives us the possibility to improve the customer experience, through a more direct and instantaneous service and more user-friendly and higher quality products. In short, it makes us more competitive.

We also see digital transformation as an opportunity to increase our relationship with our customers. Thanks to the fact that customers can now carry out virtually all of their insurance transactions via our website and mobile applications, these have reached a very high penetration rate. Today, more than 87% of policyholders interact with us through digital channels, and the number of their digital interactions with the company is 59% higher than the number of phone calls we receive. Such a significant volume of digital interactions is a commercial opportunity that we are already exploiting. We are expanding the digital



“ Since the launch of our Health insurance in 2017, we have reached 117,000 policyholders thanks to an innovative, digital, flexible commercial proposal. ”



functionalities of these channels, increasing the recurrence of our customer contact and further individualising our digital offer, among other initiatives.

You mentioned the importance of people in an increasingly digital world. What talent management challenges are posed by digital transformation and by the other global challenges companies are facing?

The business environment is becoming increasingly competitive and, to be successful, companies need to be ever more innovative, agile and efficient. We need to have the necessary talent, ready and committed, to meet these challenges and achieve our business objectives not only in the short term, but also in the medium and long term. We must therefore be able to attract and retain professionals with the necessary skills, and to promote the training and professional development of the people in the organisation.

At Línea Directa we have an attractive value proposition for people and, in 2023, we have also promoted the culture of professional development through a campaign called "Re-evolucioná", which seeks to encourage employees to acquire new professional development experiences, fostering self-learning and facilitating promotion through a talent management model.

These initiatives to attract and retain talent, together with our commitment to quality employment, the promotion of employee well-being and diversity and inclusion, are some of the objectives of our sustainability strategy.

In 2023, the Group launched its new Sustainability Plan for the 2023-2025 period. What have been the main developments in this first implementation?

We are a very ambitious company in our business objectives, but we are also ambitious about the way we achieve them. We have been integrating

“ Currently, more than 87% of policyholders interact with us through digital channels, and the number of their digital interactions with the company is 59% higher than the phone calls we receive. ”

environmental, social and governance aspects into our management and business strategy for more than a decade, since the approval of our first three-year Sustainability Plan. The plan for the period 2023-2025 is very ambitious and represents a quantitative and qualitative step forward in this area.

In 2023 we have made great progress on a key issue for society as a whole, decarbonisation. We have continued to reduce our carbon footprint, specifically by 10% in the year. And, in keeping with our commitment of alignment with international best practices in measurement and reporting, we have already identified our risks and opportunities linked to climate change according to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We are making clear progress on our roadmap to be a carbon neutral company by 2030 and with zero net emissions by 2050.

But we have also developed an ambitious strategy in relation to the other areas of sustainability, in addition to the environment. That is, the social and

governance areas. We have been contributing to the first by promoting numerous measures for our customers, employees and society in general. And by placing value in the good governance practices that have taken us into prestigious indices such as BME's Ibx Gender Equality Index, we are contributing to the second.

When it comes to ESG, it is clear to me that the work required is like a long distance race, subject to a highly changing environment, which forces us to keep at it and continuously improve.

**Linea Directa Foundation, which in 2024 celebrates its first ten years of activity, is a fundamental pillar of your sustainability strategy. How successful has it been?**

The Foundation was born in 2014 with a core mission: help reduce the number of road accident victims.

As a specialist motor insurance company, we experience the problem of road accidents as our own, having witnessed many tragedies that shatter families and lives. For this reason, at Linea Directa we have always been aware that our social responsibility should not only be to help victims recover or compensate them financially, but that we should also pursue the ambitious goal of zero deaths in traffic accidents.

To this end, and under the slogan "Road safety. here and now", we are working on four lines of action that we were already promoting in the company even before we set up the Foundation. These are: awareness-raising, research, social action and training. One of our main initiatives in this area, the Road Safety Journalist Award, turned 20 years old in 2023. In this time, we have seen that, hand in hand with the media, we can positively influence driver behaviour.

Twenty years ago, 5,400 people died in road accidents in Spain each year, which meant that the road death rate was 25% higher than the EU

average. Today, the number of road deaths has been reduced by a third and we are the fourth country in Europe with the lowest fatality rate. At Linea Directa we can proudly say that we have contributed to this great collective success together with the government, other institutions and, of course, the drivers themselves.

However, we should not be complacent nor think the objective has been achieved. In recent years, the number of fatalities has not only stagnated, but has risen slightly to over 1,700 accident fatalities per year. Together, we must be able to reach the goal of "zero deaths" on the road. Linea Directa will continue to work to promote good driving habits and improve road safety in Spain.





# ABOUT THIS REPORT

## 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 2023 Consolidated Non-Financial Information Statement has been prepared in accordance with the contents set out in the applicable commercial regulations, which require the information to be presented under a reference reporting standard. The report has been prepared following the “With reference” option as defined in the GRI (Global Reporting Initiative) standards. The scope of each indicator is given in the indicator tables annexed to this report. With this document, Línea Directa Group reports on corporate governance, environmental, 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 the principles of accuracy, balance, clarity, comparability, comprehensiveness, sustainability context, timeliness and verifiability. 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 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 2022 in the framework of the preparation of the Sustainability Plan 2023-2025. 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. Therefore, when presenting information with a different temporal or organisational scope than in previous years, the nuances of such changes are described together with the data in question.

On the other hand, the Group’s performance, for example in Corporate Governance, has been conditioned since the IPO in 2021, as a company listed on the Spanish continuous market.



## SCOPE OF THE REPORT

The report therefore includes information on all the companies that comprise the Group: 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., until its dissolution on 22 November 2023..

## VERIFICATION OF THE REPORT

The quantitative and qualitative information included in the Non-Financial Information Statement has been independently verified on limited assurance by PwC (PricewaterhouseCoopers Auditores, S.L.). The scope and results of the independent verification are described in the Verification Report attached to this report as an Appendix. This report has been reviewed in accordance with the revised version of ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and with Performance Guideline No. 47 on Assurance Engagements of Non-Financial Information, issued by the Spanish

Institute of Chartered Accountants (Instituto de Censores Jurados de Cuentas de España). In addition to the review carried out on the contents required by Law 11/2018, and which are referenced in the Appendix of Requirements of Law 11/2018 on non-financial information, the scope of the verification has been extended to a series of GRI indicators following the “With reference” option. Said contents can be found in the GRI Content Index Appendix.

Anyone wishing to view or complete the report may contact the External Communications and Sustainability department at the following email address: [comunicación\\_externa@lineadirecta.es](mailto:comunicación_externa@lineadirecta.es).

# 1. 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

Línea Directa Group’s raison d’être is to meet its business objectives in closeness with people, working every day for its customers, shareholders and society in general, providing them with security and peace of mind in the face of unforeseen events, innovating to respond to their new needs and contributing to profitable and sustainable growth. All of this is spelled out in the company’s purpose: “Innovate, protect and bring closer”, which reflects the elements that identify the organisation and which are linked to the mission, vision and values under which it operates.



### Innovate

Línea Directa’s transformational spirit and its culture of innovation contribute to its proven ability to adapt with agility and flexibility to a changing environment and to respond to the present and future needs of its stakeholders.

### Protect

The essence of Línea Directa’s commercial and social activity as an insurance company is to be available when mishaps occur, mitigating their impact, while protecting the environment and contributing to the well-being of society. The company seeks to build relationships of trust with all its stakeholders, placing its knowledge, experience, quality of service, and innovation and technological capabilities at their service.

### Bring closer

Línea Directa maintains a direct, close and transparent relationship with all its stakeholders, as a natural extension of the value and differentiation provided by its direct business model, which is reflected in its own unique organisational model, operations and culture.

**Línea Directa Aseguradora burst into the market in 1995 with a 100% direct business model, launching a new form of insurance in Spain.** Thanks to the inherent advantages of this operating model, a strong culture of innovation and increasing digitalisation of the organisation, the Group has experienced steady growth in its 28-year history, consolidating its position as one of the leading

companies in the national market for direct insurance sales and earning its place at the forefront of the transformation of the insurance sector.

Línea Directa’s history has been shaped by its ability to provide customers with **unique, competitive and high quality products and services**. In an increasingly disruptive world, and relying on its customer knowledge, innovation and quality service provision capabilities, Línea Directa Aseguradora continues to work every day to maintain its leadership in offering high-value, differential and increasingly personalised solutions in the fields of mobility, housing and health.

Línea Directa Group was also born with a **strong technological base** and the degree of digital transformation it has achieved over the years gives it a privileged position in the market. The company intends to put the advantages of its digitalisation at the service of its policyholders through an **excellent customer experience** by offering new, more direct communication channels, simple and agile processes and services, and by promoting digital tools as a point of contact with policyholders.

The commitments made by the company to its stakeholders are tied to the mission and vision under which it operates and are aligned with its corporate purpose.

### Mission

Línea Directa contributes its expertise in direct response and places it at the service of its customers, employees, shareholders, suppliers and, therefore, society as a whole, generating wealth, safety and a more responsible and sustainable environment for people.

### Vision

The Group's vision is to be at the forefront of innovation in the insurance sector, promoting values related to road safety, home safety, health, the environment and sustainability. Línea Directa aims to be the insurance company known for its respect for the groups it relates to, especially customers, employees, suppliers and society as a whole.

**The commitments made by the company to its stakeholders are linked to the mission and vision under which the Group operates, and they align with its corporate purpose.**



### CORPORATE VALUES: THE IDENTITY OF A BRAND

The corporate culture of Línea Directa Aseguradora is built from the five values that guide all of its activities and the behaviour of its people.

- **Respect for people:** Listen to your colleagues and customers, this promotes teamwork and helps everyone 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.

# MILESTONES AND AWARDS

## JANUARY

- **Línea Directa launches its joint offer of car and home insurance, the first step by an insurer in Spain towards the packaging or convergence of policies for the same family unit.** “Car + home formula”, the company’s new marketing campaign, guarantees savings on the price of insurance and includes high-value cover for the joint contracting of car and home policies. With this commercial proposal, the company strengthens its position as a multi-segment insurance company and advances in its strategic objective of attracting and retaining policyholders.
- **The insurer has been selected as a Top Employer company in the fourth consecutive year for its people management model.** In this edition, the company has obtained an overall score of over 90%, standing out in areas such as ethics and integrity, business strategy, employer branding and the digitisation of human resources. In the last four years, the group has improved its score by 7%, which places the organisation in the ranks of excellence. The certification, awarded by Top Employers Institute, is based on the findings of the institute’s HR Best Practices Survey, a survey that encompasses 6 areas of human resources made up of 20 different topics including people strategy, work environment, talent attraction, learning, wellness and diversity and inclusion, among others.
- **Línea Directa Aseguradora launches “Mortgage Free”, a special promotion with a 25% discount on Home insurance for customers who have finished paying off their mortgage.** The company seeks to emphasise the competitiveness in terms of value for money of its Home insurance offer, which is characterised by flexible and modular multi-risk policies that adapt to the needs of each customer and the characteristics of each home, whether it is a flat or a

single-family house, first or second home, so that the insured only pays for what they need.

## FEBRUARY

- **Línea Directa begins offering its insurance through the CarnRoll used car sales platform,** a digital platform that allows you to purchase the car and at the same time access financing for its purchase as well as insurance at competitive rates. The platform, which seeks to cover the entire value chain, facilitating the entire acquisition process for the end user, has a stock of second-hand, pre-owned and reconditioned vehicles that have been inspected in more than 100 checkpoints and come with a one-year warranty.
- **The company presents its results for 2022, a year in which the Group broke its all-time record for premium income, exceeding € 946 million.** Línea Directa Aseguradora’s premium income increased by 4.4% as turnover and customers grew in all business segments (Motor, Home and Health). In a year marked by record-high inflation impacting claims, the Group closed with a net profit of € 59.5 million. The total remuneration paid out to shareholders against the company’s 2022 earnings amounts to € 0.049 euros gross per share, approximately € 53.6 million in total, equivalent to a 90% pay out.
- **“Stop Incivility. ‘Keyed cars’: a look at road vandalism in Spain”,** is the study carried out by Línea Directa focusing on road incivility. According to the report, intentionally causing damage to a car and fleeing the scene of an accident are two behaviours that already account for 40% of the no-fault reports in Spain (22% for vandalism and 18% for hit-and-run drivers). The result is that 12.3 million drivers (45%) claim to have suffered vandalism to their cars on occasion and

11.7 million (43%) have found their car damaged without the responsible party having left their details.

## MARCH

- In a context of changing employment trends on a global scale, **Línea Directa Aseguradora has consolidated its position as one of the 50 companies with the greatest capacity to attract and retain talent in Spain.** The company’s commitment to internal talent and its professional development, employee well-being and its flexible working model have enabled the Group to move up two positions in the Merco Talento 2022 ranking to 43rd place.
- **Línea Directa wins the LinkedIn Talent Awards in the Learning Champion category for its self-learning project.** The company has launched 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-learning and facilitate professional growth through an internal talent management model. To this end, the entity has set up a learning ecosystem made up of several digital platforms that allow employees to self-manage their training, and provides them with training itineraries that enable them to advance in the skills necessary for their professional growth.

- **At the Annual General Meeting, Patricia Ayuela outlines an action plan to boost the Group’s results,** where improving the technical margin, boosting efficiency and enhancing profitable growth are set as strategic priorities. The shareholders of Línea Directa Aseguradora approve by majority the resolutions submitted to the Annual General Meeting, such as the management of the Board and the allocation of profits for 2022, including the distribution of dividends.



## APRIL

- **Línea Directa Aseguradora adopts the four Principles for Sustainable Insurance (PSI)**, the largest joint initiative of the UN and the global insurance industry to promote innovative insurance solutions that contribute to sustainable economic and social development. In this way, the organisation demonstrates its commitment to integrating environmental, social and governance (ESG) criteria into its strategy and activity, to raising awareness of ESG issues among customers and business partners and to collaborating with governments, regulators and other stakeholders to promote broad action in this area.
- **Línea Directa extends its Respira policy to electric motorbikes as part of its 'Tomorrow's mobility' strategy.** This policy, initially launched in 2016 for pure electric cars and later extended to plug-in hybrids, includes coverage and services adapted to the specificities of this type of sustainable vehicle, such as battery or recharging cable theft, or travel assistance in the event of battery discharge.
- **Start-up Engidi wins the 9th edition of Línea Directa Foundation's Road Safety and Entrepreneurs Award.** The award seeks to recognise and promote road safety entrepreneurship by supporting and funding innovative ideas that help to combat road accidents and improve the post-accident treatment of victims.



Engidi designs and manufactures IoT electronic equipment that can be integrated into the Personal Protective Equipment (PPE) of workers such as road construction and maintenance workers and connect with drivers to prevent accidents and roadkill and drastically reduce the number of road fatalities.

## MAY

- Línea Directa Foundation, in collaboration with Centro Zaragoza, presents the study **"Life in a second. Distractions and accidents on Spanish roads (2012-2021)"**. This report recalls that in the last decade there were 238,000 victim-causing accidents and 6,200 deaths as a result of distractions, which together with speeding and alcohol and drug consumption make up the so-called "accident triangle" on the road. The study concludes that although the number of distraction-related accidents has decreased significantly between 2012 and 2021, their fatality rate has risen by 52% as a result of speeding, which aggravates accidents of this type.

## JUNIO

- **Línea Directa includes in its home insurance full coverage against illegal occupation of the home.** The product, unique in Spain due to the breadth of its coverage, includes up to € 10,000 in legal assistance by the company and legal costs (lawyer, solicitor, expert witness, notary fees, court costs and fees) to recover the home, as well as financial compensation for expenses in re-fitting the home, from utilities, loss of rental income and other costs.



- **Línea Directa Aseguradora climbs eight places to 40th position in the Merco Empresas y Líderes 2023 ranking of companies with the best reputation in Spain.** In the last two years, the insurer has climbed 14 places thanks to its positioning among stakeholders as a large multi-segment insurer, its customer vision and focus on innovation, its leadership in the field of digital transformation and its commitment to sustainability.
- **Línea Directa Foundation awards the prizes for the 20th 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. In the 20th edition, the winners are Leticia Núñez, Isabel Martín and Patricia Corral, from Diario de Burgos, in the Press & Online Media category; Ana Corbatón, from Cadena SER, in Radio, and Esperanza Calvo, from Telecinco, in the Television category. The winner of each category receives € 10,000 tax-free. The Solidarity Award goes to the Guttman Institute of Neurorehabilitation, and the the Honorary Award goes to DGT's Traffic and Road Safety Magazine. During the awards ceremony, the Foundation singles out El País, Televisión Española, Onda Cero and Radio Nacional de España for being the media that, over the 20 editions of the competition, have won the prize on the greatest number of occasions.



## JULY

- With the aim of encouraging the purchase of vehicles equipped with advanced driving assistance systems (ADAS), associated with greater safety and lower accident rates, **Línea Directa launches a promotion which translates to "ADAS Campaign", whereby it will offer a improvement of up to 35% in the price of insurance for new car insurance policies, provided that the car to be insured incorporates any of these technologies.**
- Línea Directa foundation presents the study **"Getting there and back. X-ray of traffic accidents on holiday journeys in Spain (2012-2021)"**, prepared in collaboration with FESVIAL. The report warns that summer is the most difficult time of the year for driving. During the last decade, there have been 5 casualties per day during the summer season, a rate 20.5% higher than in non-holiday periods and significantly higher than other public holidays.

## AUGUST

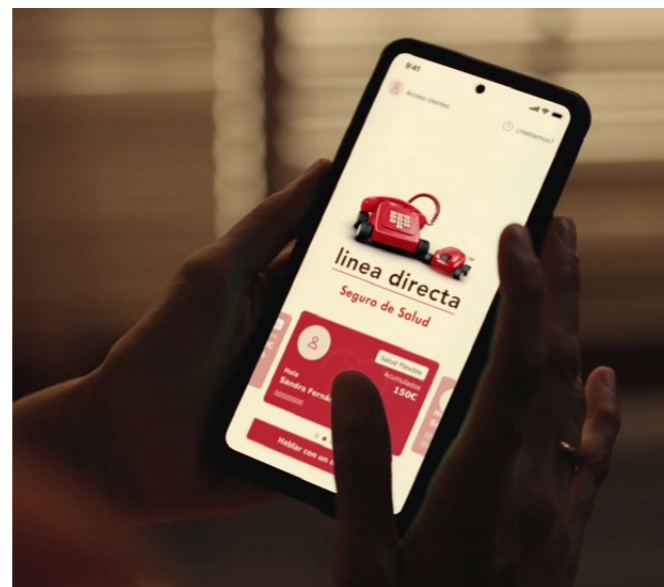
- On the occasion of the long weekend of 15 August, one of the most dangerous of the year in terms of road safety in Spain, **Línea Directa Foundation launches an information campaign** based on its report "Getting there and back. X-ray of traffic accidents on holiday journeys in Spain (2012-2021)". In the last decade, around 7,500 accidents were recorded during this

long weekend, with almost 200 fatalities, around 20 per year.



## SEPTEMBER

- **Línea Directa presents the study “Spaniards on the ‘squatting’ of housing in Spain. Opinion, concerns and proposals”,** compiled based on the results of 1,700 surveys conducted throughout Spain. The study concludes, among other things, that 1 in 4 Spaniards (24%) believe that there is a “medium or high” chance that their home will be “squatted” and 77% believe that this phenomenon has become a social problem in Spain.
- **Línea Directa announces that it will sell its Health insurance under its own brand to boost the company’s multi-segment strategy.** Since Línea Directa Group started operating in Health in September 2017, it has positioned itself as a strong competitor in the market and has reached 110,000 policyholders. The company has decided that, as of 24 September, it will market the policies of the Health segment, managed until now under the Vivaz brand, under the Línea Directa brand. The decision allows the Group’s Health insurance segment to benefit from the leadership and potential of the Línea Directa brand, and takes the company a step further in its strategy as a **multi-segment insurer**, enabling customers to benefit from a comprehensive commercial proposition and a consistent customer experience across all channels. This will enable the company to optimise its adver-



tising strategy, increase its commercial efficiency and boost customer loyalty, thus contributing to the Group’s growth and diversification.

## OCTOBER

- Línea Directa Aseguradora presents its **results for September** showing an improvement in its margins and a net profit of € 0.9 million in the third quarter of the year as a result of the pricing, underwriting and claims management efficiency measures implemented during 2023. Premium income in the first nine months of the year increased by 3% year-on-year to € 731.9 million, as turnover grew in all business segments.

## NOVEMBER

- **Línea Directa Foundation presents the study “Safe Cars for All. Analysis of accidents from a gender perspective (2012-2021)”.** The report, carried out in collaboration with Centro Zaragoza and the Institute of Technological Research at Comillas Pontifical University, analyses the accident rate for each gender and the official accident figures for men and women over the last 10 years. The report also evaluates passenger safety by carrying out a computerised crash test that reproduces a frontal collision in identical circumstances for both genders. One of the main

findings of the study is that **female drivers are 17% more likely to die and twice as likely to suffer a serious brain injury than male drivers because vehicle design is based on men’s anatomy.**

- Línea Directa Aseguradora and IESE Business School hold the **1st Insurance Revolution Investment Forum** for start-ups with solutions impacting customer experience and digital services in the insurance sector. During the event, a total of seven projects selected for their business model, stage of development and scalability were presented to the Senior Management of Línea Directa Aseguradora and the IESE Business Angels and Family Offices Network.
- The mental health study **“Understanding or brooding over our emotions. An analysis of the silent strategies that bring us closer to or move us away from emotional well-being”,** elaborated by the **Health insurance segment of Línea Directa**, concludes that rumination is behind 40% of anxiety problems in the Spanish population and 30% of those of depression. The report, prepared jointly with the expert in emotional intelligence Ruth Castillo-Gualda and the specialist in anxiety and stress intervention Juan Ramos-Cejudo, both professors at the Faculty of Health of the Camilo



José Cela University (UCJC), looks closely at different strategies that move people closer to or further away from greater emotional well-being.

## DECEMBER

- With the aim of promoting road safety among the Group’s employees and strengthening the awareness and empathy of the company’s claims management specialists, Línea Directa Foundation organises a **Road Safety Day at Línea Directa Aseguradora.** During the event, organised in collaboration with RACE Foundation and AESLEME, the insurer’s staff are able to experience the reality of a traffic accident through simulators of rollover, impact and driving under adverse circumstances and under the influence of alcohol and drugs, as well as to hear the testimony of a seriously injured person in a traffic accident.
- Línea Directa Aseguradora presents the study **“Household and dogs”,** which analyses the socio-demographic trend in pet ownership, the possibility of accidents, responsibilities and the impact of the new Animal Welfare Law. According to the findings of the report, **3 out of 10 dogs in Spain are still uninsured, despite the forthcoming entry into force of the new regulations and 10% of owners admit that their dogs have attacked people or other animals on some occasion.**

# MAIN FIGURES 2023

## ECONOMIC FIGURES IN MILLIONS

**€973.3 Mn**  
premiums written



**€792.7 Mn**  
Motor



**€149.4 Mn**  
Home



**€30.4 Mn**  
Health



**€0.78 Mn**  
Other

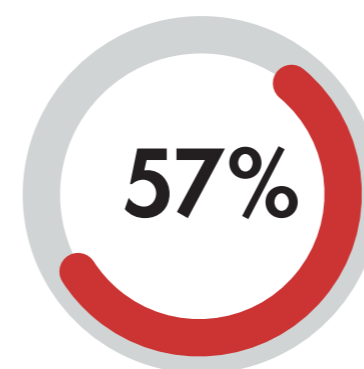
**PBT (Profit before tax)\*** -6,5 M€

**Net profit\*** -4,4 M€

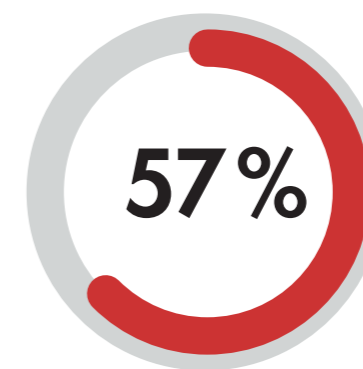
**NUMBER OF CUSTOMERS 3.32 Mn**

\* Consolidated profit before tax and net profit data under IFRS 17 & 9. Under IFRS 4, PBT is -€ 13.8M and net profit is -€ 9.8M.

## GOOD GOVERNANCE



% WOMEN ON THE BOARD



% INDEPENDENT DIRECTORS



No. OF DIRECTORS

## STAFF DATA



No. OF EMPLOYEES

**2,488**

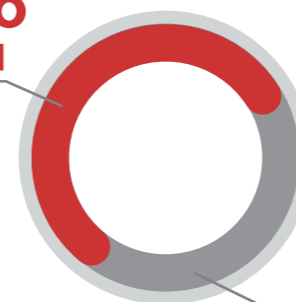


**42**  
AVERAGE AGE



**9.9**  
AVERAGE YEARS ON STAFF

**58%**  
WOMEN



**42%**  
MEN



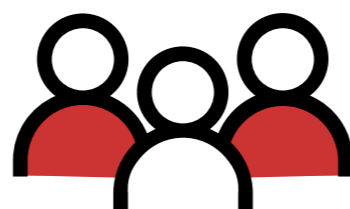
**68%**  
INTERNAL PROMOTIONS  
(of which 53% were women)



**90,4%**  
STAFF HAVE RECEIVED TRAINING



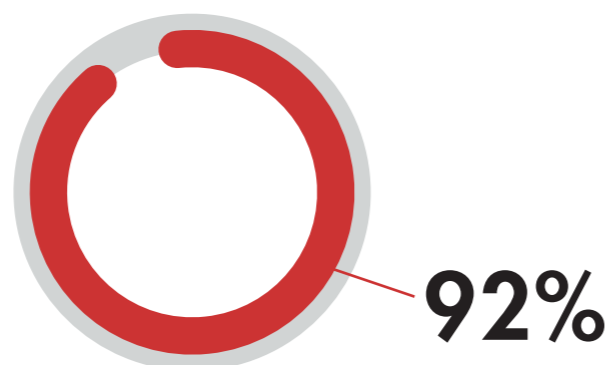
## Employees



Permanent contracts	99.5%
Women in senior management positions	58%
Women in positions of responsibility*	51%
Pay gap	3.1%
Empleados en voluntariado corporativo	169

\* Positions of responsibility include the Management Committee and the middle managers.

## Collaborators



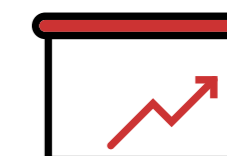
LOCAL SUPPLIERS

## Customers



NPS (Net Promoter Score)	29.16
NSS (Net Satisfaction Score)	33.67
Digital customers	87.4%
Calls answered	11.12 M
Average discount to health customers for positive habits	45.15€
Number of consultations to the tele-medicine and medical service online chat	40,542

## Society



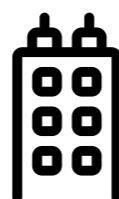
Direct and indirect taxes borne and passed on	€221.5 Mn
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## Environment



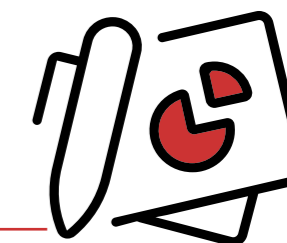
<b>Renewable electricity</b> (Línea Directa Aseguradora)	<b>100%</b>
<b>Percentage of self-generated electricity</b> (Group)	<b>14%</b>
<b>Reduction of energy consumption</b> (Group)	<b>4%</b>
<b>Reduction of paper consumption</b> (Group)	<b>6%</b>
<b>Reduction of emissions</b> (Group: scopes 1 and 2)	<b>10%</b>

## Línea Directa Foundation



<b>Start-up projects received</b> for the Entrepreneurs and Road Safety Award	<b>50</b>
<b>Projects presented</b> for the XX Journalism Road Safety Award	<b>2,003</b>
<b>Number of news items generated</b> by Road Safety studies	<b>815</b>

## Sustainable finance



<b>Percentage of eligible premiums</b> according to the taxonomy	<b>2.1%</b>
<b>Eligible investment portfolio</b> according to EU Taxonomy by turnover	<b>14.1%</b>
<b>Eligible investment portfolio</b> according to EU Taxonomy by CapEx	<b>12.7%</b>
<b>Percentage of premiums aligned</b> with the taxonomy	<b>2.1%</b>
<b>Aligned investment portfolio</b> according to the EU Taxonomy by turnover	<b>2.3%</b>
<b>Eligible investment portfolio</b> according to EU Taxonomy by CapEx	<b>4.5%</b>
<b>ESG risk</b> of the investment portfolio	<b>20.43%</b>

# BUSINESS ENVIRONMENT

The Spanish insurance sector has maintained solid revenue growth in its main business segments in a context of economic slowdown, while high levels of inflation have, for yet another year, continued to affect the results and profitability ratios of companies specialising in general insurance.

## MACROECONOMIC SCENARIO

In 2023, the global economy has continued to recover from the impacts of the pandemic and the conflict in Ukraine, albeit **with growth slowing down as the year progressed**. Contributing to this slowdown has been a loss of steam in the services sector, combined with weakness in manufacturing activity; tighter financial conditions stemming from tight monetary policies; and high inflationary pressure, with a rebound in energy prices.

World gross domestic product (GDP) increased by 3.1% during the year, according to estimates by the International Monetary Fund (IMF), compared with an increase of 3.5% in 2022, with differences between the main geographical areas. The United States recorded stronger than expected growth, the euro area showed some stagnation throughout the year and China's economy, although it grew at 5.2%, is far from its pre-pandemic pace.

### A SLOWING ECONOMY

GDP growth in %

	2022	2023	2024*
World	3.5%	3.1%	3.1%
Euro area	3.3%	0.5%	0.9%
United States	1.9%	2.5%	2.1%
China	3.0%	5.2%	4.6%

\*IMF forecast. January 2024 World Economic Outlook



**Outlooks may be affected by geopolitical tensions.** The war in Ukraine and an extension of the Gaza-Israel conflict could lead to a scenario of further price escalation, especially in food, commodities and energy.

**Inflation**, which reached 8.4% in 2022, eased to 6.8% in 2023, reflecting monetary policies, and is expected to continue to decelerate progressively. Central banks have signalled that **interest rate hikes**

have come to an end and there is even speculation about the first rate cuts in 2024, although they are expected to remain at restrictive levels for a longer period than initially anticipated.

Other risk factors for global economic performance include a more pronounced slowdown in China and the levels of public debt and deficits in some countries.

## SPAIN

The Spanish economy in 2023 once again posted a growth differential with respect to the euro area, with GDP growing 2.5%, driven by the dynamism shown by domestic demand thanks to the increase in both public and household consumption. The labour market had a relatively robust showing, with a record number of employed persons (21.2 million) and the unemployment rate standing at 11.76%.

Despite this stronger performance in comparison with the rest of the world, the Spanish economy is no stranger to the global context of a generalised slowdown. Banco de España forecasts that, compared to a positive trend of 2.5% in 2023 and 5.8% in 2022, the Spanish economy will grow at a rate of 1.6% in 2024.

This slowdown is, according to the institution, due to a slowdown in the external environment and a less favourable outlook for future developments in consumption by households.

The general Consumer Price Index (CPI) stood at 3.1% at the end of December last year. In annual average terms, it eased from 8.4% in 2022 to 3.5% in 2023. Nonetheless, core inflation remained above headline inflation throughout the year, with an annual average rate of 6%. Banco de España forecasts that the CPI will continue to ease progressively, reaching 3.3% by the end of 2024 and falling to 2% in 2025.

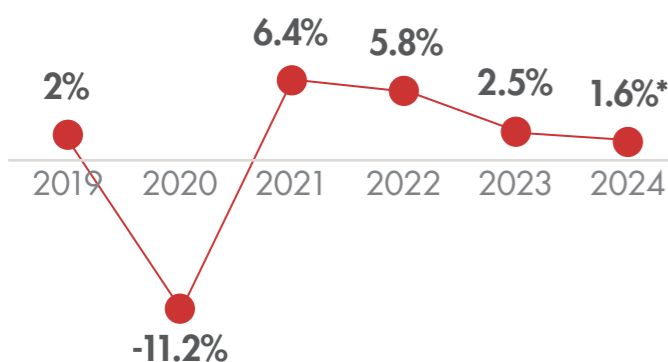
## INSURANCE SECTOR TRENDS

The performance of the insurance business in 2023 has been marked by developments in the economy and, in particular, by the effect of monetary policies and high levels of inflation. While the sector has recorded **solid and symmetrical premium income growth** in its two main segments, Life and Non-Life, the performance in terms of profitability has been different between the two. **Non-life, and in particular Motor insurance, continues to be negatively impacted by the increase in average repair costs and injury rates.**

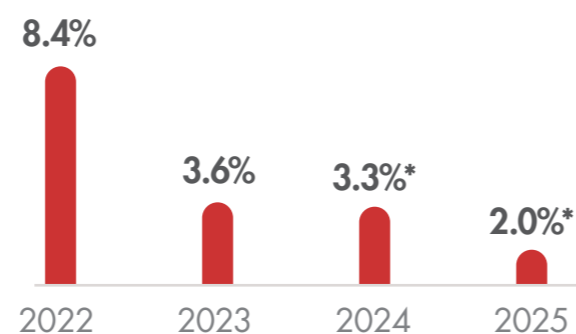
The sector's premium income amounted to € 76,463 million for the year, 18% more than in 2022, driven mainly by the Life business, whose turnover grew by 36.3% to

€ 33,452 million, thanks to the rise in interest rates. Non-life revenues increased by 6.8% to € 43,011 million, intensifying the growth rate of 2022 (+4.7%), according to data from Investigación Cooperativa de Entidades Aseguradoras (ICEA).

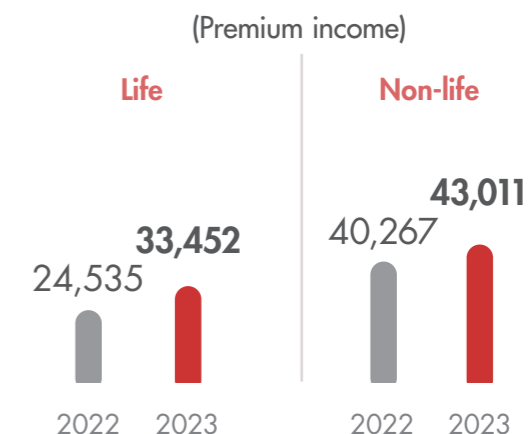
SPANISH ECONOMY  
Annual change in GDP (%)



CONSUMER PRICE INDEX



DEVELOPMENT OF THE INSURANCE BUSINESS



\*Banco de España forecast "Macroeconomic projections of the Spanish economy (2023-2026): Banco de España's contribution to the Eurosystem's December 2023 joint forecasting exercise".



All the main Non-Life segments recorded significant growth in terms of revenues.

**Motor**, which is the leading general insurance segment with 28% of total Non-Life turnover, improved its revenues by 6.6% to € 12,108 million. The positive development was mainly due to the increase in average premiums in the industry in response to the narrowing of insurance margins and, to a lesser extent, to the increase in the number of insured vehicles.

The recovery of dealer stocks after the global supply problems experienced in previous years has boosted passenger car registrations. Over the past year, these grew by 16.7% to 949,359 vehicles, still below the pre-Covid-19 pandemic levels, according to Faconauto data. The insured fleet set a new record level, with 33.4 million insured vehicles (+1.5%), according to data from the FIVA (which is the Spanish insured vehicle registry).

In 2023, the industry continued to be hampered by high repair costs, which affected profitability.

In addition, the injury rate rose by 8.5%. As a result, the combined ratio of the insurance sector as a whole was above 100% during the year, according to ICEA (the statistical and research service for the Spanish insurance sector).

The Home and Health segments again recorded outstanding growth, despite the economic slowdown and the effects of monetary policy.

The tightening of financial conditions as a result of the rise in interest rates led to a fall in house sales of more than 9% in 2023, according to data at the end of November, the latest data available from INE (Spanish National Statistics Institute). Despite this, rate adjustments and the increase in home insurance penetration allowed the **Home** insurance segment to increase premium income by 6.4%, to € 5,475 million, a growth 0.8 percentage points higher than that recorded in 2022.

The **Health** segment showed some slowdown compared to the previous year, with a premium volume growth of 6.6%, to more than € 11.2 billion. Thus, despite the slowdown in the entry of new policyholders linked to the economic cycle and the effect of inflation on household incomes, this business segment now represents more than 26% of the total Non-Life insurance turnover, second only to Motor.

From a profitability standpoint, **Non-Life technical profit or loss was impacted by the escalation in average repair and service costs, which mainly affected the Motor segment.** Net interest income in the general insurance business, on the other hand, improved, driven by higher returns on investments thanks to interest rate hikes.

In this context, Línea Directa Aseguradora, with a customer portfolio of 3.3 million policyholders, recorded € 973.3 million in premium income, a 2.8% increase, thanks to the growth of income in all its business segments. In line with the Group's strategy of profitable growth, Motor improved its revenues by 2.5%, Home by 4.0% and Health by 4.5%.

As has been the general trend in the sector, **the company's results were affected by the inflationary situation**, resulting in a net loss of € 4.4 million, driven also by an increase in claims. In any case, in the second half of the year the Group recorded a net profit of € 10.7 million, **reflecting the positive effect that the underwriting and claims management efficiency measures implemented by the company had on its margins.**

**Línea Directa Aseguradora recorded € 973.3 million in premium income, a 2.8% increase, thanks to the growth of income in all its business segments.**



# BUSINESS MODEL

## THE LÍNEA DIRECTA BRAND

The Línea Directa brand is one of the company's most important strategic assets. The brand also reflects the identity and essence of the company: a unique and successful way of doing insurance, with strength, leadership and values. Since its launch in 1995, Línea Directa Aseguradora has maintained a direct relationship with its customers through simple and fresh communication. This, together with its capacity for innovation and the digitalisation of its processes, has enabled the company to consolidate its position as one of the leading insurers in the Spanish market and to become a large multi-segment organisation.

Línea Directa Asegurador was born 29 years ago marketing a single product -car insurance- and with a direct business model, operating exclusively by telephone. Today it is a **multi-segment insurer specialising in the Motor, Home and Health segments**, where it keeps running its **direct business model**, allowing its more than 3.3 million customers to engage directly with the company via telephone and the Group's digital channels.

Línea Directa Aseguradora's objective has always been to put the customer first. Prior to 1995, insurance sales were almost exclusively made through intermediary channels. Línea Directa Aseguradora then burst into the market with its direct business model, having no branch networks, and marking a turning point in the sector, **because it passes on to the customer** part of the savings it obtains through its operating model, without having to reduce the scope nor quality of its services.

**The direct model involves both a different way of relating to customers and different organisational, operational and cultural characteristics. This, in turn, brings with it a number of qualities**

**that make it highly competitive: a strong strategic alignment, state-of-the-art technological support and extraordinary flexibility** to respond more efficiently and nimbly to the needs of the business and its customers.

All of this translates into advantages for customers in terms of proximity, unique products, quality of service and competitive prices, which the company describes in the claim "**El valor de ser directo**" [the value and boldness of being direct]. Línea Directa's proposal met with an excellent response from the market, and 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 business segment.

Introducing and developing the direct model entailed a complete overhaul of the dominant distribution channels to date, as well as a radical new way of approaching society. Línea Directa devised 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 mass media, which, using a somewhat humorous tone, highlighted the advantages of the direct model for the customer with the aim of connecting them to the brand.

Currently, Línea Directa Aseguradora has consolidated its position as one of the **largest advertisers in the country** according to Infoadex and one of the Spanish insurance brands with **the highest advertising recall** according to the IOPE Advertising Awareness study compiled by Kantar TNS.

The disruption in advertising is the result of the **strong culture of innovation** that characterises Línea Directa Group and which encompasses marketing, processes and product development. Initially specialising in car insurance, the Group began to operate in the Home segment in 2008 and in 2017 launched its Health segment, always loyal to the premise of offering **differential and competitive insurance solutions**.

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Línea Directa aims to cover all the insurance needs of customers.

The organisation was born with an advanced technological base as one of the pillars of its direct model. In 1999, four years after the launch of its operations, Línea Directa became the first insurance company to distribute policies over the internet. Its strong commitment to technology and the absence of cross-channel conflict has given the Group a **great advantage in the digital arena**. Currently, more than 87% of the company's customers are digital, the digital interactions of policyholders are 59% higher than telephone contacts and the insurer already relies on technologies such as artificial intelligence (AI) to offer **higher quality, more agile and direct insurance and services**, improving user experience.

## A large multi-segment insurer

Línea Directa Aseguradora is one of the 13 leading Non-Life insurance companies in Spain thanks to its position in the Motor segment, in which it is the 5th largest insurer in the country in terms of turnover, and its growing activity in the Home and Health segments, in which it is ranked 13th and 24th respectively. Building on this diversification, the company aims to consolidate its position as a large multi-segment insurer.

This entailed, in 2022, a **reorganisation of the corporate structure, consolidated in 2023**, shifting from a segment-based organisation to a **global vision of customers** and their needs. The organisation went from being divided by business segments to being structured in two customer-focused areas: on the one hand, the Commercial area, responsible for attracting new business based on brand leadership, a multi-segment commercial proposal, product innovation and strategic alliances; and on the other, the Portfolio area, responsible for fostering a more continuous and closer relationship with customers, strengthening and securing the long-term loyalty of policyholders.

In 2023, this new approach translated into the Group’s commercial proposals such as **“Car+home formula”**, which allows policyholders to take out car and home policies together, 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**.

In September 2023, in line with its multi-segment strategy, **the company began to market its Health insurance, which until then had been managed under the Vivaz brand, under the Línea Directa brand**. The Health segment can now benefit from the strength and potential of the Group’s iconic brand, leader in notoriety in the Spanish insurance market, and policyholders can access a **comprehensive commercial proposal and a homogenous customer experience** in all channels. As a result, the company will be able to optimise commercial efficiency and increase customer loyalty, thus contributing to the Group’s growth and diversification.



## Corporate communications

The External Communication and Sustainability department has designed an ambitious **Corporate Communication Plan**, which, through a strategy combining earned media and own channels, reports to the company’s stakeholders and to society as a whole the company’s financial results, its corporate and business strategy, its performance in sustainability and the remarkable activity of Línea Directa Foundation in the promotion and defence of road safety.

The Communication Plan includes careful monitoring of the news items generated by the company, analysing their subject matter, tone, space, duration, audiences and equivalent advertising values, in order to evaluate its scope and results.

In 2023, the company and Línea Directa Foundation issued **31 press releases** and presented **7 reports** on road safety and topics of general interest relating to cars, housing and health. Additionally, **its main spokespersons, including the CEO, have been interviewed and have participated in numerous forums**. The impact achieved with all these actions has been:

**5,926 news items**, of which 81.5% were published on the **internet**, 13.7% in **printed press**, 2.7% was heard on the **radio** and 2.0% was seen on **television**.

Línea Directa Aseguradora has also set up its own channels of communication with its stakeholders and the public, including the Group’s corporate accounts on the main social media sites, a corporate blog and a blog for Línea Directa Foundation, in addition to the corporate website, the company’s commercial website and the Foundation’s website.

With a strategy based on organic growth, dynamic communication and the creation of a stable and participative community around the brand’s values, by the end of 2023 the company had **463,379 followers** on its **Facebook, Twitter, Instagram, LinkedIn** and **TikTok** accounts, making it one of the insurers with the largest social media following and generating the most activity on these sites. The Group’s blogs, which focus on providing relevant and useful information for the public and highlighting the activities of the insurer and its Foundation, received **59,495 visits**, an average of **4,958 per month**.

Its corporate communication strategy enables the organisation to fulfil its **commitment to transparency and to position itself according to its brand attributes**, revealing the coherence between its words and actions. Year after year, Línea Directa Aseguradora is included in the main reputation monitors in Spain, such as Merco Companies (40th place), **Merco Talent** (43rd in 2022, latest ranking available) or **Merco ESG Responsibility** (62nd place).

PUBLIC LEADERSHIP	2021	2022	2023
Number of news items	8,340	7,203	5,926
Audiences reached (millions)	3,208	2,039	1,831
Press releases made	43	44	31
Merco Companies	54	48	40
Merco Talent	45	43	*
Merco ESG Responsibility	55	60	62
Recognitions	8	7	8
Followers on social media	434,395	461,661	463,379

\*2023 ranking not available

## STRATEGY

Línea Directa Aseguradora operates a business strategy that, guided by the mission, vision and corporate purpose of the Group and in conjunction with its sustainability strategy, seeks profitable and sustainable growth that generates value for its shareholders, customers, employees, suppliers and society in general. This strategy is based on the pillars that define and differentiate Línea Directa Group from its competitors and is adapted to meet the present and future challenges and opportunities arising from market circumstances.

### El valor de ser directo

Línea Directa Aseguradora started its activity in 1995 with a business model based on disintermediation and direct distribution. As a result of the advantages of this model for both the company and its customers, which the Group summarises with the claim “**El valor de ser directo**” [the value and boldness of being direct], the company quickly became a success story in the Spanish insurance market.

The organisation operates through the telephone and digital channels, without branch networks and with **all its operations centralised** in its headquarters in Tres Cantos (Madrid), which translates into greater efficiency. **Technical rigour, innovation** in marketing and products, as well as advanced **digitalisation** in processes add value to the model, making Línea Directa Group more competitive, and enabling it to offer customers comprehensive products and an extraordinary quality of service at more competitive prices.

### Profitable growth and operational efficiency

Throughout its 29 years of activity, Línea Directa Aseguradora has sustained a profitable and organic growth in customers and income, which has allowed the company to **rank 13th among**

**Non-Life insurance groups in Spain** in terms of income from premiums.

With an insurance portfolio of more than 3.3 million customers, the Group’s premium income at the end of 2023 stood at € 973.3 million, driven by the growth in turnover of the three business segments in which it operates – Motor, Home and Health. In a context of continued inflation that has led to a sharp deterioration in the margins of the insurance sector as a whole, Línea Directa’s strategy has been to prioritise **profitable growth through excellent risk selection and an adaptation of rates** to the risk of each customer at the current time.

The company relies on a **subscription and pricing model** that allows it to offer each customer a **personalised price** and adapt its products and rates to particular circumstances.

The Group’s strategic priority in the current market environment is to improve insurance margins through various channels: **adjusting premiums and underwriting standards to current risks, optimising claims management and continuously increasing efficiency** through strict control of overhead expenses and productivity gains, supported in particular by the increasing digitalisation of its processes.

## Product innovation

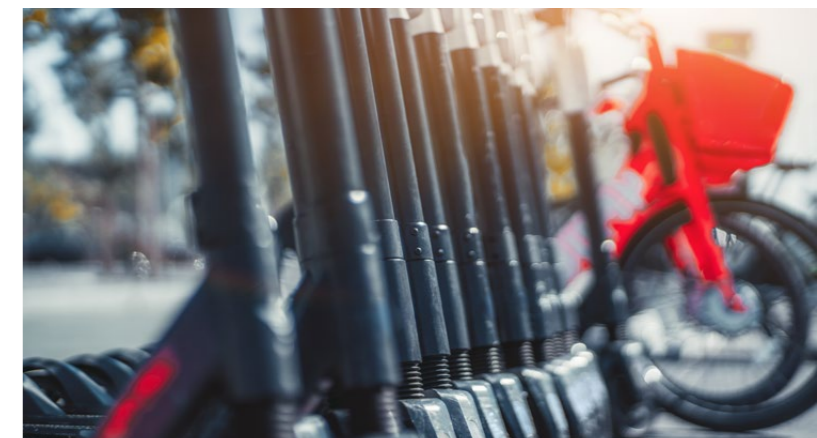
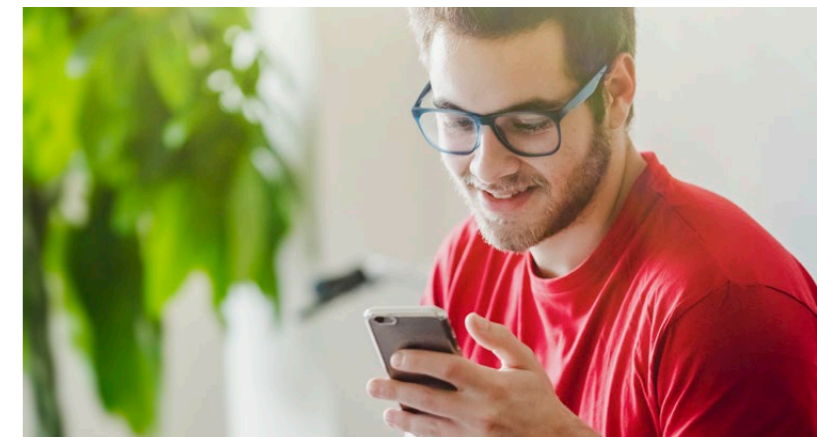
Línea Directa Group aims to maintain profitable and sustained growth through the generation of new business, increasing the loyalty of the portfolio and **focusing its entire strategy on the customer**.

To this end, it seeks to **cover all customers’ insurance needs through a highly competitive offer**, based on insurance policies with broad and unique coverage, a high quality of service and an excellent user experience thanks to its digital service range.

Proximity to customers, a culture of innovation and agility intrinsic to the company’s business model give Línea Directa Aseguradora a great capacity to adapt and respond to changes in the habits and insurance needs of customers with specific and differential products in the areas of Motor, Home and Health.

Throughout 2023, Línea Directa launched innovative products, such as “**Car + home formula**”, the first step by an insurer in Spain towards the packaging of policies for the same family unit, by offering car and home insurance together; “**Mortgage free**”, a home insurance specifically designed for people who have finished paying their mortgage, and “**Concern free home**”, the first complete and comprehensive cover against illegal occupation of the home.

In recent years, the company has also been committed to being at the forefront, from the point of view of adapting the insurance offer, to the paradigm shift that is taking place in mobility with the boom in sustainable vehicles, personal mobility vehicles (PMVs) and new formulas for use and ownership such as leasing. In 2023, the company extended its **Respira** (breathe) policy, the insurance policy for electric and plug-in hybrid cars with specific coverage for these vehicles launched in 2016, to electric motorbikes. Meanwhile, Línea Directa offers its insurance through **CarnRoll**, a digital platform for the sale







of used vehicles with financing and insurance included. And, in order to encourage the renewal of the vehicle fleet and promote road safety, the company launched the **ADAS Campaign** with discounts on policies for vehicles that incorporate an advanced driving assistance system. This is in addition to other commercial innovations launched by the company in recent years in this field such as **Call it X**, the first insurance with car included, and **Safe&Go**, a specific policy for users of scooters and other PMVs.

Product innovation has been part of the company's culture and DNA since its origins and is transversal to the entire organisation, increasing the Group's competitive advantage in today's highly disruptive environment.

### Digitalisation

Because of its direct business model, which requires a strong technological base, since its inception Línea Directa Aseguradora has been at the forefront of the sector in the field of digitalisation. The company continues to make progress in its digital transformation with the aim of **becoming more efficient and offering a better service**.

To this end, the company has been improving and evolving the developments already achieved, while implementing new technologies that contribute to optimising the **management of its processes**. **Digitalisation contributes to improving customer experience**, serving policyholders at any time and place and making useful products and services available to them, as well as **enhancing digital channels as a customer relationship point**, thus increasing commercial opportunities.

Throughout 2023, Línea Directa has extended the **digitalisation of its internal processes**, **increased the range of digital services** offered to its customers through the mobile application, and **optimised claims management**.

Relying on the use of advanced technologies such as **artificial intelligence (AI)**, the company already applies natural language processing to the administration of claims, insulating the customer from the complexity of the company's processes. This has enabled it to reduce the operational burden and errors in managing digital claims, streamlining the process and improving user experience. And also due to the improvements achieved with AI, 75% of Línea Directa's annual verifications are now carried out digitally, allowing the Group to increase the efficiency of this process and move towards automatic damage assessment without human intervention.

Through this advanced digitalisation process, Línea Directa Aseguradora aims to offer customers the same functionalities through digital channels as through the telephone, in a simple, practical and agile way. Policyholders can now carry out most of the procedures related to their policies through the Línea Directa App and website, such as contracting, registering accident reports and following them up. A positive customer experience has translated into a **high degree of penetration of digital services**, with more than 87% of policyholders now interacting with the company through digital channels, and interactions through digital channels outnumbering contacts over the phone by 59%.

Línea Directa's strategy of efficiency through digitalisation encompasses the entire organisation and all its processes, from underwriting and claims management to its relationship with suppliers and ways of working among employees. In this regard, and also based on AI, the company has developed an internal chat called LiDiA that offers personalised answers to the most common queries of the Group's employees. This allows these queries to be dealt with in an automated way and allows the entity's People Care teams to focus on those tasks of greatest value to the employee.

### Business segments

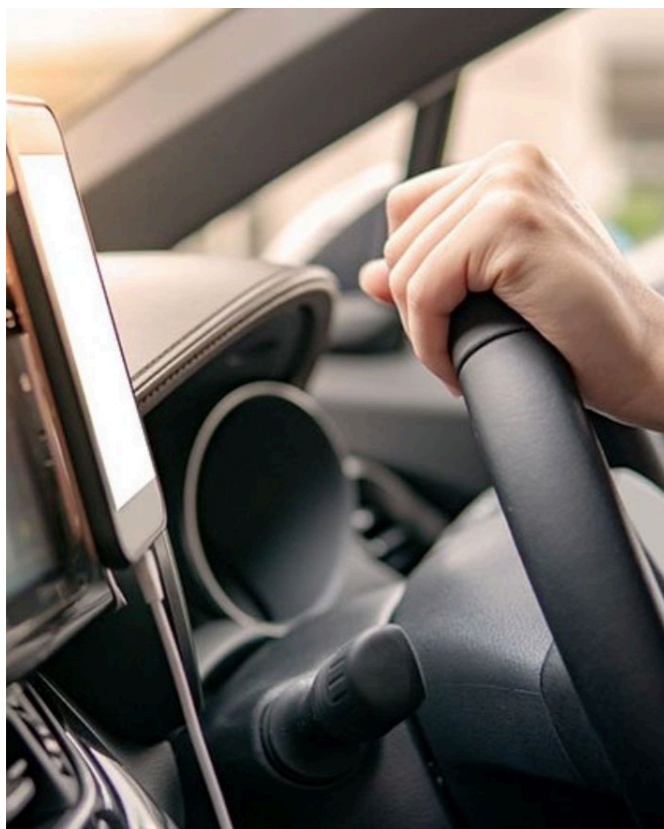
**Línea Directa** was created in 1995 as a joint venture between **Bankinter and Royal Bank of Scotland**, focusing on the direct sale of motor insurance. Over the years, the company has diversified its business lines to become a multi-segment company, currently operating in the **Motor, Home and Health** segments. This growth has made Línea Directa Aseguradora the **13th largest Non-Life insurance company** in terms of premium volume (according to ICEA, the Spanish insurance industry's statistics and research service), with a turnover of more than **€ 973.3 million** and **3.3 million policyholders**.



## Motor insurance

Motor insurance is the core business of the Group. At the end of 2023, this segment accounted for **81% of the company's premium income**, with revenues of € 792.7 million, and 74.5% of the insured portfolio, with more than 2.47 million customers, making Línea Directa Aseguradora the **5th largest insurer in the segment** by premium volume at the end of 2023.

The company offers a comprehensive and personalised range of **policies for cars, motorcycles, personal and commercial vehicles** for individuals as well as large companies, SMEs and the self-employed. Its direct business model, focus on innovation and in-depth market knowledge enable it to offer differentiated coverage and services tailored to each type of customer.



The company's product range now extends from classic policies (All Risks, All Risks with Excess, Extended Third Party and Third Party) to differential policies such as **Super Third Party**, which extends third party guarantees to cover the policyholder's own losses under certain circumstances. The company also offers special cover for accidents involving **animals** or the option of choosing between **repair and compensation** for some claims. Línea Directa Group operates in the segment with two other independent brands: **Penélope Seguros**, created in 2012 with cover specially designed for women, and **Aprecio**, an insurance policy aimed at motorbike users.

## Home insurance

The Home segment, which started operations in 2008, has become a real engine of growth and diversification for Línea Directa. With a premium turnover of € 149.4 million and more than 727,000 homes insured, this business segment already contributes **15% of the Group's income** and 22% of its customer portfolio.

In a context where mortgage loans and home insurance are closely linked, Línea Directa markets a product based on flexibility and price competitiveness, in which the customer only pays for what they need, an attribute that has enabled the company to achieve a high level of growth, placing it 13th in the ranking of home insurance companies in terms of business volume.

In recent years, the Group has strengthened its home insurance range through **alliances with companies in other sectors**. The aim is to give its customers access to other housing-related services on advantageous terms, to attract new policyholders and to promote energy efficiency in homes.

New developments in 2023 include the launch of its comprehensive coverage against squatting, which has seen a high penetration among new customers.

## Health insurance

At the end of 2017, **Línea Directa Aseguradora** began operating in the Health insurance business segment under the Vivaz brand, as part of the company's strategy to diversify its business. In just six years and operating in a very mature and concentrated market, the Group has gained **117,000 policyholders and € 30.4 million** in revenues, making it one of the 25 largest health insurers in Spain.

The insurer's organic growth in this sector is driven by its **100% digital approach**, the simplicity and flexibility of its customer experience, the competitiveness of its premiums and the breadth and quality of its medical team, which, in alliance with DKV, comprises 51,000 professionals and 1,000 health centres and hospitals.

The company pays particular attention to **preventive medicine and the promotion of healthy lifestyles** among policyholders and the public in general, in the belief that prevention is the best way to maintain health.

For example, the Group enables its customers to benefit from preventive diagnostic tests without having any symptoms. The company also encourages its policyholders to adopt healthy habits such as walking at least 10,000 steps a day, sleeping at least 7 hours a night and eating well. These habits can lead to **significant discounts on insurance renewal** for customers of up to **€ 200**.

At the end of 2023, the app that monitors adherence to these healthy habits had more than 19,000 registered users.

During 2023, app users recorded an average of 219,500 steps per person per month and a total of 42 million hours of sleep, resulting in an average discount of € 45.15 per customer.

A major milestone in this business was achieved in 2023. As part of the company's multi-segment strategy, **Health insurance is now marketed directly under the Línea Directa brand**. Selling products under the main brand, which is the best known in the wider insurance sector, is intended to strengthen customer loyalty and support the growth and diversification of the organisation. It will also allow the company to offer customers a comprehensive and homogeneous customer journey, enhancing synergies and cross-selling opportunities.

This **rebranding** has not resulted in any change to the coverage or terms and conditions for customers, who will continue to have the same access to the medical directory and the rest of the company's services through the app, as well as continuing to be included in the rewards programme for maintaining healthy habits.

At an operational level, the company handled a total of **40,542 chat and videoconferencing requests in 2023**, compared to 42,872 the previous year. Some of the most requested online consultations are with general practitioners, nutritionists, paediatricians and gynaecologists.

## Línea Directa Asistencia

Línea Directa Asistencia is the Group's subsidiary specialising in **verification, appraisal 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. In 2023, Línea Directa Asistencia provided **more than 624,500** roadside services nationwide.

In addition, 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, both 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 innovative mobility and roadside assistance solutions through its own team and a wide and experienced network of partners. These services include:

- **Digital towing.** Customers can use the app to request a tow truck in less than 30 seconds. The app uses GPS geolocation to pinpoint the location of the customer and their vehicle, allowing real-time tracking of the route taken by the assistance vehicle and the estimated time of arrival. The company also offers the **Facetruck** service, through which, with the aim of increasing security in the provision of services, the customer receives a photo and details of the crane operator and can communicate with them by message.

- **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 their damaged vehicle is removed.
- **Photo verification.** It allows the customer to assess the damage to the vehicle remotely by sending photos via their mobile application, avoiding a trip to the garage. This process is completed by on-site verifications carried out by an extensive national network of verifiers across Spain.
- **Mechanical assistance.** The company offers policyholders professional advice on mechanical issues, on-site repairs, assistance, and a comprehensive maintenance service to keep servicing up to date. Línea Directa Asistencia has a group of highly qualified mechanics who are able to diagnose the breakdown on the phone, send information to the operator for on-site repair or determine whether a tow truck is required. This group is supported by predictive technology that can identify the complexity of the problem before the call reaches an agent.
- **Mobility services.** Línea Directa Asistencia offers replacement vehicles and the transfer of the car to the Spanish Technical Vehicle Inspection (ITV).

The breadth and excellence of the company's partner network guarantees a service with a high level of customer satisfaction. Línea Directa Asistencia's service is rated "excellent" by 7 out of 10 respondents, with an **average towing time of 31 minutes and 44% of repairs carried out on the spot**.

Línea Directa Asistencia also acts as an emergency call centre in the different Spanish Autonomous Communities. If the e-call device in the accident vehicle is activated, specialists from the Group's subsidiary will contact the customer to manage the emergency. If communication is not possible, Línea Directa Asistencia alerts the emergency services, informing them of the accident and its location, reducing the time it takes to receive medical attention.

## Advanced Repair Centre (CAR)

In addition to an extensive network of collaborators consisting of 1,000 body shops, mechanics and laminated glass workshops, Línea Directa Aseguradora runs **two state-of-the-art workshops of its own**, as well as its own **Advanced Repair Centres (CAR)** in Madrid and Barcelona. These workshops offer a comprehensive service to customers, from the initiation of the report to the repair of the vehicle, always under the Group's high standards of quality, commitment and excellence.

The two Línea Directa Aseguradora workshops carried out a total of **17,207 repairs** in 2023. Of these, CAR Madrid, in operation since 2008, was responsible for 9,850 repairs (-0.2%), and CAR Barcelona, established in 2018, handled 7,357 of the claims (+ 1.6%).

The knowledge and information gathered by the two centres has enabled the Group to significantly increase its repair knowledge and innovation, improve quality and reduce claims costs. CAR workshops are able to manage all their internal and external processes 100% online, allowing customers to carry out a wide range of operations via the channel, such as changing their appointments,



requesting a replacement vehicle or checking the status of their repair, among others.

All this has resulted in an excellent rating by users. The NSS (Net Satisfaction Score or satisfaction index for purchasing products or services) of CAR Barcelona and CAR Madrid was 42.86% and 43.67% respectively at the end of 2023, compared to 30.14% for non-cooperating repairers.

CAR also has its own fleet of courtesy cars, which are made available to customers free of charge until the repair is completed.

### LDARreparaciones

As part of the reorganisation of the company's supply processes, LDARreparaciones will cease to operate as a partnership in December 2023.

### Sustainable products

For years, Línea Directa Group has been committed to sustainability, and this is reflected in its three-year sustainability plan, which runs until 2025.

The plan includes 87 specific actions in 15 action areas for the period 2023-2025, is aligned with the Sustainable Development Goals (SDGs) and is integrated into the company's strategy.

On the commercial side, the Group has developed and launched various products and services that, in addition to meeting the business and growth objectives of each of the three segments in which it operates (Motor, Home and Health), aim to have a positive impact on society and the environment.



### Póliza Respira (breathe policy)

In the Motor segment, Línea Directa offers the **Respira policy**, the first insurance policy specifically designed for zero-emission vehicles (including plug-in hybrids). The company ended the year with more than 26,400 electric and plug-in hybrid vehicles in its portfolio and a **market share of 10.1%** of new registrations in this car segment.

### Llámallo X (call it X)

In response to the uncertainty caused to consumers by the restrictions on the most polluting vehicles and the rise of new forms of mobility and ownership, Línea Directa began marketing in 2020 "Llámallo X", the first all-risk insurance that includes the car at a fixed monthly price, including maintenance and taxes.

This solution, which has been very well received at the launch of each of the promotions, regularly includes environmentally friendly vehicles. By year-end 2023, "Llámallo X" had more than 2,600 car-inclusive policies.




lineadirecta.com

Presenta **Llámallo X:**  
**El seguro que incluye un coche**

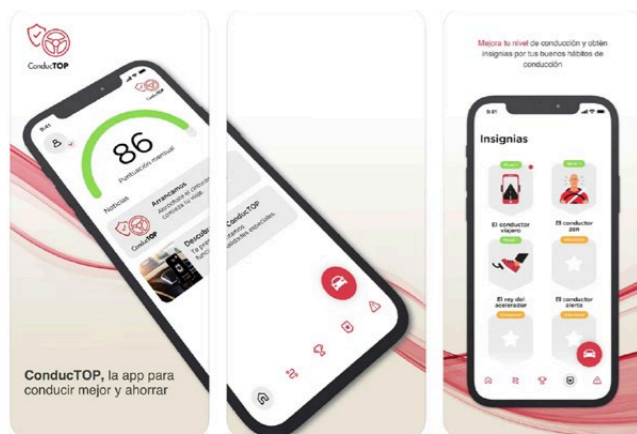
**SEGURO A TODO RIESGO**  
+ FIAT 500 HÍBRIDO

**199 €/mes\***

Precio final, impuestos incluidos

Seguro a Todo Riesgo con franquicia de 180 €

\*Sin entrada ni pago final



## ConducTOP

Línea Directa customers have at their disposal the **ConducTOP** mobile application, a programme that analyses the driving style of its users with the aim of making it safer and, therefore, more sustainable. The app takes into account the smoothness of cornering and braking, acceleration and adherence to speed limits, as well as concentration at the wheel. Policyholders with the highest scores accumulate points and discounts that can be exchanged for products and services at Cepsa petrol stations. At year-end 2023, the App had accumulated 66,578 downloads in the Android and IOS stores.

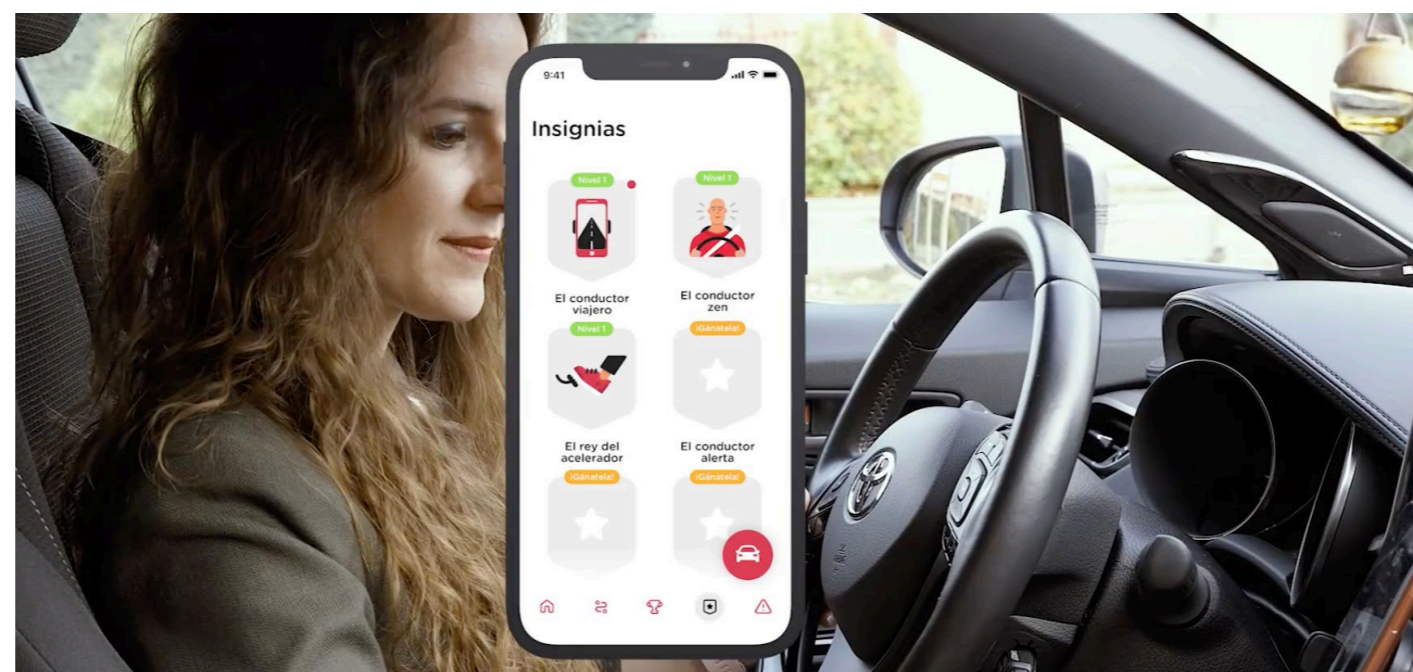


## ECO-labelled replacement vehicles

The Advanced Repair Centres (CAR), Línea Directa's own state-of-the-art workshops, offer a wide range of eco-labelled replacement vehicles that run on LPG (Liquefied Petroleum Gas), a propulsion system with almost zero CO2 emissions.

## Night Assistance for Young People

Also in the area of sustainable insurance, Línea Directa Asistencia runs the **Night Assistance for Young People** service, which provides night-time transport for customers under the age of 26 if they have consumed alcohol or feel unwell. This service, which is completely free of charge, covers both the driver and their vehicle. The aim of this initiative, which is unique in the sector, is to prevent risky situations for a group particularly exposed to road accidents.



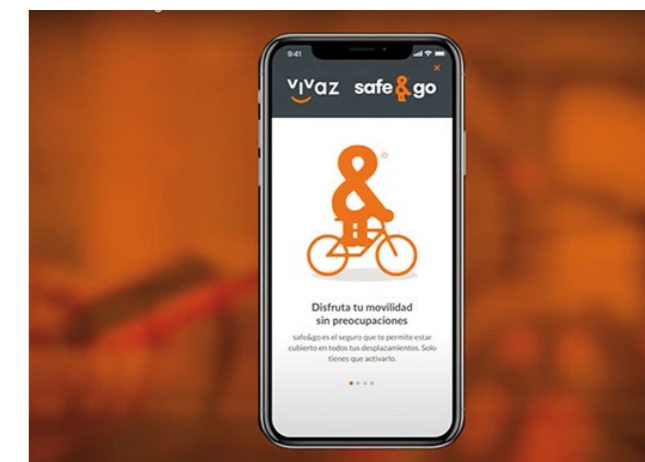
## Safe&Go

In recent years, mobility in Spanish cities has undergone profound changes.

Urban planning based on pedestrianisation, restrictions on internal combustion vehicles and a change in the mentality of new generations, who are more reluctant to buy cars, have encouraged new ways of getting around, including **personal mobility vehicles (PMVs)**, such as electric scooters and bicycles.

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

Safe&Go can be taken out at the customer's request to cover just one trip, under the concept of **"on/off insurance", on a pay-per-use basis**, or for



a whole year. Users can activate and deactivate their insurance via the Safe&Go app and only pay for the actual time of each trip. Pay-per-use has a flat rate of 2 cents per minute. There are three different annual packages, depending on the level of coverage, ranging from € 18.35 for the most basic product to € 38.96 for the most comprehensive product.

Safe&Go not only covers damage caused to third parties, but can also cover physical damage suffered by users themselves, and even legal defence. In addition, in the event of an accident, the insurance app will pinpoint your location, which can reduce emergency response times and get you help quickly.

The main novelty of this product is that, unlike the traditional model of car insurance, **Safe&Go** insures not the vehicle but the person and their mobility, avoiding administrative formalities such as vehicle registration and guaranteeing sustainable and safe mobility.

## Hogar Despreokupado (concern free home)

In 2023, Línea Directa Aseguradora added to its multi-risk insurance “Hogar Despreokupado”, a unique cover in Spain that protects homeowners against the legal and economic consequences of illegal occupation of their homes.

The policy, which has been very well received commercially, includes up to € 10,000 of legal assistance from the company and legal costs (lawyer, solicitor, expert witness, notary fees, court costs and fees) to get your home back, as well as financial compensation for the cost of repairing the damage and other costs.

The product covers the repair of the property, with the option of the service being carried out by Línea Directa’s tradesmen, with no financial

limit, or the reimbursement of € 5,000 if the insured organises the work themselves.

They will also be compensated with € 300 per month for six months for the water, electricity and gas bills of their main residence; € 800 per month for six months for loss of rental income; € 800 per month for six months if they need alternative accommodation. The cover also includes up to € 7,500 for damage to third parties caused by the squatters.

### Digitalisation and sustainable processes

Digitalisation is not only an opportunity to increase the efficiency of all production processes, but also a great opportunity to increase savings in energy resources and to redeploy human capital to valuable functions. For this reason, almost 5 years ago, Línea Directa approved a Digitalisation Plan that has led to great progress in this area.

Currently, **56% of the company’s policyholders’ car accident claims** are opened through **digital channels** and 57.2% of tow trucks are requested through the Línea Directa app, which means not only a great improvement in customer experience, but also a reduction in the number of calls and the use of resources.

Línea Directa’s home customer base is also making progress in going digital, and in **the year, 48.2% of claims were opened through digital channels**. The company has continued to digitalise its processes and services with the aim of streamlining them through artificial intelligence (AI).

The company is already using WhatsApp as a communication channel with customers, making it easier for them to manage their appointments with the repair shop, request a free replacement car, send photos for damage assessment, request a pick-up and delivery service or even check the status of the repair.

### Awareness and sustainability

Another way of promoting sustainability is to put the company’s knowledge and experience at the service of society as a whole. For this reason, every year, either directly or through Línea Directa Foundation, the company tries to provide information, raise awareness and promote prevention in certain areas, mainly related to health, home and road safety.

At the beginning of the year, Línea Directa Aseguradora presented the study **“STOP INCIVILITY. ‘Keyed cars’: a look at road vandalism in Spain”** which analyses the impact of uncivic behaviour towards other people’s vehicles. More than 12 million Spaniards report that their car has been vandalised, mainly by scratching the paintwork, damaging rear-view mirrors and breaking windows. In addition, around 850,000 drivers admit to deliberately damaging another car. The most

common reasons are ‘personal revenge’ because the damaged vehicle was ‘badly parked’ or ‘because it was new’.

In the second half of the year, Línea Directa Aseguradora published its report **“Spaniards on the squatting’ of housing in Spain. Opinion, concerns and proposals”**, which concluded that one in four Spaniards believe there is a medium or high probability of their home being occupied, and 77% believe that this phenomenon is already a social problem in Spain. Between 2018 and 2022, cases of squatting in Spain increased by almost 40%, with more than 75,000 cases over the period.

In the area of health, the company published the study “Understanding or brooding over our emotions. An analysis of the silent strategies that bring us closer to or move us away from emotional well-being”. One of the key findings of the report is that rumination, or dwelling on problems, is one of the typical responses to adverse situations that keeps people away from emotional well-being. In fact, it is the variable that explains the greatest problems of anxiety and depression in the Spanish population, accounting for 40% of the clinical symptoms of anxiety and 30% of those of depression.

Finally, in the Home segment, the study “From pets to pids: Spain’s new Animal Welfare Law” was published at the end of the year. The study, which also analysed attitudes and the impact of the Animal Welfare Law on pet owners, found that 3 out of 10 dogs in Spain are uninsured and 10% of owners admit that their dogs have attacked people or other animals on occasion.



# SUSTAINABILITY MANAGEMENT

## SUSTAINABILITY GOVERNANCE

For Línea Directa Aseguradora, sustainability is currently one of the pillars of its strategy and is promoted transversally in all areas of activity, for which it has its own system of governance overseen by the Board of Directors and the Group's senior management.

The Board of Directors is the body responsible for approving the Sustainability Master Plans and setting their monitoring metrics, as well as approving and ensuring compliance with policies related to ESG dimensions, in particular the Sustainability Policy.

To this end, it relies on the Appointments, Remuneration and Corporate Governance Committee, which is responsible for overseeing the company's social, environmental and governance practices. The committee also monitors the Group's strategy and Sustainability Plan, assesses its degree of compliance and reviews its policies.

The Sustainability Committee reports to the EC through the People, Communication and Sustainability Directorate. This committee, which meets at least three times a year, is made up of the heads of the key functions that are closely linked to the company's ESG strategy and that drive compliance with the plan in their area.

A Sustainability working group has also been set up, made up of the heads of the business areas with the greatest influence on sustainability strategy: External Communication and Sustainability, Corporate Governance, Investor Relations, Services and Benefits, Risks, Product Innovation, Quality, Procurement, Space

Management, People and Social Action. The Working Group is led by the Head of External Communication and Sustainability. This group, which meets monthly, ensures the implementation of the various actions and projects at both corporate and business level, and monitors the targets set out in the Sustainability Plan.

**The Appointments, Remuneration and Corporate Governance Committee is responsible for overseeing the company's social, environmental and governance practices.**



## MATERIALITY ANALYSIS AND INDICATORS

Línea Directa Group carries out a **materiality analysis every three years** to identify the main environmental, social and governance issues that serve as a framework for action in the preparation of its Sustainability Master Plan, which is also drawn up every three years.

This materiality analysis of Línea Directa Group has been carried out based on the weighting of all the ESG issues that are predominant in global trends and commitments, analyst requirements, reporting standards and frameworks, as well as stakeholder expectations for the short, medium and long term. In addition, interviews were conducted with the CEO and the Management Committee, which helped to identify issues of internal relevance.

The results of this exercise were captured in a materiality matrix, which forms the basis of the 2023-2025 Sustainability Plan and has two differentiated axes:

- **Business relevance**, which reflects the impact of the identified issues on the achievement of the organisation's strategic objectives.
- **External relevance**, which reflects the importance of the issues in terms of stakeholder expectations and the global context, non-financial reporting standards and analyst and investor requirements.

In 2023, Línea Directa updated this materiality matrix, taking into account the methodological requirements for materiality analysis in the new versions of the GRI standards.

### Sources used

The company has used various sources of information to identify and weigh materiality issues.

The following sources were consulted in order to identify external materiality issues:

- Reporting norms and standards: Spanish Law 11/2018 on non-financial information and diversity, the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), and the materiality map of the Sustainability Accounting Standard Board (SASB)
- Sustainable Development Goals (SDGs)
- Recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD)
- ESG investment analysts: S&P
- World Economic Forum (WEF) Global Risks Report
- Macro trends report by the World Business Council for Sustainable Development (WBCSD)

To complete the external prioritisation, consultations were also held with various stakeholders, including suppliers, investors and customers.

Having identified all potentially material issues for the company, an internal prioritisation of these issues was developed in consultation with Senior Management, taking into account their perception of the importance of each ESG issue in relation to its impact on the business, people and the planet.

The result was a list of material non-financial issues related to the company's operations that have a significant impact on its performance and the decisions of its stakeholders. These issues will be addressed in the company's three-year Sustainability Plan.

The following matrix shows the most relevant issues for the company and the level of importance given to each issue by external stakeholders, according to the assessment carried out.



### RANKING OF MATERIAL ISSUES

1	Fight against climate change and decarbonisation	Promote the integration of climate issues into the company's objectives, management and business development.
2	Responsible investment	Promote the integration of ESG criteria into the company's investment decision-making.
3	Diversity and equality	Ensure a diverse and inclusive work environment where everyone is and feels treated with respect and fairness.
4	Sustainable products	Encourage the design and marketing of products that promote the transition to a more sustainable economy.
5	Ethics, compliance and risk management	Ensure exemplary behaviour in terms of ethics and compliance by all those who make up Línea Directa and manage risks proactively.
6	Information security	Ensure the security of infrastructure and systems by applying best practices in security and privacy.
7	Quality and customer satisfaction	Build trusting relationships with customers and ensure a quality experience.
8	Health, safety and well-being of professionals	Ensure optimal health, safety and welfare conditions for professionals.
9	Attraction and loyalty of the best talent	Manage talent responsibly and support their development and motivation through attraction and retention policies.
10	Digitalisation	Focus on efficiency and innovation in business development using digitalisation as a lever.
11	Responsible supply chain	Extend the company's ESG commitments to third parties (suppliers, partners, allies, etc.).
12	Transparency and dialogue with stakeholders	Set up mechanisms for listening and dialogue, and be transparent both internally and externally.
13	Environmental management and responsible consumption	Seek efficiency in the use of resources and minimise the company's environmental impact.
14	Social contribution	Contribute positively to society through the use of the company's capabilities and response to priority needs.



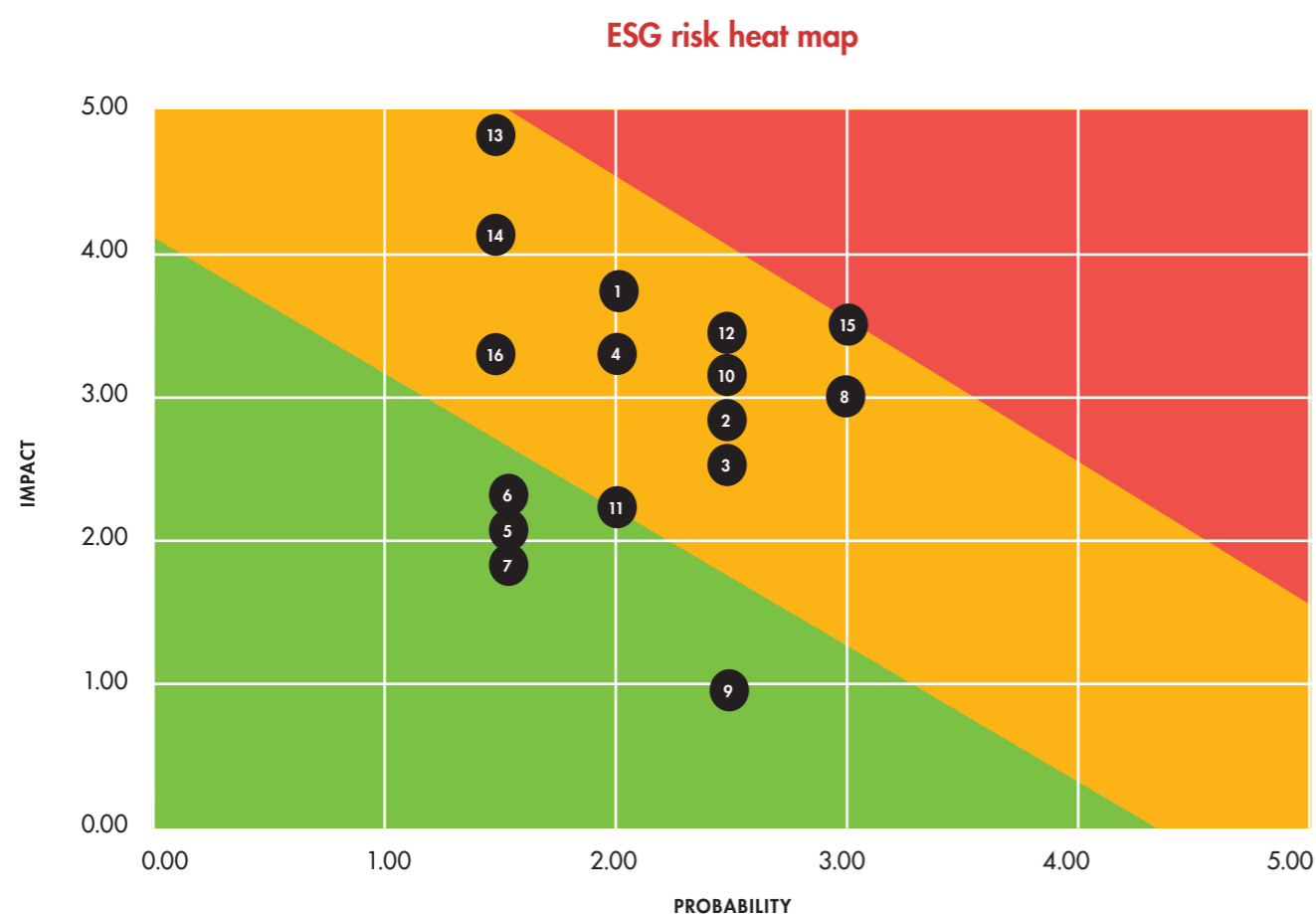
### Integration of ESG material issues into the ESG risk map

The Corporate Risk area regularly analyses the risks that may impact the business, including ESG dimensions. Based on this analysis, an assessment of the company’s key risks is made and the corresponding prevention and mitigation measures are identified in order to obtain an assessment of the residual risk.

In this respect, the company has defined the ESG risks and the management model, processes, relevant regulations and the methodology, which is a qualitative assessment that helps to identify the events that pose the most imminent threat. This methodology is regularly reviewed to facilitate the transfer of information between the areas responsible for the risks and the Risk Management department.

Línea Directa Group’s ESG risk map is divided into 3 pillars, each of which contains 5 essential blocks, which in turn are divided into 16 levels representing 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).

The material issues identified in the analyses of dialogues with stakeholders and consultations on the most relevant issues for the business from an internal perspective show a correlation and alignment with the risks identified in the company’s ESG risk map. In fact, the three most relevant issues identified in these analyses correspond to risks in the climate dimension (risks 1-4), in diversity and equality (risk 5) and in responsible investment (risk 12).



CATEGORY	FACTOR	No	CAUSES/RISK EVENTS
ENVIRONMENTAL	Environment and climate change	1	Non-compliance with sectoral environmental and/or climate regulations/best practices
		2	Lack of adaptation of products to the effects of climate change
		3	Failure to include climate change risks in the estimation of different financial and risk ratios
		4	Lack of or poor integration of an environmental operational efficiency strategy
SOCIAL	Employees	5	Lack of promotion of diversity and equal opportunities
		6	Lack of attention to employee development and well-being
		7	Non-compliance with fundamental human and labour rights
	Customer	8	Customer experience
		9	Lack of or inadequate contribution to the needs of the social environment
GOVERNANCE	Relationship with third parties	10	ESG risks in the supply chain
		11	ESG risks in the relationship with other third parties
		12	Failure to make a responsible investment
	Governance, ethics and transparency	13	Inadequate corporate governance structure and practices
		14	Cases of corruption, fraud, bribery and tax non-compliance
		15	Information protection and security
		16	Weaknesses in communication and relationship with supervisors

## Focusing on the main material issues

### CLIMATE CHANGE AND DECARBONISATION

The transition to decarbonisation and climate change has become a global challenge that affects all companies, particularly the financial sector, as it represents an operational risk that has a direct impact on the company's financial results. The increase in natural catastrophes due to climate change and the increase in the frequency and severity of catastrophic losses caused by adverse and unpredictable climatic phenomena lead to peaks in claims and difficulties in managing them in a timely and efficient manner, which can affect the company's high level of service quality.

In addition to the physical risks of changing weather patterns, transition risks related to market trends, regulation, taxation and reputation need to be considered when aiming to align with the Paris Agreement.

In this sense, the nature of the business impact of this material issue would mainly be the cost of claims related to climate change.

Línea Directa has included in its Sustainability Plan 2023-2025 a roadmap that includes actions to reduce its emissions, mitigate the impact on the business and take advantage of the opportunity to create new offers that accompany customers and society in the transition to a net-zero economic system.

### Actions to mitigate the impact

In order to mitigate the impact of high claims due to adverse and unpredictable weather events, the company has specific procedures for managing these claims and a reinsurance programme to cover events above a certain threshold that are not covered by the Insurance Compensation Consortium. Under this type of reinsurance, the cost of a claim in excess of an agreed fixed amount is passed on to the reinsurer.

Línea Directa's adherence to the Task Force on Climate-Related Financial Disclosures in 2022 and the preparation of its first report, to be approved and published in 2024, demonstrates its willingness to commit to the inclusion and reporting of metrics and targets for governance, strategy, risk management and climate change opportunities. This process not only enables the development of a strategy to minimise the impact of climate risks, but also helps to identify opportunities to position new products and services in the insurance market.

Línea Directa has a Sustainability Plan directly linked to the company's strategy. As part of this plan, the company analyses and assesses the exposure of the portfolio of active policies in areas particularly affected by climate change in order to anticipate a potential increase in claims for this type of event during the year. Línea Directa therefore has risk mitigation initiatives in place.

With regard to the management of emissions from its operations, Línea Directa has improved the accuracy of its greenhouse gas emissions inventory and set ambitious targets for reducing its carbon footprint and waste management.

### Achieving carbon neutrality by 2030

Línea Directa is committed to achieving carbon neutrality by 2030. This commitment, included in the Sustainability Plan 2020-2022, has been developed in the Sustainability Plan 2023-2025 into a series of voluntary targets to reduce energy consumption and waste in its operations.

In integrating material sustainability issues into the company's strategy, the Board is responsible for approving the Sustainability Master Plan and monitoring compliance with ESG initiatives. In this regard, it was decided, in 2023, to link the variable remuneration of the CEO and the Executive Committee to the achievement of the Sustainability Plan 2023, which includes measures to progress the climate change target, with metrics related to climate change management and decarbonisation. As a result, the annual variable remuneration of the CEO and senior management in 2023 is linked to the long-term interests and sustainability of the company.

### A material issue for external Stakeholders

This identified problem is a material issue for external stakeholders. Climate change and decarbonisation affect the company's operations, the products and services it provides to its customers and its supply chain.

Suppliers consulted as part of the materiality exercise highlighted the fight against climate change and access to renewable energy as priorities in the environmental dimension, given the global trends that affect them in these areas. Meanwhile, 69% of customers surveyed consider energy efficiency to be a relevant issue and 59% consider environmental protection and the fight against climate change to be an important aspect.

The increase in natural catastrophes due to climate change and the growing frequency and severity of catastrophic losses due to adverse and unpredictable climatic phenomena are creating situations of particular concern to stakeholders.



## Social impact

Both the social and environmental components are affected by the physical effects of climate change and the constant updating of regulations and standards. The impact of this material issue is considered both positive and negative. In order to calculate the return on social investment, a quantitative metric was estimated to serve as a general guideline in understanding monetary relevance of impacts to society. To this end, the social cost of carbon was calculated. At a cost of USD 75 per tonne, according to the IMF's international carbon price floor (ICMP), the Scope 1 and 2 carbon footprint of Línea Directa would generate a social cost of USD 60,810 and the value chain footprint for 2023 would generate USD 6.9 million.

## SUSTAINABLE INVESTMENT

Línea Directa has an investment portfolio of almost € 900 million, consisting mainly of government and corporate bonds (81%) and, to a lesser extent, equities (7%), investment funds (6%) and real estate (6%).

The company has a Sustainable Investment Policy, which it uses as the starting point in defining the principles and commitments that integrate environmental, social and corporate governance (ESG) factors in investment decisions.

Morningstar's Sustainalytics tool currently monitors the Company's portfolio sustainability or ESG risk score, which is 20.8 points; in terms of ESG dimensions, the portfolio scores 3.2 points for the environmental dimension, 8.9 points for the social dimension and 7.6 points for the governance dimension. This result covers 87% of assets under management.

The effect of this material issue is a potential impact on the Group in the event of future finan-

cial market adjustments for assets of companies with exposure to fossil fuels such as coal, oil or gas. As we have seen, the portfolio has very low exposure to these sectors of activity, but there is a need to monitor them and push for accompanying climate change commitments.

This material issue has implications for the company's ESG investment strategy and position on underwriting and investing in coal and oil and gas activities.

In 2024, the Sustainable Investment Policy will be updated to identify new opportunities and clarify time horizons for possible exclusions and restrictions for those cases that are considered high risk for the company, as well as setting targets in the roadmap towards decarbonisation of the investment portfolio.

In addition, in 2023, the first TCFD (Task Force on Climate-related Financial Disclosures) report was prepared for approval and publication in 2024, enabling the integration of climate change risks into the company's ESG risk map, including a specific report to assess this potential impact.

## Metrics and goals

Meanwhile, Scope 3 emissions for 2022 were calculated during the year, covering the 15 GHG Protocol categories (where Category 15 analyses the emissions of the investment portfolio). The calculation yielded a result of 197,852 tonnes. This operation will serve as a metric to measure the climate impact of the portfolio's sustainability strategy and will be integrated into the company's emissions reduction and decarbonisation roadmap.

In 2023, the variable remuneration of Identified Staff (consisting of directors, senior executives and employees whose professional activities have a significant impact on the company's risk profile)

included the 2022 Scope 3 Carbon Footprint measurement action, with a focus on the impact on the investment portfolio.

## Social impact

Responsible investment represents both a positive opportunity to create new markets in emerging sectors, and a potential negative impact through the risk of exposure to securities that are not aligned with the environmental objectives developed by the European Commission through the Climate Taxonomy as part of its Sustainable Finance Plan.

Managing the investment portfolio in a sustainable way is in line with the EU's strategy for the environment and society as a whole. Global macro trends, reporting standards, analysts, the UN framework, regulation and stakeholders have all rated this issue as highly relevant.

In order to calculate the return on social investment, a quantitative metric was estimated to serve as a general guideline in understanding monetary relevance of impacts to society. For this purpose, the social cost of carbon has been calculated: using the IMF's International Minimum Carbon Price (IMCP) of USD 75, the carbon footprint of Category 15 would generate a social cost of USD 16.3 million.

## Diversity and equality

The materiality exercise revealed that diversity and equality is the third most important materiality issue for the company. In order to address it, Línea Directa has drawn up a public policy that includes a set of principles and commitments that serve as a statement of its position on the care, promotion and protection of these fundamental values for society.

Diversity refers to those aspects or characteristics that make each person different and unique. Línea



**A Diversity Committee was set up in 2023 to ensure compliance with the commitments made in the Diversity Policy.**



### **A material issue for stakeholders**

Global initiatives such as the Global Compact or regulations such as the Non-Financial Reporting and Diversity Act, which requires companies to include information on diversity in their Non-Financial Information Statement, are key to understanding the dimension that this issue has taken on. Sources interviewed both internally and externally, including investors, employees and suppliers, give it a very high rating as an asset to the business.

This component impacts the entire operation of the company and the organisation as it is a transversal value that also affects the perception of the customer and the way of working with suppliers. In this sense, it has an impact on society as a whole.

Directa, through a culture of respect for people, is committed to diversity and integrates it in the processes of selection, recruitment, training, promotion and remuneration, taking into account only performance criteria or professional experience when making its professional decisions, in order to avoid any form of discrimination.

Diverse teams provide a competitive advantage by enriching perspectives, facilitating cost optimisation, better attracting and managing talent, and increasing the effectiveness of problem-solving decision-making strategies.

A Diversity Committee was set up in 2023 to ensure compliance with the commitments made in the Diversity Policy. The directors who make up the committee are responsible for the areas of: Technical, Portfolio and Office of the General Secretary. The role of the committee is to monitor this issue on a regular basis and to analyse the necessary indicators in the application of

the Diversity and Inclusion Policy. The Board is responsible for approving and monitoring the level of compliance to ensure that the policy is implemented.

The establishment of the Diversity Advisory Committee and the Diversity Working Group was one of the objectives of the 2023 Sustainability Plan, as a first step in responding to an issue identified as material. The objective was achieved in September with the establishment of the body, as well as its governance, periodicity, composition and functions.

### **Positive social impact**

The impact of diversity is positive, as it strengthens cultural values within the organisation, enhances the company's reputation, promotes the attractiveness and retention of talent, and increases employee innovation, productivity and creativity.

The measurement of the return on investment in diversity will always be linked to the value that different actions directly contribute to the bottom line. This requires an understanding of what the strategic objectives of the diversity initiative are. At Línea Directa, Diversity focuses on guaranteeing a respectful and inclusive work environment, in order to promote workforce management that covers both the improvement of employability and talent management. Accordingly, the behaviour of indicators related to the workforce will be observed in order to define action plans adapted to each case.

In addition, and because diversity fosters a greater capacity for innovation by assembling teams with different skills, the relevant ROI metrics will include indicators that measure performance in terms of the number of innovative projects or new products, or performance in terms of the economic benefits derived from these new products.

## SUSTAINABILITY STRATEGY

Línea Directa has been integrating sustainability into its operations and culture for more than 10 years, through various three-year sustainability plans, with the aim of generating value for the organisation and the different stakeholders identified.

Thanks to this approach to sustainability, Línea Directa has been able to respond more directly and flexibly to the challenges facing the company and society, as well as taking advantage of new business opportunities arising from advances in sustainability.

In this regard, the company has approved its 5th Sustainability Plan, which constitutes the roadmap for the three-year period 2023-2025 in environmental, social and governance (ESG) matters. The vision of the 5th Sustainability Plan is to lead the Línea Directa Group towards sustainable growth, promoting ESG dimensions within the company and positioning its direct model as the best asset for its stakeholders.

The plan consists of almost one hundred actions aimed at achieving a series of objectives defined through the materiality exercise carried out. These objectives include integrating sustainability into product and service innovation, adding value in response to analyst and investor demands for sustainable business, and anticipating compliance with EU sustainability legislation.

In line with the multidisciplinary approach to sustainability, the company has developed the strategic lines of each ESG component according to the material issues identified.



The plan contains fundamental innovations that have enabled the company's strategy to be adapted to the needs arisen after its IPO. The Dow Jones Sustainability Index rating was one of the criteria used to draw up the plan, given the interest shown by investors in the company, invited to participate actively in 2022.

This approach has already started to pay off, with the company achieving a significant 8-point improvement in performance in 2023 compared to the previous year, providing momentum for the coming years.

## Environment

Línea Directa Aseguradora’s direct business model, with all operations centralised in a single head office, naturally gives the company greater environmental efficiency than its peers.

The Group operates in a key sector for the transition to a low-carbon economy, both as an institutional investor and in its role as an insurer. It has a responsibility towards society’s needs in this area. A case in point is, for example, sustainable mobility.

Línea Directa responds to the expectations of its stakeholders through the responsible management of its operations, the innovation of more sustainable products and services, the responsible management of its value chain and the inclusion of ESG criteria in its investment portfolio.

Three major blocks of action stand out in this component:

- **Sustainable business generation**

Design and development of products and services that promote sustainable mobility practices, improve the liveability and energy efficiency of homes, and enhance people’s well-being and health.

- **Climate roadmap**

The company has a climate strategy that follows the recommendations of the TCFD and has defined a roadmap for decarbonising both its own operations and its investment portfolio.

- **Eco-efficient management and circular economy**

Línea Directa promotes the efficient use of resources by reducing consumption, generating its own renewable energy and systematising waste management.

## Society

Línea Directa is aware of its direct impact as an insurer, as a generator of employment and as a social actor. It is a responsible Company, committed to social progress and involved in the communities in which it operates.

The following blocks of action stand out in this component:

- **Diversity, equality and human rights**

The company promotes a just society, responds to the values of equality, diversity and guarantees respect for human rights in its activities and relations with its stakeholders.

- **Talent**

Línea Directa implements best practices in terms of attraction, loyalty, retention, well-being, diversity, safety and health in the workplace.

- **Fostering the social strategy**

The company promotes its social strategy through strategic alliances, internal programmes and through Línea Directa Foundation, which focuses on road safety. Combating social exclusion and promoting healthy lifestyles are also among the company’s social priorities.



## Good governance

Governance is a material issue for Línea Directa. The company adopts the recommendations of good governance with regard to the composition and functioning of its governance system and continuously and progressively incorporates the best practices identified in the market.

Ethics, good governance and values are an integral part of the Group’s culture and are applied in all its activities and processes, such as transparent reporting, responsible marketing of its products, financial investment strategy and supply chain management.

Four main areas of action stand out in this component:

- **Responsible and quality marketing**

The company promotes responsible and accessible marketing of products and services and customer care to the highest quality standards..

- **Corporate governance, ethics, compliance and risks**

Línea Directa strengthens its corporate governance model, develops an ESG risk map and has an ethics channel and a human rights due diligence process.

- **Responsible investment and underwriting**

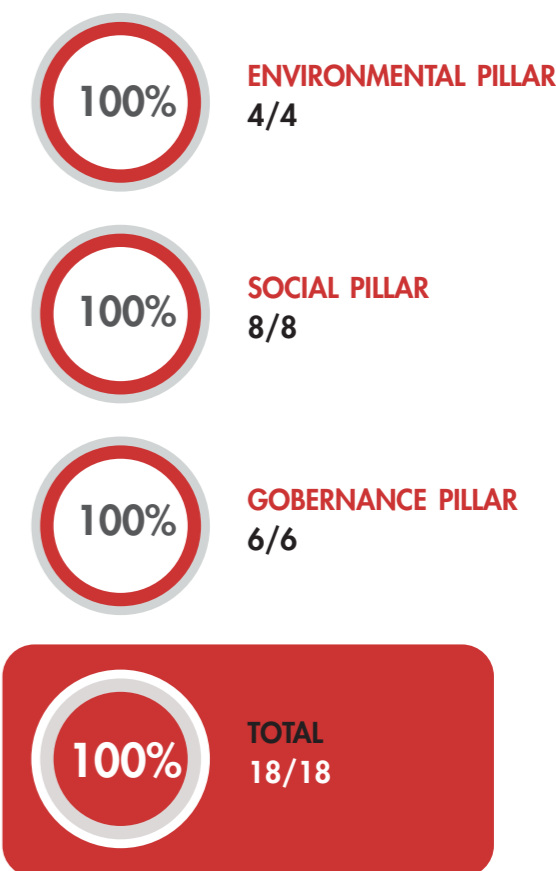
The company’s investment strategy is in line with ESG best practices and is in support of its efforts towards sustainable underwriting.

- **Responsible supply chain**

The company integrates ESG supply chain management into its operations.

## Compliance with the sustainability strategy

The 5th Sustainability Plan 2023-2025 for the year 2023 has achieved an annual compliance rate of 100% in its first stage, demonstrating the commitment of both the professionals who make up the company and Senior Management. In 2023, 34% of employees’ variable compensation was linked to the achievement of planned key actions. In addition, 30% of the variable remuneration of the CEO and the management team is also linked to the achievement of the key actions of the 2023 Sustainability Plan.



Compliance with the 2023 Sustainability Plan

## COMMITMENT TO SDG

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.

Línea Directa plays different roles in its business development: as an insurer, as an employer, as an investor, as a partner and collaborator, and as a social actor.

In this way, the Línea Directa Aseguradora Group has incorporated objectives that make a fundamental contribution to 12 of the 17 SDGs as part of its Sustainability Plan for the three-year period 2023-2025:

**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**5** GENDER EQUALITY



**7** AFFORDABLE AND CLEAN ENERGY



**8** DECENT WORK AND ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**10** REDUCED INEQUALITIES



**11** SUSTAINABLE CITIES AND COMMUNITIES



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**16** PEACE, JUSTICE AND STRONG INSTITUTIONS



**17** PARTNERSHIPS FOR THE GOALS



## SDG 3. Health and well-being

Línea Directa Group is firmly committed to health, offering society the opportunity to take out different types of health insurance and encouraging its policyholders to adopt healthy habits in terms of exercise, diet and sleep. In addition, in 2023 it carried out a mental health study as a sign of its commitment to people's emotional well-being and to raise awareness of a problem that affects many people in Spain: mental health.

Meanwhile, Línea Directa Group has an ambitious social plan for its employees, which includes several lines of action: prevention, physical activity, rest, emotional wellbeing, financial wellbeing and nutrition.

It is worth highlighting its work in reducing the number of deaths and injuries caused by road accidents through the promotion of road safety by Línea Directa Foundation, as well as the dissemination of information to raise awareness of possible risks in the home, helping to protect against them.

## SDG 4. Quality education

Aware of the importance of training and learning in improving and accelerating the transformation process in which it is immersed, the company has put in place a powerful training programme based on a self-learning model for its professionals, with the aim of responding to the changing needs of the environment, keeping its professionals up to date at all times and advancing their development with tailor-made programmes.

Línea Directa Foundation is also committed to training different groups in road safety. In December 2023, a road safety awareness campaign was conducted at the company's facilities for its more than 2,300 professionals.

## SDG 5. Gender equality

Diversity, equality and inclusion are part of the company's culture, ensuring equal opportunities regardless of gender, race, religion or nationality.

The company has a Human Rights Policy and a Diversity and Equality Policy, which was strengthened with the creation of the Diversity Advisory Committee in 2023.

## SDG 7. Affordable and clean energy

In recent years, Línea Directa Group has installed solar panels to generate its own electricity at its main work centres. Currently, 9% of the energy consumed, including gas, is self-generated.

In addition, all the electricity consumed by Línea Directa's facilities comes from renewable sources.

## SDG 8. Decent work and economic growth

The company is firmly committed to creating quality jobs and developing internal talent, as described in the Talent Management section of this report.

Through Línea Directa Foundation, the company also carries out various activities to promote entrepreneurship and help communities prosper.

## SDG 9. Industry, innovation and infrastructure

Línea Directa Group also wants to be at the forefront of the digitalisation of the insurance sector, facilitating society's transition to an increasingly digital world. To this end, it develops channels and products to promote digitalisation and participates in technological innovation forums.

Similarly, the company's innovative spirit is committed to intra-entrepreneurship, through training and focus groups made up of professionals from different sectors, as well as collaboration with start-ups specialising in road safety, through the "Entrepreneurs Award" organised by Línea Directa Foundation.

## 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. The company also pays particular attention to talent development, ensuring that there is no discrimination.

## SDG 11. Sustainable cities and communities

Línea Directa Group is strongly committed to new forms of mobility and, in particular, to sustainable mobility. The Safe&Go insurance product and the work carried out in recent years by Línea Directa Foundation to raise awareness of road safety are two examples of Línea Directa's ambition in this area.

## SDG 12. Responsible consumption and production

Línea Directa Group is not an intensive producer of waste, but it has established policies and objectives for the correct management of waste and its subsequent recycling.

In 2023, the Advanced Repair Centres renewed their 'Towards Zero Waste' certification, which requires that more than 60% of waste generated be recovered or sent for recycling.

## SDG 13. Climate action

The section on the environmental component details the actions that Línea Directa is taking to combat climate change, as well as the progress made in 2023 in identifying risks and opportunities related to climate change, in line with the recommendations of the TCFD.

The company carries out various tasks in this area, such as calculating its carbon footprint, setting reduction targets and offsetting its Scope 1 and 2 emissions. The company has also developed an ISO 14001 certified environmental management system and an ISO 50001 certified energy efficiency system.

## SDG 16. Peace, justice and strong institutions

Línea Directa Group contributes to this objective by pursuing the integrity and enforcement of compliance with the relevant regulations and disseminating them in its partnerships with external organisations and institutions.

Through 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 prepares the Fraud Barometer, to prevent, detect and prosecute these bad practices with significant consequences for customers and for society in general.

## SDG 17. Partnerships for the goals

Línea Directa Group believes that it is essential to work with other entities, so it develops alliances with other companies in order to achieve its business objectives. It also carries out many other corporate volunteering activities in collaboration with specialised organisations and NGOs. Moreover, the company forms alliances with institutions and organisations with which it shares common interests.

Finally, each year it holds the Collaborators Award, to recognise the best suppliers for the work they do for the company.

**SUSTAINABLE DEVELOPMENT GOALS**



## DIALOGUE WITH STAKEHOLDERS

Due to its status as a listed company from 2021, Línea Directa Group has carried out a review of its strategy with stakeholders for 2023. This has been an opportunity to redefine stakeholders and specify how the company will respond to their expectations in its relationship with them. This relationship basically takes two forms, economic or social, either derived from the company's products and services, or from its performance in different areas, and should be understood in a bidirectional way. Compliance and varying degrees of stakeholder engagement can affect the achievement of the company's strategic objectives, hence their relevance.

As a result, the stakeholder map was updated in 2023, prioritisation was reviewed and a strategy and commitments in relation to stakeholders were established. In addition, dialogue and communication channels have been updated to ensure better listening and adaptation to stakeholder expectations in order to facilitate success in achieving various medium- and long-term objectives.



## Stakeholder map update

The stakeholder map has been developed using our own methodology, based on analysis supported by a range of sources. It also draws on the expertise of the Sustainability Working Group and the Sustainability Committee. The methodology includes the following actions:

- Identification of stakeholders
- Prioritisation according to relevance and materiality
- Establish communication commitments, channels and targets to meet expectations according to their level of criticality.

## Stakeholder prioritisation

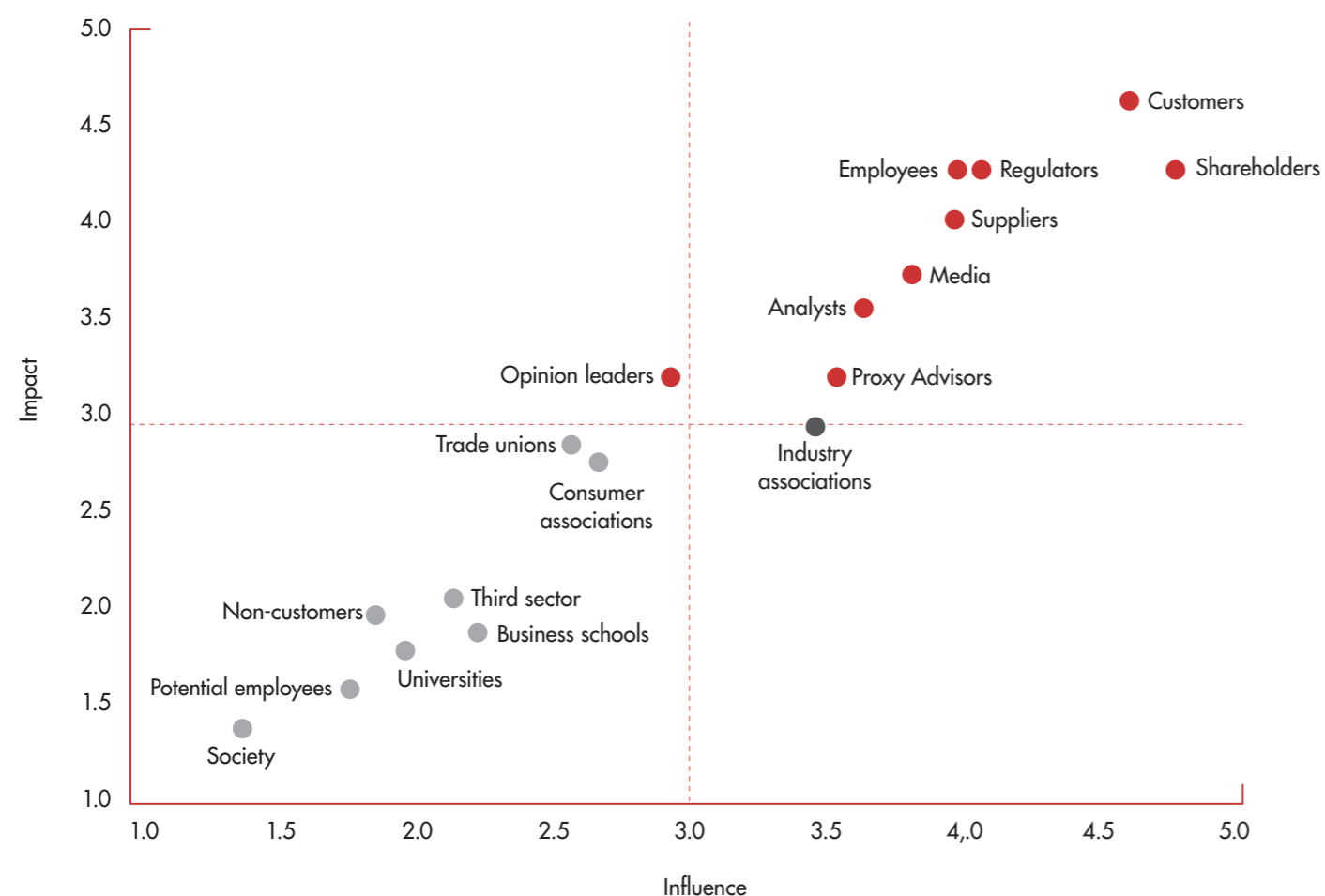
The company has developed a more comprehensive list of stakeholders than in previous years in order to better differentiate their expectations and be able to shape its communication objectives accordingly. Prioritisation techniques were applied to this set in order to distinguish their degree of importance to the business and thus define a more efficient strategy.

The following criteria have been taken into account in prioritising stakeholders:

- Their degree of **direct or indirect relationship with the company.**
- Their **degree of actual or potential** influence on the decision-making and implementation of actions in the company, with high, medium and low ratings.
- Their degree of prevalence in the relationship with the company, according to criteria of power, legitimacy and urgency.

Below is a graph showing all identified stakeholders, their direct or indirect relationship, their degree of influence and their degree of prevalence.

Finally, an influence impact matrix was created, which cross-references the assigned degree of influence with the assessment of the potential or actual ability to influence the company. The result is the following matrix:



## Dialogue channels

The Stakeholder Map and Matrix allow for better targeting of resources according to the importance and needs of each stakeholder group, ensuring appropriate channels for them to be informed, to participate and be consulted on relevant issues, and to cooperate in various Company activities. They are also key allies in creating real and effective value for the company itself and for society as a whole.

Línea Directa Group has established the following commitments and communication channels with its stakeholders, summarised below:

STAKEHOLDERS	RESPONSIBLE AREAS	COMMUNICATION CHANNELS
SHAREHOLDERS	Finance Office of the General Secretary	AGM / CNMV Website / Investor Relations / Corporate Website / Results presentation /
DIGITAL	Quality & Customer Experience Marketing Portfolio Services and Benefits	Customer Surveys / Commercial / Mass Media / Website Customer / Apps / Call Centre
REGULATORS & PUBLIC ADMINISTRATION	Office of the General Secretary	Reports / Meetings
SUPPLIERS	Finance Services and Benefits	Web Purchasing / Portal for Collaborators / Contacts with Networks
EMPLOYEES	People, Communication and Sustainability	Intranet Multichannel
MEDIA	People, Communication and Sustainability	Corporate Website / Press Office / Results presentations / Press conferences
ANALYSTS	Finance People, Communication and Sustainability	Investor Relations / Non-Financial Information / ESG Questionnaires
PROXY ADVISORS	Office of the General Secretary	Reports / Meetings
OPINION LEADERS	People, Communication and Sustainability	Mass Media / Social Media
CONSUMER ASSOCIATIONS	Quality & Customer Experience People, Communication and Sustainability	Email / Surveys and questionnaires
TRADE UNIONS	People, Communication and Sustainability	Multichannel
BUSINESS SCHOOLS	People, Communication and Sustainability	Multichannel / Línea Directa Foundation
THIRD SECTOR	People, Communication and Sustainability	Multichannel
UNIVERSITIES	People, Communication and Sustainability	Multichannel
NON-CUSTOMERS	Marketing	Web comercial / Mass media / RRSS
POTENTIAL EMPLOYEES	People, Communication and Sustainability	Corporate Website / Social Media / Forums / Presentations
SOCIETY	People, Communication and Sustainability	Corporate website / Social Media / Blogs / Línea Directa Foundation

# 2.

# CORPORATE GOVERNANCE.

CORPORATE GOVERNANCE SYSTEM

ETHICS AND TRANSPARENCY

GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

RISK MANAGEMENT MODEL



# SISTEMA DE GOBIERNO CORPORATIVO

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

The **Board of Directors** of Línea Directa Aseguradora is the supreme body responsible for the management, direction and representation of the company, and has the power to adopt all corporate resolutions, with the exception of those powers reserved for the Annual General Meeting.

In particular, the Board determines the overall policies and strategies of the company, including **approving, setting and monitoring strategy and risk management policies, including those relating to sustainability and climate change.**

The Board of Directors has two advisory committees that report to the Board, make proposals to it and advise it on decision-making.

- The Appointments, Remuneration and Corporate Governance Committee is the committee responsible for, among other things, monitoring the company's sustainability strategy, practices and targets, assessing their level of compliance and reviewing the company's sustainability policy. It also ensures that Línea Directa's environmental and social practices are in line with the policies and strategy approved by the Board of Directors.

In this context, the Committee has reviewed and proposed to the Board for approval the

current Sustainability Plan 2023-2025, as well as all policies related to sustainability and climate change management.

This Committee is also responsible for determining the guidelines, criteria and reference standards that should govern the preparation of the Non-Financial Information Statement, as well as for reviewing, validating and reporting to the Board of Directors on this process, considering the information received from the Audit and Compliance Committee and the completeness of the information.

In general, the Committee should review and validate the sections of any corporate report, whether mandatory or voluntary, that have an impact on sustainability.

Likewise, the Committee is the body competent to determine the remuneration of the members of the Board, Senior Management and those persons who carry out professional activities that may have a relevant impact on the assumption of risks by the company. In this context, the Committee has proposed to the Board the inclusion of ESG metrics for the accrual of the Executive Committee's variable remuneration, both short and long term.

- The Audit and Compliance Committee is responsible, among other things, for knowing, monitoring and evaluating the Group's financial and non-financial risk control and management systems (including operational, technological, cybersecurity, legal, social, environmental, political and reputational risks), reviewing the company's risk map and making proposals to the Board.

The Committee has reviewed the company's ESG risk map, which includes risks related to climate change, and proposed its approval and monitoring by the Board.

With regard to the oversight of ESG risks, the Board's Rules and Regulations provide for the possibility of joint meetings of the two Committees at the request of the Chairman or a majority of its members.

With respect to the Non-Financial Information Statement, this Committee is responsible for overseeing the preparation and presentation process, reporting on this process and on the completeness and clarity of the information to the Nomination, Remuneration and Corporate Governance Committee. It also manages the process of selecting and engaging the independent assurance provider responsible for verifying non-financial information and proposes its appointment to the Board



The day-to-day management of the company and the implementation of the decisions taken by the Board of Directors are the responsibility of the internal organisation led by the Chief Executive Officer and the Executive Committees.

The main committees involved in monitoring and controlling the organisation's sustainability activities and risks are as follows:

- **Management Committee:** It is made up of the heads of the various business units and is responsible for reviewing and monitoring key initiatives and projects of particular interest, including those in the area of sustainability.
- **Standing Risk Committee:** It is responsible for facilitating and monitoring the implementation of effective risk management practices in the Group through the reporting of risks identified. In this regard, it is responsible for the management and monitoring of all risks (including ESG risks), their key risk indicators (KRIs) and action plans, ensuring that an appropriate level of internal control is in place, consistent with the risk appetite set by the Board, the Group's standards and compliance with applicable regulations.
- **Sustainability Committee:** It is responsible for developing and proposing the objectives of the Sustainability Plan to the Nomination, Remuneration and Corporate Governance Committee for submission to the Board and receives the regular report from the Sustainability Working Group.

There are also other specific committees that analyse, monitor and, where appropriate, take decisions on specific issues, such as the sustainability of an investment (discussed by the Investment Committee) or the sustainable characteristics of a product (discussed by the Product Approval and Monitoring Committee).

Internally, the Corporate Risk department is responsible for the overall management, control and supervision of the risks that the Group may incur

in (including ESG and climate change risks), after identifying these risks together with the other corporate areas. To this end, it draws up the risk map, coordinates the necessary prevention and mitigation measures and reports periodically to the Audit and Compliance Committee, all in accordance with the Group's Risk Management Policy.

The People, Communication and Sustainability department is responsible for proposing, coordinating and implementing the necessary measures in the organisation to implement the sustainability strategy set by the Board of Directors and reports to the Appointments, Remuneration and Corporate Governance Committee. In this way, it promotes the integration of ESG criteria across all areas of the business.

There is also a Sustainability Working Group with representation from the following areas External Communication and Sustainability, Purchasing, Investor Relations, Space Management, Corporate Governance, Internal Communication and Social Action, Employee Attraction, Compensation and Relations, Services and Benefits, Product Innovation and Corporate Risks are represented, which proposes to the Sustainability Committee the actions to be included in the Sustainability Plan and allows for regular, transversal and detailed monitoring of the status of the actions underway in the Sustainability Plan.

**The Corporate Risk department is responsible for the overall management, control and supervision of the risks that the Group may incur in.**

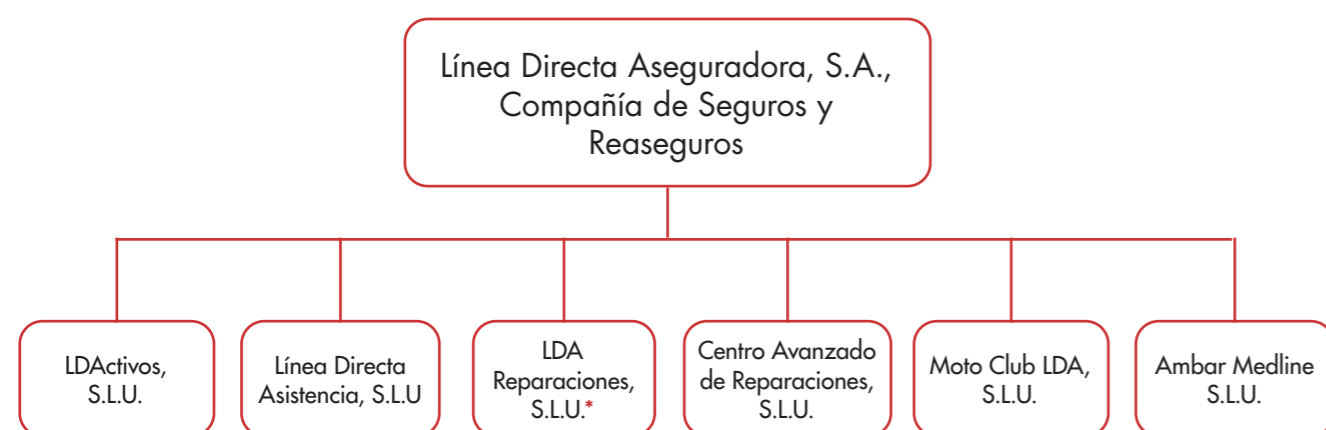


## CORPORATE INFORMATION

The information contained in the Non-Financial Information Statement covers Línea Directa Group as a whole, which is made up of the following companies:

The Parent Company, Línea Directa Aseguradora S.A., Compañía de Seguros y Reaseguros.

Subsidiaries wholly owned by the Parent Company:



\*(terminated in December 2023)

## SHARE CAPITAL

The share capital is distributed as follows:

<b>Share capital</b>	€ 43,536,673.60
<b>No. of shares</b>	1,088,416,840 ordinary shares
<b>Nominal value</b>	€ 0.04 PER SHARE
<b>No. of voting rights</b>	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 2023, the shareholding structure of Línea Directa Aseguradora is as follows:

<b>SIGNIFICANT SHAREHOLDERS</b>	<b>% ownership in share capital (direct and indirect)</b>
Cartival, S.A.	19.90%
Bankinter, S.A.	17.42%
Fernando Masaveu	5.38%
Norbel	5.00%
Lazard Asset Management	3.20%
Brandes	3.00%
Candriam	2.72%
Fidelity International Limited	2.02%
<b>OTHER</b>	
Treasury shares	0.03%
Members of the Board with non-significant holding	0.05%
<i>Free Float</i>	41.28%

## CORPORATE BODIES

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

### Annual General Meeting

The Annual 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 Regulations of the Annual General Meeting, approved in March 2021 on the occasion of the company's IPO, govern all aspects relating to the holding and conduct of the Annual General Meeting.

The Annual General Meeting was held on 30 March 2023 to discuss matters relating to financial year 2022. The shareholders of the company met both in person and online, with a quorum of 77.81%.

The Meeting adopted key agreements of both financial and non-financial nature:

- In **the area of finance**, the Financial Statements were approved with more than 99.9% of the votes and the allocation of profit was approved with 99.8% of the votes.
- In the **non-financial area**, the Non-Financial Information Statement was approved with 99.8% support.
- In the area of governance, three resolutions on **the remuneration of the Board** were submitted to the shareholders for approval, with more than 99% voting in favour.

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

Shareholders were able to participate in the Annual 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 Annual 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: Chairman CARTIVAL, S.A.)	Chairman
D <sup>o</sup> . Patricia Ayuela de Rueda	Executive	Chief Executive Officer
D. Fernando Masaveu Herrero	Proprietary	Member
D <sup>o</sup> . Ana María Plaza Arregui	Independent	Member
D <sup>o</sup> . Elena Otero-Novas Miranda	Independent	Member
D <sup>o</sup> . Rita Estévez Luaña	Independent	Member
D. John de Zulueta Greenebaum	Independent	Member

**D. Pablo González-Schwitters is the non-director Secretary of the Board of Directors.**

## DUTIES

The Board of Directors is the body responsible for the administration, governance and representation of the company, in accordance with the duties attributed to it by law, the Bylaws and the Rules and Regulations of the Board of Directors. The latter have been amended in 2023 to distribute ESG competences between committees.

In 2023, 10 Board meetings were held, with an attendance rate of 100%. The main measures enacted by the Board of Directors include the following:

- Approving and monitoring the Group’s strategy or business plan.
- Preparation of the documents and reports necessary for the participation and adoption of resolutions by shareholders at the Annual General Meeting.
- Adopting and updating the necessary internal regulations, particularly regarding sustainability and risk management.
- Reviewing and approving the company’s financial and non-financial information, as well as that required by insurance regulations, to be communicated to regulators and the market.
- Supervising the committees.
- Appointing members of the Executive Committee, reporting to the Chief Executive Officer and interacting regularly with Senior Management.
- Drawing up the matrix of competencies for the directors.
- Approving a Succession Plan for key positions in the business to ensure an orderly and planned transition, when required.
- Continue developing the Board’s knowledge update programme, launched in 2022.

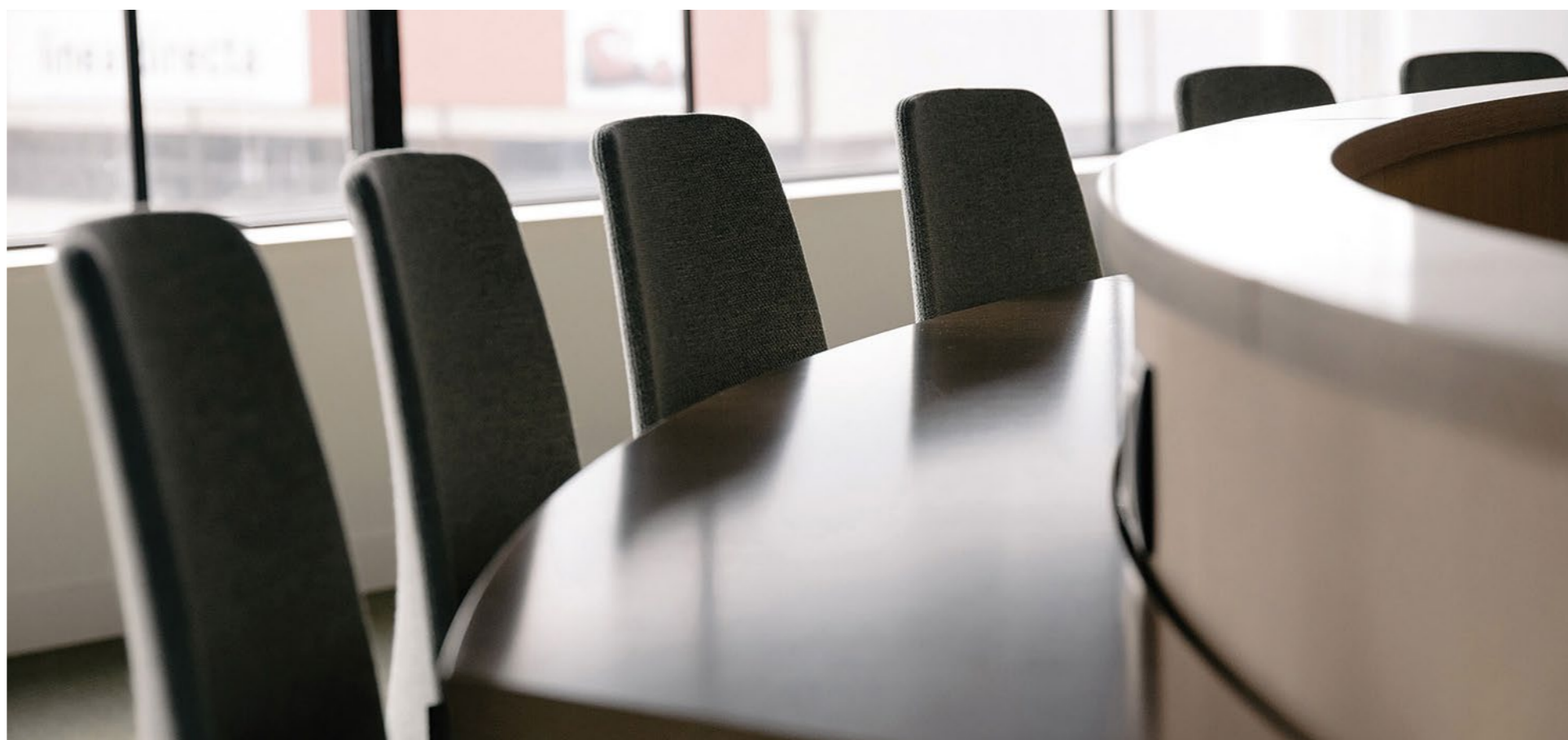
The term of office of the members of the Board of Directors is four years and they may be re-elected for the same term.

**In 2023, 10 Board meetings were held, with an attendance rate of 100%.**

## INDIVIDUALISED ATTENDANCE RATIO

The level of attendance per director in 2023 was as follows:

DIRECTOR	Board of Directors	Audit and Compliance Committee	Appointments, Remuneration and Corporate Governance Committee
D. Alfonso Boñín-Sanz de Sautuola y Naveda	10/10	7/7	6/6
D°. Patricia Ayuela de Rueda	10/10	N/A	N/A
D. Fernando Masaveu Herrero	10/10	N/A	N/A
D°. Ana María Plaza Arregui	10/10	7/7	N/A
D°. Elena Otero-Novas Miranda	10/10	7/7	N/A
D°. Rita Estévez Luaña	10/10	N/A	6/6
D. John de Zulueta Greenebaum	10/10	N/A	6/6





## SELECTION: INDEPENDENCE AND DIVERSITY

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

**One of the main aims of this policy is to** create a body whose composition ensures a healthy diversity of opinions, perspectives, experiences and professional backgrounds. This includes an appropriate

level of gender diversity, with a preferential target for board membership of the under-represented gender and a number of female directors constituting at least 40% of its members, in addition to other types of diversity, including race or ethnicity, nationality or cultural origin, subject to the vital principle of merit and suitability.

**Another vital 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 be kept to the minimum necessary.**

At the date of this report, the following data on the independence and diversity of the Board of Directors are noteworthy and exceed the ratios recommended by the CNMV's Code of Good Governance:

<b>Percentage of independent directors</b>	57%
<b>Percentage of women</b>	57% on the Board Included in the Ibx Gender Equality Index 58% of the Management Team
<b>Skills matrix</b>	Yes
<b>Nationalities</b>	Two
<b>Average age</b>	55 years (from 47 to 75 years of age)

## ASSESSMENT

As recommended by the CNMV's Code of Good Governance and required by the Rules and Regulations of the Board of Línea Directa, the evaluation of the functioning of the Board of Directors and its Committees during the financial year 2023 was carried out by an independent external expert (Georgeson, a specialist corporate governance consultancy).

The main conclusions of the evaluation are included in the Annual Corporate Governance Report, which is published on the company's website and on the website of the CNMV.

## REMUNERATION

Directors' remuneration in 2023 has been determined in accordance with the provisions of applicable law, the company's Bylaws and the Directors' Remuneration Policy.

At the Annual General Meeting held on 30 March 2023, the following three resolutions relating to the remuneration of the Chief Executive Officer were approved by more than 99% of the votes cast:

- The inclusion of an indicator that adjusts the annual variable remuneration according to the results of Línea Directa Group.
- Approval the delivery of shares as part of the annual variable remuneration for 2022 and for the remainder of the term of the Directors' Remuneration Policy.
- Approval of a long-term variable remuneration plan payable in shares of the company and in cash, designed for the CEO, the members of the Management Team and other key or relevant persons of the company.

The Directors' Remuneration Policy is valid until 2025 and is permanently available on the corporate website.

In addition, the Annual General Meeting approved the 2022 Annual Report on Directors' Remuneration on a consultative basis, with more than 94% of shareholders voting in favour, demonstrating their support for the practical application 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:

- In their **capacity as Directors**, and in connection with their supervisory and collegial decision-making functions, the members of the Board of Directors receive a fixed annual fee and attendance fees for attending meetings of the Board of Directors and the committees of which they are members.

The maximum annual remuneration of all directors in their capacity as such shall not exceed € 1,500,000.

- 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 applied since 2022:

- 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%**.

Payments resulting from the termination or expiry of the contract **may not exceed an amount equal to two years of the total annual remuneration** of the executive director at the time of termination of the contract, including amounts not yet vested in long-term savings schemes and amounts paid as a result of the non-competition clause.

In addition, a modification linked to the "pay for performance" principle has been introduced for the year 2023, consisting in the introduction of an indicator that adjusts pay according to the degree of compliance with the financial and non-financial objectives set annually, multiplying the remuneration by degree of compliance with these objectives – a factor of between 0.5 and 1.5, according to a compliance scale approved by the Board of Directors. With regard to the annual variable remuneration for 2023, the Board of Directors proposed, and the Annual General Meeting approved with more than 99% of the votes cast, that the adjusting indicator be derived from the Group's consolidated profit before tax.

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 the members of the company's management team, as a result of the listing of Línea Directa's shares on the stock exchange, and in the **long-term variable remuneration plan 2023-2025, payable in shares of the company and in cash**, approved by the last Annual General Meeting.

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.

The details of this remuneration and the conditions governing its collection are set out in the **Annual Report on Directors' Remuneration 2023**, which is published on the company's website and on the CNMV's website.



## Committees

The Board of Directors has two advisory committees:

### AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee, made up of the following members:

MEMBER	POSITION	LEGAL CATEGORY
D <sup>o</sup> . Ana María Plaza Arregui	Chairwoman	Independent
D <sup>o</sup> . Elena Otero-Novas Miranda	Member	Independent
D. Alfonso Boñín-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 2023	7
Attendance ratio	100%

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. Comprehensive information about the Committee’s members can be found on the corporate website.

The Audit and Compliance Committee’s main responsibilities include the following:

- Reporting 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.
- Proposing 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. Ensuring the external auditor’s independence and monitor compliance with the audit contract.
- Learning about, monitoring and assessing 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, cybersecurity, legal, social, environmental, political, reputational and corruption risks).
- Regarding the Non-Financial Statement:
  - Supervising the process of drawing up and presenting non-financial information relating to the company and its Group, reporting on this process and on the completeness and clarity of the information to the Appointments, Remuneration and Corporate Governance Committee (because it is the latter who will propose it to the Board for formulation).
  - Managing the process of selecting and engaging the independent auditor responsible for verifying non-financial information and proposing their appointment to the Board.
  - Liaising with the independent auditor to obtain information on their work and reporting to the Appointments, Remuneration and Corporate Governance Committee.
- 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.
- Overseeing and reviewing the company’s compliance system.



- Monitoring and promoting compliance with the company’s Internal Rules of Conduct for the Securities Market, the Code of Ethics and, in general, the company’s own rules of conduct, as well as monitoring and promoting the procedure for confidential whistleblowing by stakeholders.

On the occasion of the convening of the AGM, the annual report of the Committee on its activities during 2023 was made available to shareholders on the company’s website..

## APPOINTMENTS, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

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 <sup>o</sup> . Rita Estévez Luaña	Member	Independent
D. Alfonso Boñín-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 2023	6
Attendance ratio	100%

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

- Proposing the appointment, confirmation, re-election and removal of independent directors and report on the remaining directors.
- Assessing the balance of skills, capacity, knowledge, diversity and experience required on the Board.
- Reporting to the Annual General Meeting, through its Chairman, on the Committee's activities during the year, as appropriate.
- Proposing to the Board the remuneration policy for the directors and their individual remuneration, the individual remuneration of the executive directors and, where appropriate, of the external directors for the performance of duties other than that of directors, and other terms of their contracts.
- Proposing 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.
- Overseeing the corporate governance of the company.
- Monitoring the company's sustainability strategy and practises by assessing their level of compliance and reviewing the company's sustainability policies and ensuring that they are aligned with value creation.
- Collecting information on the identification, assessment and supervision of ESG (environmental, social and governance) risks carried out by the Audit and Compliance Committee, with the possibility of holding joint meetings.
- Setting out the guidelines, criteria and reference standards that should govern the process of draw-

ing up the non-financial statement, reporting to the Board on such matters. Reviewing, validating and reporting to the Board of Directors on the non-financial statement prior to its drafting, considering the information received from the Audit and Compliance Committee on the preparation process and the integrity of the information.

- Reviewing and validating the relevant sections of any corporate report, whether mandatory or voluntary, that relates to sustainability.

On the occasion of the convening of the AGM, the annual report of the Committee on its activities during 2023 was made available to shareholders on the company's website.



## Executive committees

Línea Directa Aseguradora has the following executive bodies:

**Executive committee and Steering committee**, consisting of all members of the management team, which as of February 2024 are as follows:

MEMBER	POSITION
Patricia Ayuela de Rueda	Chief Executive Officer
Pablo González-Schwitters	General Secretary
Carlos Rodríguez Ugarte	Chief Financial Officer
Diego Ferreiro Sánchez	Commercial Director
Isabel Guzmán Lillo	Head of Services and Benefits
Mar Garre Del Olmo	Head of People, Communications and Sustainability
Eva del Mazo Fernández	Portfolio Director
Olga Moreno Sanguino*	Head of Quality and Customer Experience
Ana Sánchez Galán	Head of Technology
Antonio Valor García	Head of Marketing
Juan José Álvarez Fernández	Chief Technical Officer
Inmaculada Aldea Málaga	Chief Risk Officer

\* Head of Health until February 2024, when the functions of the segment were integrated into other areas.

The main task of the Executive committee is the weekly control and active monitoring of the business and its key indicators, as well as the progress of the business plan as approved by the Board of Directors.

The Executive committee decides on the main issues of the company and on initiatives and projects of special interest.

The **Projects committee**, made up of the above-mentioned members of the management team and the Head of Digital Transformation, is responsible for monitoring strategic projects requiring IT development and determining their prioritisation according to the status of compliance with the business plan.

The **Reserves and Claims committee** is a body for information, discussion and decision-making in all areas relating to claims management and the adequacy of reserves as determined by the Board and its committees. It consists of the Chief Financial Officer, the Head of Services and Benefits, the Chief Technical Officer, the Chief Risk Officer and the Head of Actuarial Function.

The **Investment committee**, composed of the Chief Executive Officer, the Chief Financial Officer and the Heads of Investment and daily portfolio management. Its role is to ensure that the day-to-day management of investments is carried out in accordance with the investment objectives and policies set by the Board of Directors. This committee reports to the Board of Directors at least on a quarterly basis.

The **Standing Risk committee** is responsible for facilitating and monitoring the implementation of effective risk management practices in the Línea Directa Group through reporting on the front lines. It is headed by the Head of Corporate Risk and comprises the Heads of Internal Control over Financial Reporting, Data Quality, Risk Management and Internal Control, Regulatory Compliance and Actuarial Function.

**Product Approval and Monitoring committee**, which ensures compliance with the product control and governance policy.

It is made up of the Head of Marketing, the Chief Technical Officer, the General Secretary, the Chief Risk Officer, the Chief Financial Officer and the Chief Commercial Officer.

The **Sustainability committee** is responsible for drawing up the Sustainability Plan submitted to the Board of Directors, supervising and monitoring compliance, setting priorities, taking executive decisions and promoting initiatives to ensure the implementation of the sustainability plan approved by the Board of Directors. It is composed of the Head of People, Communication and Sustainability, the Chief Financial Officer, the Secretary General, the Head of Marketing and the Head of Services and Benefits. Within this committee, and specialised in the social component, is the Diversity Advisory committee, which monitors compliance with the commitments made in the Diversity Policy.

**The Executive committee decides on the main issues of the company and on initiatives and projects of special interest.**

# EXECUTIVE COMMITTEE

Antonio Valor  
Head of Marketing

Ana Sánchez  
Head of Technology

Carlos Rodríguez  
Chief Financial Officer

Juan José Álvarez  
Chief Technical Officer

Inmaculada Aldea  
Chief Risk Officer

Diego Ferreiro  
Commercial Director

Eva del Mazo  
Portfolio Director

Mar Garre  
Directora de Personas,  
Comunicación y Sostenibilidad

Patricia Ayuela  
CEO

Pablo González-Schwitters  
General Secretary

Isabel Guzmán Lillo  
Head of Services  
and Benefits

Olga Moreno  
Head of Quality and  
Customer Experience

# ETHICS AND TRANSPARENCY

## CORPORATE POLICIES

The Group's internal regulations, and in particular its corporate policies, allow the main concepts, actions and practices set out in the applicable regulations, the **Code of Ethics** or in various guides and recommendations for good practice of various kinds. In this way, they provide a framework for action and define the minimum general principles and criteria for the management of the Group's key organisational areas and risks.

Throughout this report, reference is made to various policies applicable in different areas (Risk Management, Financial and Tax Management, Corporate Governance, etc.). We highlight here the main policies that, among others, contribute to sustainable governance:

- The Sustainability Policy, which sets out the commitments and responsible practices that serve to develop the Group's sustainability strategy, assuming a proactive approach in this area and following the Sustainable Development Goals (SDGs).
- The Environmental Management and Climate Change Policy, which sets out the principles for minimising the environmental impact of the Group's activities and adapting to the effects of climate change.
- The Responsible Procurement Policy, which defines the appropriate measures to optimise the impact of the Group's purchasing and contracting decisions and ensures the suitability of the suppliers with whom it works, in accordance with the values, principles and codes of conduct set out here, the Code of Ethics and the Group's Code of Conduct for Suppliers.

- The Human Rights Policy, which is intended as a guide for the protection and respect of human rights. Línea Directa Group is committed to respecting and promoting human rights in its own actions and through its value chain.
- The Equal Opportunities Policy, which enshrines the development of employment relations based on equal opportunities, non-discrimination and respect for diversity.
- The Diversity and Inclusion Policy, which aims to create a work environment where there is diversity of skills, experience, knowledge, background, nationality, age, sexual orientation and gender, and where all people are treated with respect and fairness.
- The Prevention, Safety, Health and Well-being Policy, through which the company expresses its commitment to the health, prevention of occupational risks and well-being of all its employees, in accordance with legal requirements and based on the principle of protection of life, integrity and health.
- The Social Contribution Policy, which reflects the Group's commitment to sustainable development and the progress of the communities in which it operates.

The details of the above policies, as well as all the internal regulations adopted by Línea Directa Group that form the basis of its corporate governance system, can be consulted on the company's website.

## CÓDIGO ÉTICO

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 maintaining and promoting strong ethical principles that guarantee compliance with the law and the trust of customers, shareholders, employees, suppliers and other stakeholders.

The **Code of Ethics** of Línea Directa Group sets out to establish the general guidelines that should govern the conduct of employees of Línea Directa Aseguradora S.A. and its subsidiaries, in the performance of their duties and in their commercial and professional relations, in accordance with the laws and ethical principles of the company. 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 Code of Ethics is the main axis for the development of corporate values and contains the models and guidelines of behaviour to be followed by all the Group's employees. It specifies and disseminates to all the organisation's employees and stakeholders the values of Línea Directa Aseguradora as set out by its highest governing body and its management. The Code was approved by the Board of Directors in January 2011, updated in October 2018 and revised in 2021 to implement the necessary amendments relating to its newly acquired status as a listed company.

Línea Directa Aseguradora's Code of Ethics includes commitments to environmental and social issues, respect for human rights, the fight against corruption and bribery, equal treatment and opportunities and non-discrimination. The Code is not intended to cover all situations that may arise in the course of professional activity, but rather to establish guiding principles and minimum standards of behaviour that should guide the people who make up Línea Directa in their professional activities.

Its 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. Meanwhile, 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 Code of Conduct for Suppliers to which all collaborators 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 2023, showed very positive results, with 96% stating that they take the company's ethical principles into account when making decisions related to their work.



The **Code of Conduct for Suppliers** develops the principles set out in the Code of Ethics of Línea Directa Group, and applies to its relations with suppliers. It also incorporates principles contained in other documents or standards, such as the Sustainability Policy or the Human Rights Policy, through which Línea Directa undertakes to integrate the principles of responsibility and sustainability in the management of its supply chain.

A new version of the Code of Conduct for Suppliers, **aligned with the ten principles of the Global Compact** and with the Group's ESG risk commitments, was approved in January 2023.

The new Code of Conduct for Suppliers incorporates a number of measures to improve due diligence in the company's supply chain in areas such as environment, health and safety. To this end, sections **"Respect for people"** and **"Respect for the environment"** have been developed to

integrate the principles of responsibility and sustainability in the management of the supply chain.

Compliance with this document is mandatory for all bidders in procurement processes and is included in all commercial contracts, so that all Línea Directa suppliers are obliged to comply with it, subject to proportionality depending on the supplier. In addition, 228 employees with regular contact with suppliers received training on the Code of Conduct for Suppliers, and all new recruits received training on the Code of Ethics as they joined the company.

In 2023, as part of the company's commitment to responsible marketing, Línea Directa has adhered to the **UNESPA Guide to Good Practices on Transparency in Insurance Marketing**, which deals with the general principles that should govern the marketing of insurance by insurance companies in any form of sale.

## ETHICS CHANNEL

Línea Directa Group has an **Internal Information System**, the Ethics Channel, which allows any employee to report, with the necessary guarantees, any irregularity detected in relation to the Code of Ethics, the Code of Conduct for Suppliers, or any other violation of current legislation, as well as to ask questions about its application.

The general principles and procedures governing the management of the Ethical Channel are set out in the **Ethical Channel Policy**, approved by the Board of Directors of Línea Directa Aseguradora on 20 April 2023, with the aim of ensuring that anyone who, in the course of their work or professional activities, discovers a violation of the rules or an act contrary to the rules, can report it with the necessary guarantees.

In 2023, 20 communications were received through the Ethics Channel, of which 5 were investigated in accordance with the procedure set out in the Ethics Channel policy, including one case of harassment, which was investigated in accordance with the harassment protocol. However, none of these communications have resulted in a formal complaint. In 2022, 10 communications were received, of which only

one related to non-compliance.

The Ethics Manager completed his review and took the appropriate action. Both the Ethical Channel and the Policy are accessible on Línea Directa Aseguradora's corporate website.

## TAX PRACTICES

The Tax Strategy of Línea Directa Group, approved by the Board of Directors in 2019 and updated in January 2024, includes the objectives, principles, good tax practices and the monitoring and control of tax risks in the organisation, always with the aim of ensuring responsible compliance with tax regulations. The Tax Strategy encompasses all the companies that make up the Group. It is published on the Group's website and is promoted in accordance with its social relevance, the interests of its stakeholders, the business strategies of its companies and the trust of the communities in which it operates. Línea Directa Aseguradora promotes a climate of goodwill, transparency, cooperation and reciprocity in its relations with tax authorities.

The Board of Directors of Línea Directa Aseguradora also approved the Group's Corporate Tax Policy in 2020, which was reviewed and updated in April 2023 and is published on the company's website. This policy constitutes a non-delegable power of the Board itself and is implemented through the Office of the General Secretary 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, as part of the supervisory functions of the Board of Directors, the Tax Advisory department reports once a year on tax contributions, on the main tax issues arising during the year and on the main

matters affecting the Group, including ongoing proceedings and inspections. In this regard, no tax risk materialised during 2023 that could affect business targets.

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 practices include the Group's willingness to cooperate fully with tax authorities in

providing information or assisting in the detection, investigation and resolution of fraudulent practices.

Since 2021, Línea Directa Group has adhered to the Code of Good Tax Practices promoted by the Spanish government. The code includes recommendations to ensure legal certainty in the application of the tax system, mutual cooperation based on good faith and legitimate trust, and the application of responsible tax policies under the oversight of the Boards of Directors.

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.

Línea Directa Group has not received any public subsidies or aid during 2023. No subsidies or aid was received in 2022 either.

COUNTRY	COMPANY	MAIN ACTIVITY	Number of employees		Net turnover by country (k€)		Profit/(loss) before tax (k€)		Corporate income tax payable (k€)		Corporate income tax paid (k€)	
			2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Spain	Línea Directa Aseguradora, S.A.	Insurance agents and brokers										
	Línea Directa Asistencia, S.L.U.	Activities related to transport by land										
	Centro Avanzado de Reparaciones (CAR), S.L.U.	Motor vehicle maintenance & repair										
	Club Más Moto S.L.U.	Other associated activities Not included elsewhere	2,500	2,505	926,266	959,872	83,531	-6,580	19,235	-2,157	-6,255	-2,550
	Ámbar Medline, S.L.U.	Insurance agents and brokers										
	LDActivos, S.L.U.	Renting of property for own account										
	LDA Reparaciones, S.L.U.	Other associated activities Not included elsewhere										
Portugal	Línea Directa Aseguradora, S.A.	Insurance agents and brokers	0	0	80	87	31	33	0	0	0	0
<b>TOTAL</b>			<b>2,500</b>	<b>2,505</b>	<b>926,346</b>	<b>959,959</b>	<b>83,562</b>	<b>-6,547</b>	<b>19,235</b>	<b>-2,157</b>	<b>-6,255*</b>	<b>-2,550**</b>

\*Includes the Corporate Income Tax paid in 2022 as well as the amounts returned by the Spanish Tax Agency (AEAT) in relation to the Corporate Income Tax for the years 2020 and 2021, resulting in a negative balance.

\*\*Includes the Corporate Income Tax refunded in 2023 in relation to the Corporate Income Tax for the year 2022.

\*\*\* No actual opening in Portugal

\*\*\*\*The 2022 data has been restated under the IFRS17 accounting standard.

## FIGHT AGAINST CORRUPTION AND BRIBERY

Línea Directa Group's crime prevention model is founded on the following bodies:

- The **Board of Directors** is the body responsible for promoting a preventive culture based on zero tolerance for behaviour contrary to the Code of Ethics, breaches of external and internal regulations and criminal acts. It is also responsible for adopting and implementing 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 implementation of 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 made up of the heads of the specialist and cross-functional compliance functions, i.e. Tax Advisory, Legal Advisory, Occupational Risk Prevention, Corporate Governance, Data Protection Office and Human Resources. Its function is to support the Regulatory Compliance department in order to ensure that its criminal risk prevention tasks are properly completed.
- 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.

Línea Directa Group has key internal rules on which the internal control and crime prevention structure is based, among which the following stand out:

- Group Code of Ethics
- Code of Conduct for Suppliers
- Ethics Channel Procedure
- Regulatory Compliance Policy and its Management System
- Criminal Compliance Policy
- General Data Protection 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

Línea Directa Group is firmly committed to complying with all the rules for preventing and combating corruption, as set out in the organisation's Code of Ethics and its Anti-Corruption Policy. This commitment extends to all the organisation's employees, managers and directors, as well as to all the company's stakeholders.

The company approved an Anti-Corruption Policy in 2021, which was updated and replaced by the Integrity Policy approved on 25 January 2024. Through its Integrity Policy, Línea Directa Group reaffirms its commitment to zero tolerance towards any form of corruption and, to this end, develops a set of principles that establish the framework for action to ensure strict compliance with the regulations on the prevention and combating of fraud and corruption,

as well as the monitoring of the highest standards of integrity in professional activity. One of the most important measures of this policy is a procedure for receiving gifts, which defines Línea Directa Aseguradora's policy regarding gifts and presents from third parties. 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.

There were no significant allegations of corruption and bribery in 2023 or 2022.

## Fight against money laundering

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 relevant to elaborate on this issue.



## DATA PROTECTION

**Línea Directa Group scrupulously respects 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 in its relations with its customers, employees and suppliers, as well as in the confidentiality of its operations.**

The organisation has a **Data Protection and Governance Framework**, a dedicated team and a data protection officer. It also has a **Privacy Policy** whose main line of action is the adequate protection of customers' personal and confidential data. All Línea Directa Group employees must ensure compliance with the general principles of action in this area, as set out in the General Data Protection Regulation.

Línea Directa Group, as the responsible party, complies with the **Transparency Principle**, informing customers, employees and suppliers of the processing of personal data that it carries out, the legitimate bases of the different processing operations, where and how to exercise their rights of access, rectification, cancellation, opposition, portability and restriction of the recipients of their data, and how to contact the Data Protection Officer. The Group also ensures at all times that **personal and transaction data** are transmitted through **appropriate, reliable and secure** channels, preserving their integrity and confidentiality. The company has put in place a **procedure** for awarding and contracting with suppliers, modifying the clauses and progressively regularising the contracts in force.

Meanwhile, all **employees** are expected to attend a compulsory course on privacy and data protection, and all contracts include a clause with basic information on data processing and where to obtain more detailed information on the processing carried out by Línea Directa Group.

During 2023, the **Data Protection Office** updated its training content, particularly reinforcing content regarding its principles and the exercise of rights, among other issues.

As part of this update, members of the **Data Protection Office** team have been actively involved in this training and have recorded employee videos with the aim of explaining the regulations to everyone in the company. These training videos cover topics of particular interest, such as some of the relevant resolutions issued by the Spanish Data Protection Agency and other regulatory bodies.

Similarly, in 2023, the **Data Protection Office** team held several **training sessions** for the main persons responsible for the processing of the company's personal data, in order to detail, explain and clarify any doubts that may arise with regard to the information that must be provided when initiating a new processing operation or modifying an existing one. The aim is to enable the Data Protection Office to study and carry out the corresponding risk analyses and to have the necessary information at its disposal.

On the occasion of Línea Directa Aseguradora's adherence to the **Spanish Data Protection Agency's (AEPD) Digital Pact for the Protection of Individuals** in 2021, various actions were continued in 2023 with the aim of promoting and strengthening transparency and disseminating good practices in the processing of personal

data. Among these, it is worth highlighting the AEPD's various publications on data protection and on "Digital Violence against Women and Girls", both internally to its staff and externally on its social media channels.

In addition, several privacy-related circulars containing recommendations on the implementation of security measures in customer communications have been published internally on the corporate intranet. With these measures, we continue to implement a privacy culture in the organisation, integrating privacy into all business processes, not only to identify and prevent risks, but also to create and contribute value.

Throughout 2023, changes have been made to the wording of the first level of information in the Privacy Policy to encourage its updating and to improve the transparency and clarity of the information provided to customers.

In addition, **annual audits** are carried out to verify compliance with the published procedures, in accordance with the obligation to correctly identify policyholders and provide them with the appropriate information relating to the processing of personal data. The results of the audit revealed a high rate of compliance.

In 2023, Línea Directa Group has not been subject to any sanctions regarding **Data Protection**.

In 2023, Línea Directa Aseguradora suffered a **security breach** from an external source, which

**Línea Directa Group, as the responsible party, complies with the Transparency Principle, informing customers, employees and suppliers of the processing of personal data that it carries out.**

was duly reported to the AEPD and to the customers affected. After analysing the breach, the data protection authorities determined that the information provided by the company has been sufficient, and the case has been closed without any further action on their part.

In 2024, the Data Protection Office will continue to promote actions derived from the Group's commitment to the **Digital Pact of the Spanish Data Protection Agency**, as well as informing and disseminating among employees all publications, news and contents that, due to their scope and importance, may be of interest to the organisation. It will also periodically review the Privacy Policies and internal procedures related to data protection in order to comply with the applicable regulations.

## CYBERSECURITY

Cybersecurity is a real priority for a company that operates without office networks and exclusively by phone and internet. For this reason, Línea Directa Aseguradora has in place an Information Security Management System designed to prevent, confront and respond to any cyber threat.

Línea Directa Aseguradora's Security Management System guarantees the principles of integrity, availability and confidentiality, for which the company has a cybersecurity team that, during the last financial year, has developed the following lines of work:

- **Development of the external Security Operations Centre (SOC)** to provide it with reactive capabilities.
- **Acquisition of a new Security Information and Event Management (SIEM) solution** to improve security monitoring of all assets and detect anomalous access patterns.
- **Enhancement of the security of digital assets** with strong internet exposure.

In addition, the company has continued to **train employees** through **training videos available at the @prendeplatform** from Línea Directa's Training department.

### Penetration testing

In 2023, Línea Directa carried out a series of pentests, or intrusion tests, to identify and assess the potential security vulnerabilities of assets with high Internet exposure, as well as their possible extent. In this way, the O365 environment and its internal infrastructure, a wide range of Lotus Notes portals and resources, the Vivaz website and the Vivaz Activity and Vivaz Management Apps and the Artemis web portal and infrastructure have been reviewed.

Other key assets such as the company's commercial website, the Penelope website and app, the Safe&Go website and mobile app and the ConducTop app were also analysed.

### Security breach

In 2023, Línea Directa Aseguradora suffered a security breach from an external source. Once detected, the company informed both the Spanish Data Protection Agency (AEPD) and the affected customers. This breach, which was the subject of a proper investigation, has now been closed and is on file. During the last financial year, Línea Directa was not subject to sanctions in the field of data protection.

### General Cybersecurity Strategy

Línea Directa's General Cybersecurity Strategy has four key pillars:

#### 1. Protection against cyber risks:

- Assessment and improvement of mechanisms to prevent, detect and respond to cyber-attacks, including from cloud computing environments.
- Continuous development 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-raising measures in the organisation.
- Training and education activities for employees.
- Obtaining security 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 of mixed composition (internal and external) for the permanent review of cyber threat.
- 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.

## CONTRIBUTIONS TO ASSOCIATIONS

Since its inception, Línea Directa Group has shown a firm commitment to society and, in particular, to the development of the insurance sector, being a member of the leading associations in the geography of its activity, which is Spain.

The Corporate Governance department has among its objectives the management and global monitoring of the memberships to associations or groups of influence to which the company belongs or is interested in joining. It also defines the governance and executive responsibilities for each membership, both in approving membership and in monitoring performance.

In these monitoring processes, the company assesses whether the positions of the associations in which it wishes to participate are in line with its positions on various issues, including digitalisation, human rights, talent management, climate

change and the Paris Agreement, sustainable business generation, etc.

In the event that there are significant differences between Línea Directa's position and that of the various associations in which it participates, the company will work to bring its position closer to that of the respective association through its participation in the committees in which it is represented.

In 2023, Línea Directa has allocated its contributions among associations and stakeholders as follows:

	2020	2021	2022	2023
Groups of influence, representation of interests or similar	0	0	0	0
Companies, organisations or political candidates at a local, regional or national level	0	0	0	0
Industry associations	122,473	114,712	126,632	136,122
Other expenses associated with political influence	0	0	0	0
<b>Total contributions</b>	<b>122,473</b>	<b>114,712</b>	<b>126,632</b>	<b>136,122</b>



### A must for a sustainable partnership

Línea Directa is a member of UNESPA, the Spanish Insurance Association, and is also associated with ICEA, an organisation that works with the sector to provide information and data that allow us to understand the changes in the insurance industry from different perspectives. It also seeks to encourage the training of professionals in the sector.

Both partnerships are aligned with the global sustainability agenda, which is underpinned by initiatives such as the United Nations Sustainable Development Goals, the Paris Agreements and the European Green Pact. In order to fulfil this purpose, ICEA and UNESPA have started a new collaboration for the elaboration of sectoral statistics in the field of sustainability.

In 2023, Línea Directa joined the United Nations PSI sectoral initiative, which involves a series of commitments closely linked to the company's sustainability strategy:

- Integrating environmental, social and governance issues (ESG issues) relevant to the insurance business into the company's decision-making process.
- Collaborating with customers and business partners to raise awareness of environmental, social and governance issues, as well as managing risk and developing solutions.
- Collaborating with governments, regulators and other key stakeholders to promote broad-based action across society on environmental, social and governance issues.
- Reporting and showing transparency by publicly and regularly disclosing progress in the implementation of the Principles.

# GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

## HUMAN RIGHTS POLICY

**Línea Directa Group has a firm commitment to human rights, which it promotes both in the development of its commercial activity and in its relationship with all its stakeholders: employees, customers, suppliers and society in general.**

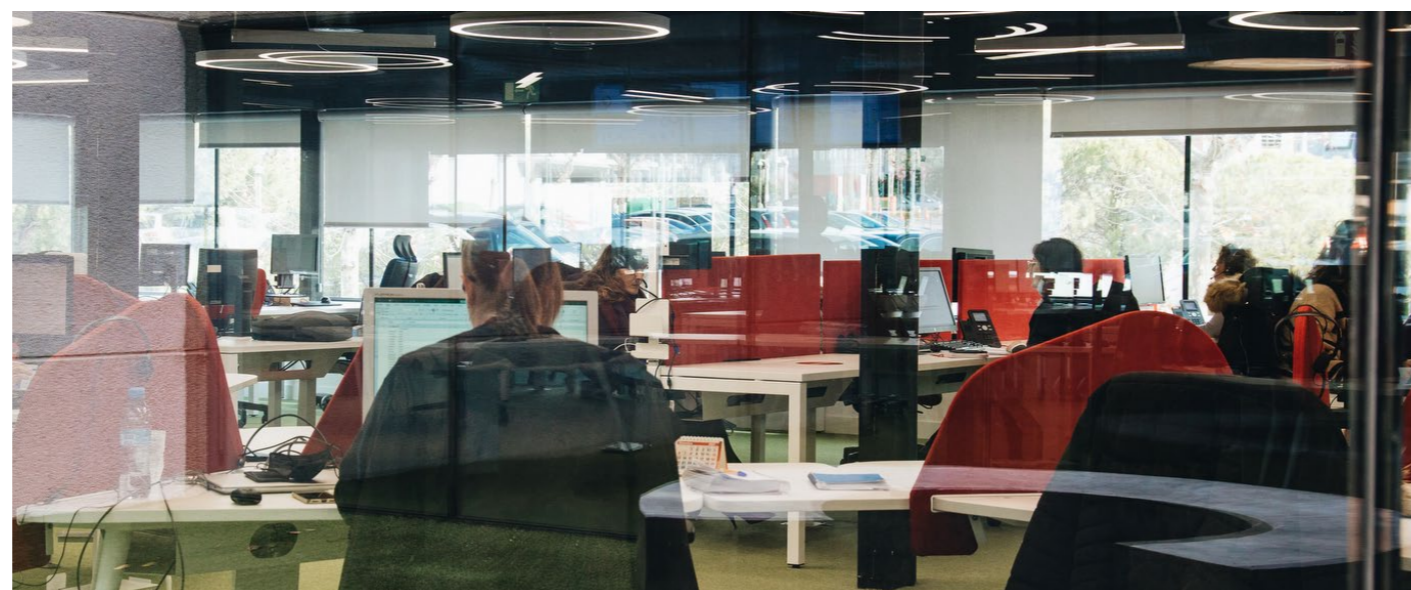
Línea Directa Aseguradora is a member of the Spanish network of the United Nations Global Compact and is committed to incorporating the UN Guiding Principles on Business and Human Rights into its activities, for which it has a Human Rights Policy approved by the Board of Directors since 2020 and applicable to all the Group's subsidiaries.

The Policy is intended 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, such as the UN Global Compact, the UN Principles for Responsible Investment and the UN Principles for Sustainable Insurance. In addition to describing how this protection is implemented in its operations, the Policy also outlines Línea Directa's commitments in its operations as an insurer, to its professionals as an employer and to suppliers as a business partner.

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 practices 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

**In order to meet regulatory trends, the requirements of supervisors and analysts and the commitments assumed by the company, Línea Directa Aseguradora has carried out its first due diligence exercise in the area of human rights.**

The objective of Línea Directa's due diligence process (and that of its monitoring and reporting) is to be in line with best practices in human rights and to meet the requirements of different ESG analysts, serving as support for the measurement of social impacts, regulated by Law 11/2018 on Non-Financial Information and Diversity, which transposes EU Directive 2014/95 and establishes a framework for human rights analysis.

The following international frameworks have been taken into account for the due diligence procedure, most of which are also included in the company's Human Rights Policy:

- The International Bill of Human Rights of the United Nations (UN).
- The ILO Declaration on Fundamental Principles and Rights at Work, as well as its core conventions (including freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation).
- The OECD Guidelines for Multinational Enterprises
- The European Convention on Human Rights
- The EU Action Plan for Human Rights and Democracy 2020-2024

Línea Directa is firmly committed to the application of other national and international human rights standards, always with the aim of expanding its commitment in this area and integrating them into its risk management, decision-making and governance processes in its operations and in its relations with its stakeholders.

This commitment will also enable the company to promote transparency in all its policies and procedures and to engage with customers, industry

and other stakeholders to share best practice in this area, address common issues and offer real solutions.

### PURPOSE OF THE PROCEDURE

Línea Directa Aseguradora’s human rights due diligence process includes the identification of potential human rights violations based on the **Company’s commitments**.

The commitments made cover five dimensions of the company: as an employer, as an insurer, as an investor, as a collaborator and partner and in relation to its environment.

The identification of risk events goes hand in hand with the delimitation of actual or potential negative impacts and defines the criteria to be considered in order to facilitate their assessment, prioritisation and management. The process was defined and developed with the involvement of an independent third party and the key areas responsible for each of the five dimensions.

### Assessment

The risk event assessment process is carried out based on Línea Directa Aseguradora’s risk analysis methodology, in order to ensure uniformity of criteria. The methodology also defines how to assess the impact, likelihood and severity of each event.

Human rights due diligence is conducted **at least every three years**.

This methodology will be used to identify potential human rights risks in operations, the value chain, business-related activities and new business relationships such as mergers, acquisitions or joint ventures.

### Parameters taken into account

Once the impact and likelihood variables have been assessed, the severity of each risk event is determined, allowing the company’s human rights risk map to be drawn up.

IMPACT	PROBABILITY
Company involvement	Country
Magnitude	Sector
Reversibility	Level of coverage or control environment

### Due diligence in detail

A categorisation of potential human rights violations has been carried out taking into account each of the dimensions of Línea Directa Aseguradora’s Human Rights Policy: as an employer, as an insurer, as an investor, as a collaborator and partner and in relation to its environment.

	ROLES				
	As an employer	As a collaborator and partner	As an insurer	As a investor	In relation to its environment
ISSUES	Equal treatment in people management	Processes of supplier approval, registration and contracting	Responsible marketing	Investment in companies and 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				

The following guidelines were also used:

- UNEP-FI’s guide to environmental, social and governance (ESG) risk management in general insurance business and the PSI or Principles for Sustainable Insurance.
- The International Finance Corporation’s Guide to Human Rights Impact Assessment and Management.

## Key elements to consider

For each of the risk events included in this document, we have contextualised what the threat may be, the stakeholders that would be affected and the link to Línea Directa Aseguradora’s Human Rights Policy.

This means:

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

In this exercise, the following vulnerable groups have been considered in each of the dimensions indicated in the policy: **women, children, migrants, contractors, local communities.** Attention has also been paid to the **older population** from the point of view of product design and marketing, and to **people with disabilities** from the same point of view and also from the point of view of integration into the company’s workforce.

- **Linking each risk event to commitments** defined and included in the Human Rights Policy.
- **Risk mapping frequency:** the company’s risk map is reviewed on a regular basis as each risk is reviewed at least once a year. The mapping of these risks is carried out jointly by the Corporate Risk area and the area responsible for the management of each threat.



**Línea Directa Group has a whistleblowing channel for reporting breaches of the Code of Ethics.**



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

## REPORTS OF BREACHES OF HUMAN RIGHTS

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. It also has a harassment protocol aimed at preventing inappropriate situations that could hinder the normal development of the company and that could lead to moral, sexual or gender harassment or discriminatory treatment.

In 2023, one complaint of possible human rights violations was received, relating to a case of harassment or unacceptable behaviour, which, after being confirmed by the relevant investigation, led to appropriate disciplinary action. In 2022, one such complaint was also received and followed the same procedure.



# RISK MANAGEMENT MODEL

Línea Directa Group is exposed to a wide range of risks arising from its activity and numerous external factors that may affect the continuity of its business, its strategy, its reputation and its financial objectives. For this reason, it has a management model applicable to all Group companies which, in addition to identifying potential risks, includes a set of principles and regulated procedures for the entire organisation.

The activity of the companies that make up Línea Directa Group is also subject to a series of risks that may affect their reputation, objectives and strategy. To ensure that all risks are properly identified, measured, managed and controlled, Corporate Risk Management has set up a cross-functional management system. The organisation has a set of predefined operating principles and procedures that are systematically applied to all Group companies.

## PRINCIPLES OF ACTION

In order to identify, measure, manage and control the most relevant risks, Línea Directa Group follows the following principles of action:

- Promote a culture of risk management:** risk management is a management responsibility and an integral part of all organisational processes. A culture of risk management should be maintained in every decision made, regardless of the area in which it is made.
- Independence:** at the operational level, appropriate segregation of duties and coordination mechanisms between business units and risk monitoring and control units must be ensured.
- Integral management:** the entities of the Línea Directa Group must identify, measure, manage and control all the risks they are significantly exposed to, establishing the appropriate policies, procedures, structures and means for each of them. To this end, the Risk Map is a tool that provides an overview of the most significant risks to which the organisation is exposed.
- Transparency:** appropriate channels should be maintained to support the communication of internal information so that any threat can be identified as early as possible to avoid or mitigate its impact.
- Review and constant improvement of risk management:** the adequacy, suitability and efficiency of risk management will be periodically reviewed and evaluated. The opportu-



nities 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 should also be looked at.

- 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.

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.

## Responsibilities

The roles and responsibilities of the various governing bodies of the company, as well as those of the parties involved in the risk control and management process, are strictly defined.

- The Board of Directors of Línea Directa is responsible for defining the general risk policy, which serves as a framework for other specific policies for each type of risk, ensuring a homogeneous application in all areas and subsidiaries of the Group. In addition, it is responsible for risk appetite setting and risk monitoring, ensuring that identified risks are properly monitored and managed. On an annual basis, the Board of Directors or the Audit and Compliance Committee set risk tolerance limits and approves changes in the thresholds of key risk indicators (KRIs).
- The Audit and Compliance Committee is responsible for overseeing the effectiveness of the company's internal control, internal audit and risk management systems. This committee is informed by the heads of the Internal Audit and Corporate Risk (Risk Management and Internal Control, Actuarial and Regulatory Compliance roles and ICFR) in relation to the most significant risks included in the entity's Risk Map, as well as the status of the recommendations issued and the performance of the Key Risk Indicators (KRI).
- Internal Audit 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, Actuarial, Compliance and ICFR functions are responsible for:

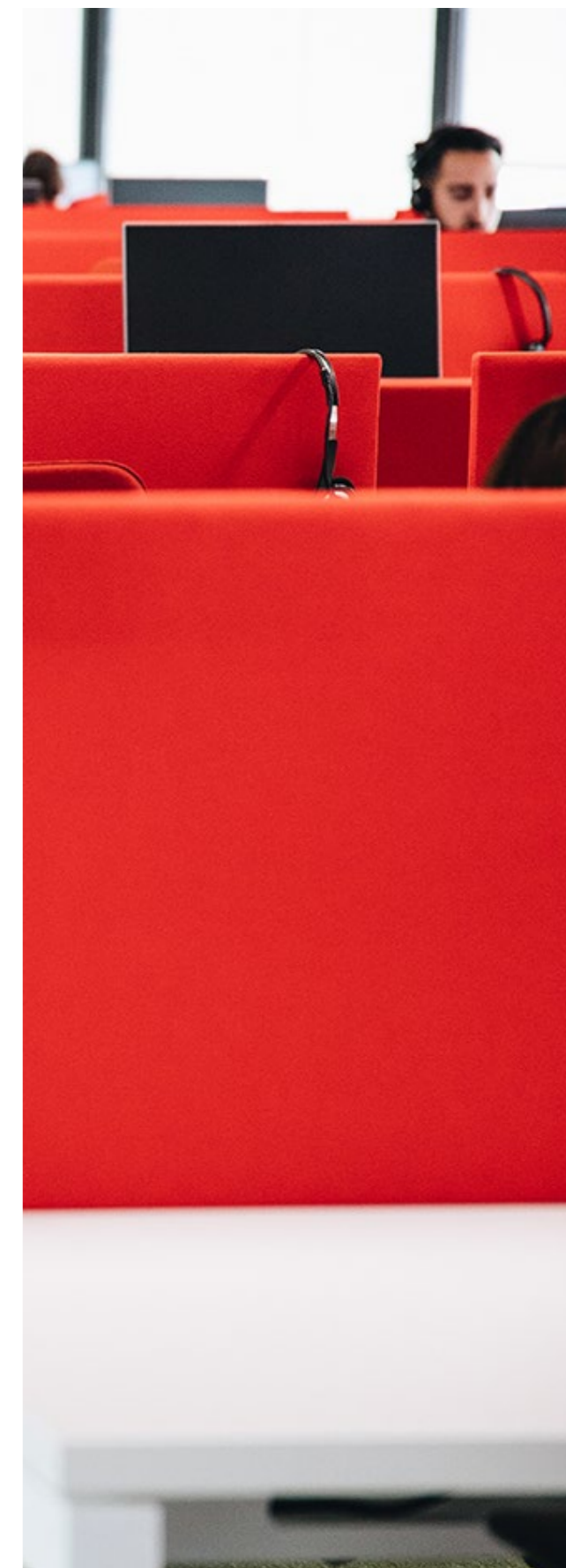
- Ensure the proper functioning of risk management and control systems and, in particular, that all significant risks that may affect the company are properly identified, managed and quantified.
- Playing an active role in drawing up the risk strategy and in important decisions around risk management.
- 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 controls (defined as measures to mitigate the impact of identified risks) and make recommendations to the officers responsible for the risks - recommendations that will be turned into action plans.
- Regularly reporting to the Management Committee - and, as often as deemed appropriate, to the Standing Risk Committee - 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 Board of Directors or the Audit and Compliance Committee set risk tolerance limits and approves changes in the thresholds of key risk indicators (KRIs).**

The risk management functions are equipped with adequate reporting systems and controls to ensure compliance with this policy and the way they function is described in the specific policies for each type of function.

- The Standing Risk Committee is responsible for facilitating and monitoring the implementation of effective risk management practices for all risks to which the company is exposed, including ESG risks.
- The competencies and organisation of the specific committees are set out in the Línea Directa Aseguradora S.A. Governance System.
- Senior Management is responsible for creating a culture and organisational structure that promotes effective risk management. The heads of the business and support areas must remain aware of the risks in their area of activity and manage them in a way that is consistent with their functions, powers and responsibilities, while also implementing the necessary measures for risk management.
- The business and support areas are responsible for detecting and reporting the risks that may arise in the course of their activities, and for managing them, in coordination with the areas that make up the Risk function.

Línea Directa has internal control processes and an effective risk management system that complies with applicable regulations and is in line with best practises in the sector.



## MANAGEMENT STRUCTURE

In order to exploit synergies and optimise dialogue with the first line of defence, a Corporate Risks department was created in 2022, bringing together the following functions:

- The Risk Management and Internal Control function
- The Actuarial function
- Regulatory Compliance
- Internal Control of Financial Information.
- Data Quality

Its mission is to provide a risk map that highlights current and emerging threats to the business and to ensure an effective control environment that strengthens the long-term sustainability of the business.

To this end, Línea Directa Group has set up different levels of management or “defences” to ensure that facing each type of risk there is:

- **A management unit** directly responsible for its day-to-day or current management, acting as the first line of defence.
- **A structure of committees**, each of which is responsible for identifying, managing and reporting risks to the organisation’s governing bodies, and in which the management units report and report specific decisions. As a result of their membership and functions, these committees have executive functions in that they make decisions relating to the risks that 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 guarantees:

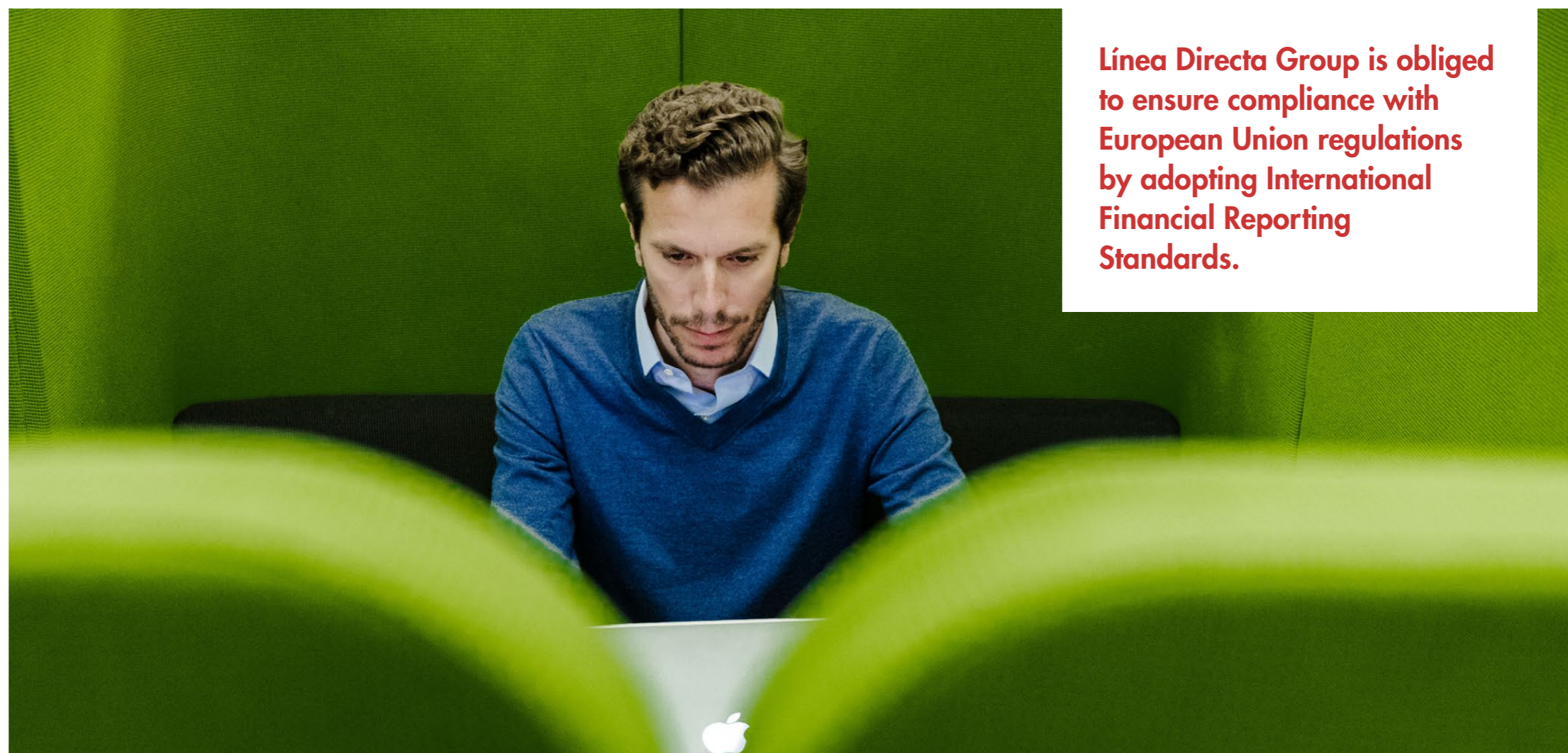
1. That there is adequate control, management and reporting of all risks at the various levels of “defence”.
2. That control and reporting is vertical and transversal, through both dependent entities and independent control functions.
3. That there is adequate scalability of reporting, control and decision-making.
4. That responsibility, knowledge and control of risks is carried out at different levels up to the highest level of governance.

Following its IPO, Línea Directa Group is obliged to 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 objectives of identifying and determining the relevant financial information that must be subject to internal control over financial reporting (ICFR), as well as the processes required for its preparation, under a defined materiality criterion and taking into account all reported and published financial information.

The ICFR is part of internal control and is the set of processes that the Board of Directors, the Audit Committee, Senior Management and rele-

vant employees carry out to provide reasonable assurance regarding the reliability of financial information disclosed to the markets.

The Internal Control over Financial Reporting department, which is responsible for the effective implementation of ICFR and its proper monitoring, continued to work on identifying, reviewing and documenting the relevant information processes included in ICFR, designing and implementing controls over the above information and establishing a periodic report to the Audit and Compliance committee on the operating effectiveness of the controls for each quarterly financial statement, in addition to establishing a review process by the external auditor.



**Línea Directa Group is obliged to ensure compliance with European Union regulations by adopting International Financial Reporting Standards.**

## IDENTIFIED RISKS

Identified risks are grouped into the following categories:

- **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 compliance).
- **Financial reporting risk** (ICFR).
- **ESG risks** (environment, social and governance).
- **Reputational risk.**
- **Strategic risk.**
- **Emerging risks.**

The governing bodies receive information at least quarterly on the main risks to which the institution is exposed, the capital resources available to manage these risks and compliance with the limits set out in the risk appetite.

The Corporate Risk team, together with the other areas of the company, periodically analyses the risks that could impact the business if they

were to occur, including environmental, social and governance (ESG) factors. Based on this analysis, an evaluation is made and prevention and mitigation measures are identified to obtain the residual risk assessment. A number of significant materialisations have been identified:

- Claims incurred due to atmospheric damage (significant, although lower than in 2022).
- A drop in the NSS indicato.

Corporate Risk has set up a communication channel on the intranet so that any employee can report potential risks or materialisations.

The main risks that may have an impact in the medium to long term are the following:

### Cyber attacks

In a connected world, IT security and preventive measures against increasingly professionalised cybercrime are of crucial importance. In this respect, cyber-attacks are one of the company's main concerns in the area of risk management, as a security breach can seriously affect business continuity, trust and reputation. For this reason, Línea Directa has a strategy in this area, in which it applies a comprehensive vision of the processes involving different areas of the company and critical suppliers, allowing it to centralise efforts and reinforce response and recovery systems and protocols.

In addition to the specific security measures described in the specific section on cybersecurity, the company has a cyber-risk policy that covers the possible consequences of this type of event.



### Business continuity and crisis response

Over the last fifteen years, we have witnessed a succession of crises that have stressed and destabilised the global economy. Events such as the subprime mortgage crisis, the COVID-19 pandemic, the serious geopolitical situation, extreme weather events, energy crises or the inflationary process have been experienced for the first time on a global scale.

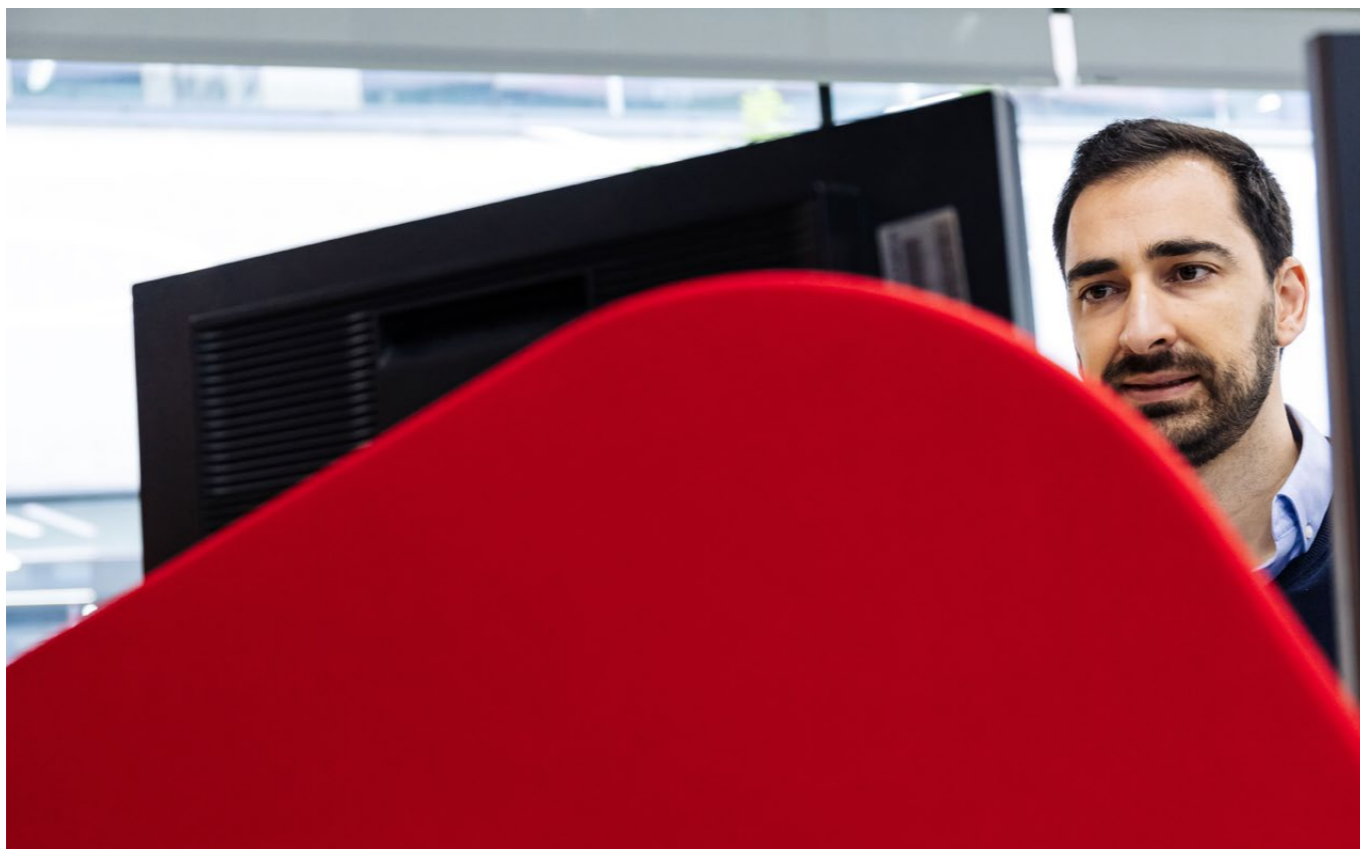
The depth and seriousness of these events have increased the sense of threat for mass consumer companies, which has led Línea Directa to implement a specific Business Continuity Plan that guarantees a strong response capacity in the event of major unforeseen events.

### Consequences of climate change

Climate change has increased the frequency and severity of catastrophic events resulting from adverse weather events, leading to a significant increase in claims expenses. Moreover, their increasing intensity and virulence make it difficult to manage them in a timely manner and can deteriorate the service provided to the insured, as well as affecting the company's results.

To mitigate this risk, Línea Directa Aseguradora has set up specific procedures for the management of these claims, as well as an accumulation reinsurance programme that provides coverage for claims that exceed a certain amount due to their severity and are not covered by the Insurance Compensation Consortium. In this type of reinsurance, the claims costs of the event that exceeds the priority set in the contract are ceded, the claims costs being understood as the sum of all individual claims affected by an event that meets the conditions set in the contract.

With the exception of 2019, when no catastrophic events were recorded, such events have become commonplace and their average cost has increased significantly over the last two years.



Historically, these events have tended to be concentrated in coastal areas, so the company has carried out an atmospheric damage guarantee study for homes within 30km and 10km of the coast for the following geographical areas:

- **Catalonia.**
- **Levante:** Comunidad Valenciana, Murcia and the Balearic Islands.
- **Andalusia.**
- **Northe:** Galicia, Asturias, Cantabria and the Basque Country.

It has also been observed that these events are no longer exclusively located on the coast, as they are increasingly occurring in inland areas, and the study will be extended to include these areas in future years.

On the other hand, in relation to the goal of net zero emissions by 2050, Línea Directa Ase-

guradora has in place its Sustainability Plan 2023-2025, which aims to promote sustainable growth based on ESG dimensions and position its direct model as its best asset in the face of the opportunities and challenges posed by the next three years.

In addition, the design of appropriate controls and key risk indicators (KRIs) has been promoted to support the Audit and Compliance committee.

### The consequences of geopolitical crises

The tense economic and geopolitical environment has contributed to higher inflation. The tightening of monetary policy and the slow-down in major economies will have an impact on insurance markets. After 20 years of steady market pressure on average motor premiums, the industry has seen an increase in average rates over the past year, but the inflationary en-

vironment continues to have a negative impact on margins and profitability.

On the other hand, the direct model, characterised by direct contact with the customer and the strategic orientation of the organisation, is a great asset in adapting to the current economic circumstances, as it offers significant advantages in terms of cost control, stability of supply systems, efficiency and specialisation of processes. In addition, the direct model allows for greater fraud detection and control, as the fewer intermediaries in the claims management chain, the easier it is to control, detect and prevent potential fraudulent actions.

The responses in financial markets is also having an adverse impact on the valuation of risky assets. Although the company maintains a prudent portfolio in terms of financial instruments (government and corporate bonds), there are risks associated with the capital markets, such as interest rate movements or the equity market, which could be exacerbated in the current situation of high uncertainty.

### Talent risk

People are a fundamental asset in creating a sustainable, profitable and efficient business. Línea Directa Aseguradora promotes people management based on respect, ethics, equal opportunities, non-discrimination and diversity.

In addition, Línea Directa has implemented strong policies to attract, develop and retain talent to provide the organisation with the skills and knowledge necessary to achieve its strategic objectives. For this reason, a strategy has been set up during 2023 to strengthen the company's position as a benchmark employer brand through attractive, modern and digital communications.

Línea Directa has in place a specific Talent Attraction strategy that allows it to meet its business and service needs in a highly volatile environment, based on the following principles:

- Attraction
- Selection
- Integration
- Loyalty

On the other hand, Línea Directa seeks to increase the value of the assets it offers as an attractive place to work. This strategy is based on projecting a real and transparent image of the culture and life in the company, and is built on the principles of the Employee Value Proposition, in which each candidate and each person is unique.

The company has a specialised recruitment team that treats each process individually. The added value this team provides lies in the fact that it strategically creates an experience for candidates, allowing them to get to know the company, their future area of work and their colleagues, and then providing them with the necessary technological tools and the necessary training for the performance of their duties.

Another way of strengthening candidate loyalty is to ensure consistency between the experience of the recruitment and selection process and the process of integration into the company; for Línea Directa, integration is a key moment in which the importance of people and their contribution to the organisation is valued.

The company has also set up talent communities that nurture specific talents in each functional area, develop their own training programmes and share knowledge and experience regardless of their place in the organisation. In addition, the company nurtures leadership in its

Darwin, Crece and Smile communities; it nurtures analytical capabilities in its Pi community; and management efficiency through the implementation of the Agile methodology in project management.

## Regulatory changes

Increased regulatory pressure is forcing Línea Directa to comply with the requirements and restrictions imposed by new legislation, adapt its processes and systems, and strengthen its legal teams. The expected regulatory changes in the area of sustainability and climate change could have a significant impact on companies.

Línea Directa has developed different measures to mitigate this risk. Firstly, it has a bulletin of regulatory and legal news, which includes regulatory projects, relevant criteria issued by the main supervisors and other news of importance that may affect or be of interest to the institution. In addition, the Management team is promptly informed of the changes and their potential impact on the business, and awareness programmes are conducted throughout the organisation on the new regulations and the risks they may entail.

The company also has other tools in place, such as the Regulatory Radar, which analyses regulatory changes and their potential impact, and helps to drive the implementation of measures to ensure that these changes are incorporated into processes and operations.

During 2023, the following policies have been updated:

- Code of Conduct for Suppliers
- Internal Audit Policy
- Reinsurance Policy
- Tax Policy
- Procurement Policy and Relationship with the Statutory Auditor
- Línea Directa Group Ethics Channel Policy
- Health, Prevention, and Well-being Policy
- Internal Regulations Management Policy
- Actuarial Function Policy
- Underwriting Policy
- General Risk Policy
- Operational Risk Management Policy
- Brand Policy

## Provisioning risks

The company's reported reserves for payment of claims and related expenses are estimates based on actuarial calculations, statistical models and projections made individually by the Services and Benefits team on the basis of available information. To address the risks associated with provisioning, the following controls are in place: monitoring the development of reserves in the monthly Claims Incurred committee, annual review of the calculation of technical provisions by the statutory auditor, and a calculation of technical provisions by an independent expert as a counterpart to internal calculations.

However, there is a risk of underfunding caused by changes in the applicable legal provisions and the economic environment.



## Digitalisation and emerging technologies

The pace of change brought about by digitalisation and new technologies is rapid, which can lead to a risk of not being able to respond to customer demands in an agile and effective manner, as well as a risk arising from the lack of scalability of the company's technology.

Línea Directa promotes the digitalisation and automation of those processes which, by their nature, can do without human supervision, always with the aim of allocating the talent and training of its team of people to the resolution of those procedures in which they can contribute real value. For this reason, in addition to having teams specialised in technological innovation and in the design and development of new prod-

ucts, Línea Directa has a Digital Transformation department that provides a unique, strategic and transversal vision of this process, and implements various measures aimed at improving customers' digital experience.

## A LOOK AT 2023

In 2023, Corporate Risks continued to work on efficiency improvements, including the following initiatives:

- The integration of all control functions into a single management system (SAP GRC 100).
- The development of procedures and methodological documents that ensure a unified treatment of risk by the different functions of the company. The work is coordinated across all second line of defence functions to understand the cross-impact of the different regulations that apply to each risk. This coordination includes the Internal Audit function, with whom information is shared to enhance both the identification and improvement of controls.
- Consolidation of the risk map (Solvency II and Sustainability oriented). All control environments have been strengthened and 80% of planned mitigation has been achieved. In this regard, a new strategy has been launched in order to align Risk Maps with the DGSFP's supervision priorities for the years 2023-2025. This year, work has focused on the monitoring of market conduct and the protection of customers' rights.
- Updating risk indicators and building a new KRI scorecard for rapid reporting and decision-making.
- Specific training for risk teams to prepare them for new challenges and facilitate the integration of control functions. A 28% of staff in Corporate Risk have obtained a risk management certification (COSO, CISA and Regulatory Compliance) and the Actuarial function has received training in the IFRS17 standard.

- In terms of corporate training, specific training on the calculation of the statistical provision in relation to reserve adequacy risk was provided to directors who requested it. In the area of compliance, the CAR workshops in Madrid and Barcelona have received training. And a training video specifically looking at the penal code is available for the managers and coordinators of Línea Directa.

## GOALS FOR 2024

The objectives and main lines of work for 2024 are as follows:

- Assessing the risks associated with the company's new products.
- Assessing the residual criticality of all the company's risks, for which it will be necessary to review the internal control processes with a view to extending the scope of monitored controls.
- Developing a map of strategic and emerging risks, with details of their control environments.
- Developing, together with the People, Communication and Sustainability area, the SCIINF (Internal Control System for Non-financial Information).
- Actively collaborating in the application for the Dow Jones Sustainability Index.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK MANAGEMENT (ESG)

The company has defined the management model, processes, regulations concerned and methodology for ESG risk management. This is a combined model methodology that provides a qualitative assessment with its own KPIs that help to identify risks that could be considered a more immediate threat. The methodology is monitored periodically to facilitate the transmission of information between the areas responsible for risks and Línea Directa's Risk Management department. On the other hand, work is carried out to monitor the mitigating measures or controls identified in each area, to analyse their effectiveness through the evidence that can be provided, to update their control environment and, consequently, risk assessment. If any improvements are identified, appropriate action plans are put together.

Línea Directa Group's ESG Risk Map contains the risks to which the company is exposed, divided into the three ESG axes looked at from the 5 main business dimensions, and in turn subdivided 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).



Although Línea Directa Group is not in a critical sector in terms of climate change, which is one of the main categories of ESG risks, the company is aware of this issue and promotes and encourages responsible management in this area. To this end, it has specific policies and measures, detailed in the section of this document on environmental management, enabling it to manage the use of resources efficiently in order to minimise the company's impact on the environment.

On the social front, Línea Directa Group has protocols and specific measures to stimulate the potential and development of its employees, encouraging diversity and inclusion, offering the best solutions to maintain employability and promoting safety in the workplace and the health of employees, as set out in the section on

social and staff-related issues. In product design, current market trends, such as electric, hybrid or alternative combustion cars, are also taken into account.

Finally, on the governance front, the company has laid out measures for supplier approval mechanisms; a corporate governance structure that meets all regulatory and best practice requirements; zero tolerance for bribery and any illegal activity as reflected in the Code of Ethics and other internal policies; as well as all information and data security measures implemented in the organisation.

In connection with human rights due diligence, risks have been identified as detailed in the following table:

## EMERGING RISKS

RISK CATEGORY	RISK DESCRIPTION
Insurance risks	1 Lack of physical or digital accessibility to the products and services offered (adapted websites, etc.).
	2 Potential discrimination in access to insurance (products and services) due to biases (low income, vulnerable groups) or other reasons (ethnicity, disability, religion).
	3 Advertising campaigns or messages that infringe on the right to equality and the principle of non-discrimination on grounds of gender, disability, race, etc.
	4 Inadequate processing of customers' personal information.
	5 Failure to offer products and services appropriate to the needs and/or type of customer.
	6 Marketing of products and services that could violate human rights.
Employer risks	7 Discrimination in hiring, promotion, retirement or dismissal processes within the company on the grounds of gender, disability, race, religion, age, illness or any other discriminatory grounds.
	8 Lack of physical or digital accessibility to the workplace (offices).
	9 Lack of management of harassment in the workplace.
	10 Allowing a pay gap or discriminatory pay differential between employees of the same rank and category.
	11 Preventing employees from expressing needs or opinions and/or practising religion.
	12 Forbidding workers from joining together and defending their common interests (placing barriers to joining trade unions and striking - prejudice from superiors, penalties in career development).
	13 Improper handling of employees' personal data.
	14 Allowing changes in the working conditions of (or dismissal of) employees after reporting pregnancy.
	15 Not granting or limiting the stipulated maternity/paternity leave.
	16 Failing to comply with stipulated provisions of pensions, life insurance, health insurance and unemployment insurance.
	17 Failing to secure guaranteed income during an employee's medical leave.
Investor risks	18 Absence of stipulated breaks or insufficient time for breaks including the absence of digital disconnection outside legally or conventionally established working time (not respecting rest periods, leave and holidays, as well as personal and family privacy)
	19 Inadequate protection of workers' health and safety.
	20 Investing in companies that may cause damage to World Heritage sites or other protected areas.
	21 Investing in companies or countries that may be linked to practices likely to impact on human rights.
	22 Investing in companies in controversial sectors whose practices are environmentally damaging.
Risks for collaborators, partners and partnerships	23 Not contracting or disassociating from a supplier for religious reasons.
	24 Hiring suppliers that do not ensure minimum health and safety conditions for their employees.
	25 Hiring suppliers that do not ensure freedom of association for their employees.
	26 Hiring of suppliers operating with personnel under the age set by ILO and/or national legislation.
	27 Hiring suppliers who do not pay their workers at least the minimum wage.
	28 Hiring suppliers who engage in any form of modern slavery (forced or compulsory labour, withdrawal of employee documentation).
	29 Hiring suppliers that engage in discriminatory practices towards their employees.
	30 Hiring suppliers that engage in practices that are harmful to the environment and are precursors of climate change.
	31 Partnering with organisations that may cause damage to World Heritage sites or other protected areas.
	32 Building alliances with organisations that may engage in discriminatory, anti-equality or anti-human rights practices.
	33 Partnering with organisations that engage in environmentally damaging practices and are precursors of climate change.



Emerging risks are new risks that are developing or, by their very nature, changing. These risks are characterised by a low probability of occurrence with indications of growth and significant long-term impact should they materialise.

### Exponential development of Artificial Intelligence Category: technology

An exponential pace of technological development will bring about unpredictable transformations and an era of unprecedented change. In this context, there is a risk that the company will not be able to adapt to such environments, or, more specifically, that superhuman artificial intelligences will emerge that are beyond control, a phenomenon known as technological singularity.

The accelerated development of new digital technologies raises ethical concerns about their implementation, such as privacy, attribution of responsibility or biases in data processing. External artificial intelligence can be disruptive to the insurance business because it also lacks the resources, human and technological capacity to identify and detect unethical situations that impact the business.

The most significant impacts observed are the following:

- Having to adapt the business model to new customer preferences (new forms of contact, more efficient self-service, etc.)
- Having to adapt to new privacy and data protection regulations

The actions that Línea Directa is taking to mitigate this situation are as follows:

- Ensuring that new product developments and the work of the Innovation Committee incorpo-

rate the impact of AI and its consequences on the business model in their analysis.

- Connecting to think tanks, forums, alerts or newsletter subscriptions to keep up to date. Carrying out audits on benchmarking and gaps.
- Implementing 'defensive' algorithms to counteract 'unethical' external effects
- Monitoring through Línea Directa Group's Regulatory Radar, in order to identify any changes in applicable legislation in this area

### Self-driving car Category: environmental, social, economic and technological

The self-driving car is a vehicle capable of performing all driving functions between an origin and a destination without the need for human intervention at any point, beyond indicating the start and end point of the journey.

The use of this type of vehicle generates a type of accident rate unknown to the company and the sector, as well as the cover to which an insurance company is liable in a market that is increasingly oriented towards a sustainable and technological mobility.

There are currently no self-driving cars on the market in Spain, although there are several projects under development. On the other hand, current legislation does not allow the driver to give up control of the steering wheel at any time, so self-driving cars would not be allowed in Spain today, even if technology made it possible. In some US states, such as California, the use of semi-autonomous driving that involves letting go of the car's controls is permitted.

There are also European countries where the deployment of self-driving transport, such as taxis, is being considered, and where developers are allowed to test self-driving cars on roads open to traffic.

The most significant impacts observed are the following:

- Uncertainty about the legislation applicable to the use of this type of technology in vehicles in Spain. Possible legal loopholes and uncertainties due to the lack of an exhaustive analysis of the casuistry, which does not allow us to define with certainty the possible responsibilities, such as for the use of scooters (local ordinances, regional laws, etc.).
- Uncertainty about the coverages with which to insure the vehicle, as well as the determination of the scope of liability of insurance companies, the vehicle manufacturer, or the software designer.
- Uncertainty as to whether software and AI developed by third parties behaves ethically, or whether what is developed by a third country should be applied in Spain or in the EU.
- Adapting infrastructures in the national territory (traffic lights, beacons, ...) to improve current accident rates.

**The accelerated development of new digital technologies raises ethical concerns about their implementation, such as privacy, attribution of responsibility or biases in data processing.**

- Financial losses derived from not adapting to changing consumer preferences or not meeting new business demands by failing to assimilate the changes arising from an acceleration of digital transformation.

The actions that Línea Directa is taking to mitigate these risks are as follows:

- Training and study in algorithms, analysis of autonomous mobility and statistical models of new mobility variables (infrastructure, black boxes...) for the development of the new business. Línea Directa currently markets insurance for vehicles with ADAS, and uses the learning obtained from the accident behaviour of this type of technology to apply it to self-driving vehicles.
- Constant monitoring through Línea Directa Group's Regulatory Radar to identify any legislative changes applicable to the company's sphere of activity.

## Ageing population Category: social and economic

The population of the European Union is undergoing a general ageing process. This is reflected in the main statistical indicators such as the share of the population that is elderly, the old-age dependency ratio and the median age. In fact, the proportion of people over 65 in the population has risen from 16% in 2001 to 21% in 2020, an increase of 5 percentage points in two decades. Furthermore, if we look at the 80+ age group, their share will be almost 6% in 2020, whereas in 2001 it was only 3.4%, i.e. it has almost doubled over this period.

Meanwhile, the census of driving licences of the Directorate General of Traffic (DGT) reveals that in Spain there are already more than 27 million drivers, of which almost 16% are people over 65 years of age, equivalent to more than 4 million people. According to the latest data from the Spanish Directorate-General for Traffic (DGT), of the 1,273 victims of road accidents on interurban roads in 2022, 283 were over 65 years old. On urban roads, the results are no better: of the 473 fatalities in this category, 184 were also over 65 years of age, representing 39% of the total, the largest group of victims.

An ageing of the population, coupled with the consequent loss in purchasing power and more restrictive regulations on driving after a certain age, poses a risk with unknown long-term social and economic impacts. As a result, demand for insurance may decline as the proportion of this age group increases in a few years' time, although the advent of self-driving cars may mitigate this risk.

The most significant effects we have observed from this risk are as follows:

- Changes in the mobility consumption basket in search of cheaper alternatives to the personal car.
- Regulatory restrictions (age, physical condition...) and declining need for insurance.
- Uncertainty about the accident rate in relation to the physical conditions of the elderly population Applicable to all business segments: Motor, Home and Health.
- New 'young' customer profiles related to people from other countries who are gradually moving to Spain.

The actions that Línea Directa is carrying out to mitigate the situation:

- Understanding the needs of the 'older' population: mobility safety, home automation, personal services (companionship, home repairs, etc.) and health.
- Understanding new 'young' customer profiles from other countries that are offsetting the ageing of Spain's population.
- Constant monitoring through Línea Directa Group's Regulatory Radar, with the aim of identifying any new or existing changes in the relevant legislation, whether in the area of data protection or regulatory developments, among others.

## EXTERNAL RISK AUDITS

When looking at underwriting risks, the company uses an independent external consultant to review the calculation of technical provisions with the greatest impact. The scope of the audit includes the technical provisions in the Motor and Home business segments, as well as the premium provisions under Solvency II in the same business segments, because these provisions, which represent the bulk of the reserve and premium risks, are part of the underwriting risk.

This independent external audit is a best practice that the company has been implementing for more than ten years, prior to the entry into force of Solvency II. The aim is to provide greater certainty to the Board of Directors as to the adequacy of the provisions made.

Since the entry into force of Solvency II and since the Actuarial department was created, it has been responsible for coordinating these audits and analysing any differences that may arise between the company's reserves and the alternative calculation developed by the consultant. Because the process is independent from

the area responsible for the calculation of the company's technical provisions, its architecture provides greater independence to the analysis.

The internal control over financial reporting (ICFR) system is in line with the requirements of the Spanish Securities Market Commission (CNMV) to review the internal control over financial reporting in listed companies. The external audit strengthens the transparency and quality of the public information on ICFR provided to the securities markets, facilitates the comparability of the information published by different companies and promotes convergence with countries in our environment where it has been deemed necessary to involve the external auditor in the review of information on ICFR. PricewaterhouseCoopers Auditores, S.L., in its capacity as the Group's statutory auditor, carries out an annual review of the content of the information disclosed to the market as part of the control model of the financial reporting system.



# 3.

# 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 a network of offices throughout the country, but with a centralised model, which makes it a naturally more environmentally efficient company than other competitors in the sector.**

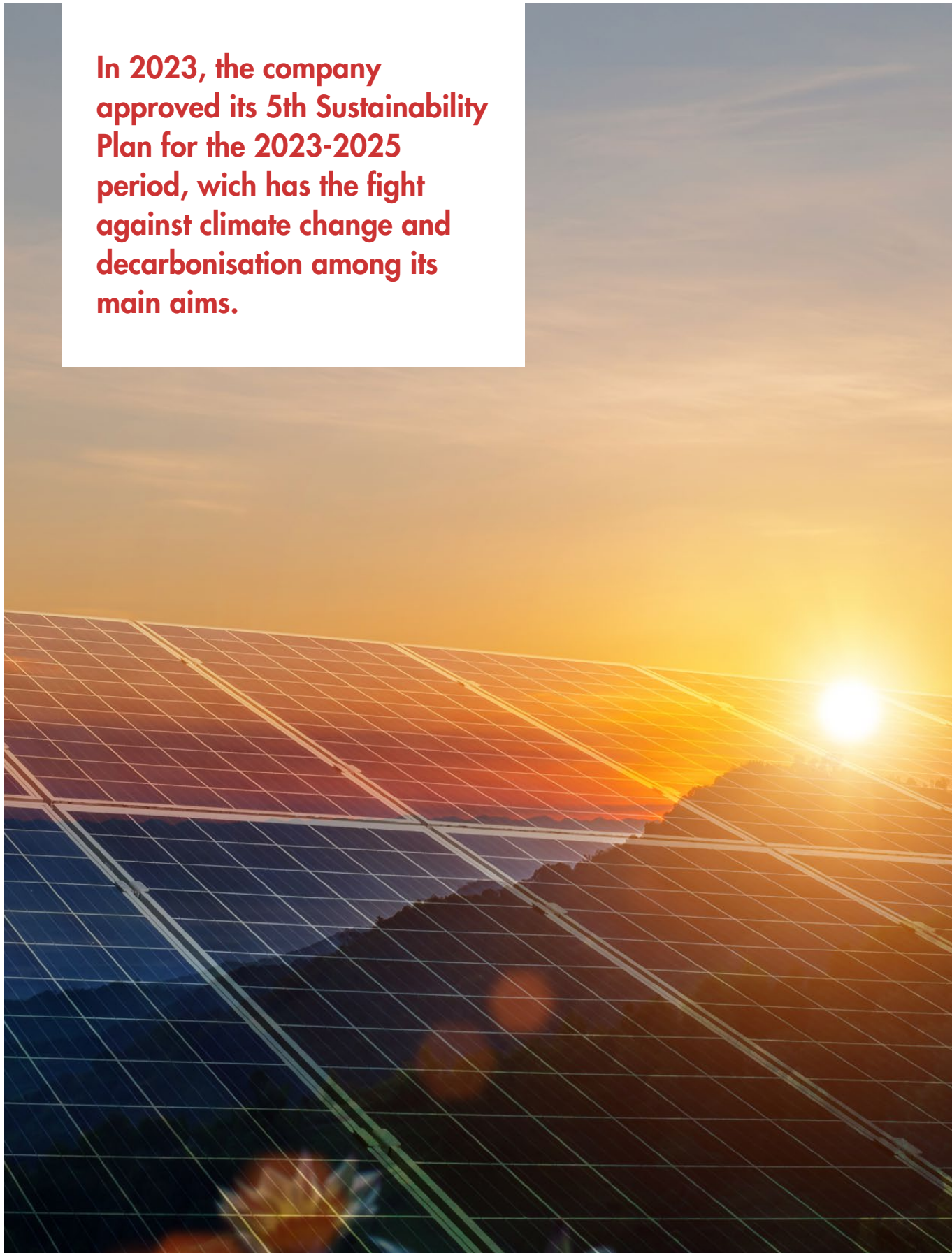
The company is, however, aware that it operates in a key segment in the transition to a low-carbon economy, namely motor transport. With an ageing vehicle fleet and a more restrictive regulatory horizon, Línea Directa is positioning itself with a sustainable business strategy in order to meet the needs of stakeholders in the face of the uncertainties that arise in this regard. The company's activity combines responsible consumption management with the launch of new products 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.

In 2023, the company approved its 5th Sustainability Plan for the 2023-2025 period. The plan has the fight against climate change and decarbonisation among its main aims. As proof of Línea Directa's commitment to these aspects, the incentives of the CEO and the management team have been linked to specific actions defined in the Sustainability Plan, such as, for example, the publication of the first analysis of risks and opportunities in the face of climate change or the measurement of the Scope 3 carbon footprint.

In this regard, the company's adherence to the Task Force on Climate-Related Financial Disclosures is essential within its strategy towards climate change. With this commitment, it undertakes to incorporate and report on governance, strategy, risk and opportunity management and climate change metrics and goals.

In early 2024, the first report on risks and opportunities will be approved and published following the recommendations of the TCFD.

In response to climate change, the company is focusing its activities on a combination of responsible consumption management and the launch of new products for new forms of cleaner 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.



**In 2023, the company approved its 5th Sustainability Plan for the 2023-2025 period, which has the fight against climate change and decarbonisation among its main aims.**

# CLIMATE CHANGE GOVERNANCE AND MANAGEMENT

**The Board of Directors of Línea Directa Aseguradora is the supreme body responsible for the management, direction and representation of the company, and has the power to adopt all corporate resolutions, with the exception of those powers reserved for the Annual General Meeting.**

In particular, the Board determines the overall policies and strategies of the company, including approving, setting and monitoring strategy and risk management policies, including those relating to sustainability and climate change.

Climate change is processed by the company through the Sustainability Plan approved by the Board of Directors and monitored by the working groups that make up its governance structure; it is also processed through the policies that lay the foundations for progress on sustainability and climate change within the company, and through its participation in initiatives of national and international organisations that demonstrate the insurer's commitment to the fight against climate change.

There are members of the management team in particular who have specific responsibilities in the fight against climate change:

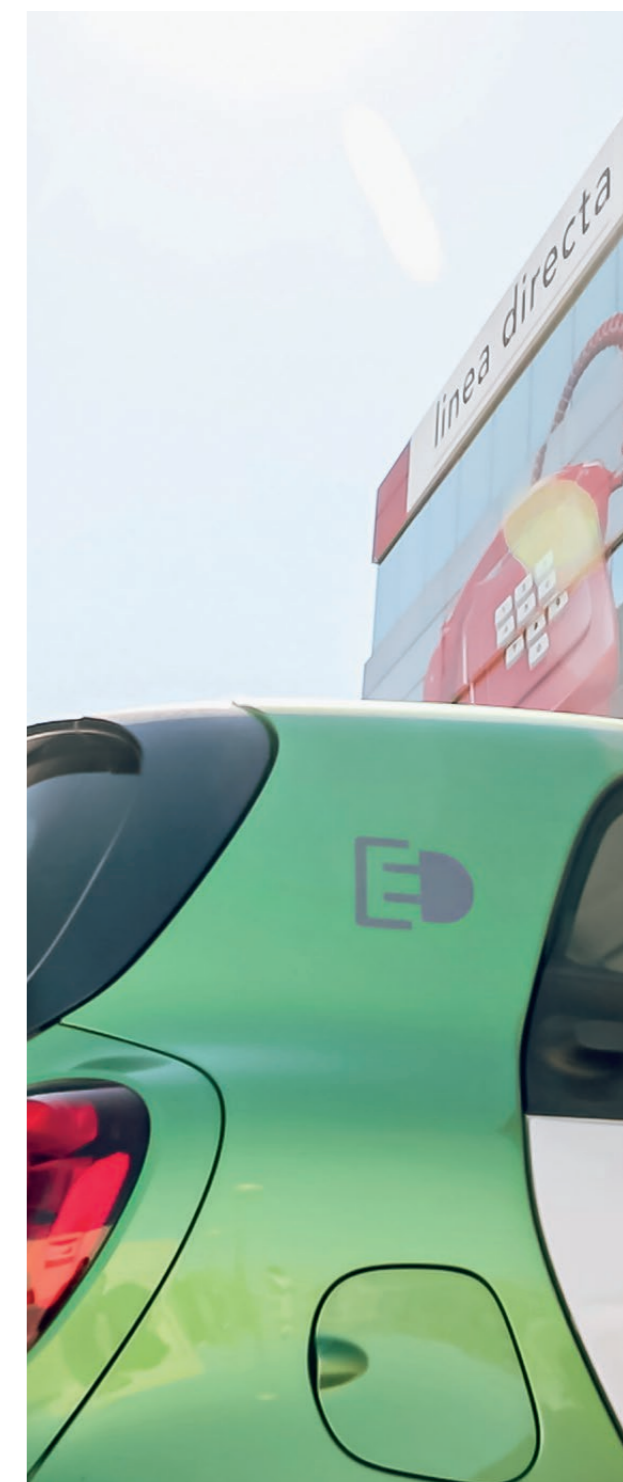
- The **People, Communication and Sustainability** department is responsible for proposing, coordinating and implementing the necessary measures in the organisation to implement the sustainability strategy approved by the Board of Directors and reports to the Appointments, Remuneration and Corporate Governance Committee. In this way, it promotes the integration of ESG criteria across all areas of the business.
- The **Corporate Risk** department is responsible for the overall management, control and supervision of the risks that the Group may incur in (including ESG and climate change risks), after identifying these risks together with the other corporate areas.

Similarly, the Management committee, the Standing Risk committee and the Sustainability committee, deal with climate change issues to a greater extent than the departments above.

The Sustainability committee, made up of the Head of People, Communication and Sustainability, the General Secretary, the Head of Finance, the Head of Marketing and the Head of Services and Benefits, which meets at least three times a year, monitors aspects related to climate change and, in particular, has approved the first TCFD report published by Línea Directa in 2024.

The company also runs a **Sustainability** working group, in which the areas of External Communication and Sustainability, Purchasing, Investor Relations, Corporate Governance, Space Management, Marketing and New Products, Risks, Services and Benefits, Quality, People and Internal Communication and Social Action are represented, and which proposes to the Sustainability committee the actions to be included in the Sustainability Plan and allows for regular, transversal and detailed monitoring of the status of the actions underway in said Plan.

The company has thus implemented a structure, 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, both in its role as an insurer and in its role as an institutional investor.



# RISKS AND OPPORTUNITIES IN THE FACE OF CLIMATE CHANGE

Climate change poses a major threat to the stability of global economic, social and geopolitical systems. This situation has generated a great deal of market interest in the strategies companies are adopting to both reduce emissions and create value for their investors, and to help curtail the risk of a systemic financial shock to the economy from climate change.

For this reason, Línea Directa has joined the Task Force on Climate-related Financial Disclosures (TCFD), the initiative set up by the Financial Stability Board. By joining this initiative, the company commits to incorporating its climate-related financial disclosure recommendations.

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.

In 2023, Línea Directa identified the impacts, risks and opportunities arising from climate change and established a governance procedure, strategy and associated metrics. In doing so, it has followed the TCFD Dissemination Recommendations Guide and aims to have a report approved and published in 2024.

Such report would describe the oversight and role of the company's Board of Directors, Board committees, Steering committees and Sustainability committees in managing climate risks and opportunities.

In addition, short-, medium- and long-term time horizons have been defined in which the iden-

tified risks and opportunities are set out. The impacts on business, strategy and financial planning are also set out, and resilience measures are described for two scenarios, one that exceeds 2°C and leads to an increase in the intensity and frequency of weather events, and the other in which a transition is made by keeping the temperature below 2°C in the long term.

The document will include a description of the process of identifying and assessing climate risks, managing them and integrating them into the company's risk map, as well as metrics related to risk and opportunities, setting targets in this regard. The document will also contain the calculation of emissions generated by the activity according to the GHG Protocol for Scopes 1, 2 and 3.

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 years. To this end, the company has designed a roadmap to analyse the climate risks and opportunities, both physical and transitional, identified in the short, medium and long term, affecting both its operations and its value chain.



## ENCOURAGING THE FIGHT AGAINST CLIMATE CHANGE

Both the CEO and Senior Management have incentives included in their annual variable that are linked to compliance with the triennial Sustainability Plan. These incentives include annual intermediate targets.

For 2023, the company set a target to reduce energy consumption by 5% compared to 2022, which should have a direct impact on reducing emissions. This target for 2023 is included in a broader medium-term objective, which aims to reduce consumption (natural gas and electricity) by more than 15% in 2025 as compared to 2022.

A target related to the climate impact of the company's value chain was also included. To this end, an assessment of suppliers in terms of emissions has been carried out, which will serve to draw up a first diagnosis of the situation. Data has been collected from more than 150 suppliers of the company and 120 related to suppliers in the Services and Benefits area.

A quarterly incentive for the back-office was also included, with climate impact measures

such as the development of a guide to promote sustainable mobility and more sustainable travel habits among employees.

## MANAGING CLIMATE RISKS AND OPPORTUNITIES

Climate risks are part of and affect risk categories already identified and defined by Línea Directa Group in its environmental, social and governance (ESG) Risk Map. The organisation already has processes in place to manage them, from the point of view of issues such as underwriting and reinsurance. These processes, which are supported by the Group's policies and procedures and are aligned with current legal and regulatory requirements, are tailored to the specific nature of climate risks.

The assessment and analysis of risks related to climate change involves Línea Directa's entire value chain, both its own operations and its upstream and downstream activities.

## TYPES OF CLIMATE RISKS

Línea Directa Aseguradora constantly evaluates the factors that may affect its business and financial situation in order to manage them appropriately. Climate change risks, divided into **physical and transition risks**, mainly involve an increase in extreme weather events, regulatory changes, technological disruptions and changes in business models.

### Physical risks

Among the physical impacts of climate change, Línea Directa has looked at both those related to one-off disruptions (**acute physical risks**) and those related to long-term changes in weather patterns (**chronic physical risks**).

From an insurance point of view, **acute physical risks** imply an increased frequency and severity of extreme weather events, such as cyclones, hurricanes, floods and droughts. In contrast, chronic **physical risks** have long-term impacts, such as changes in rainfall patterns, rising average temperatures and sea levels, or prolonged periods of heat or drought. Both cases can have financial implications, such as direct damage to assets or indirect impacts resulting from supply chain disruption.

### Transition risks

The transition to a low-carbon economy to mitigate the effects of climate change is leading to far-reaching economic, regulatory, technological and social changes that may affect the strategy, business model and investment policies of insurance companies. Línea Directa has identified transition risks and classified them in four areas:

- **Market risks**, which include changes in the population's consumption habits, such as a greater propensity to consume certain goods and services at the expense of others, as in the case of electric and fossil-fuelled vehicles.
- **Reputational risks**, which can arise from a company's inadequate contribution to the transition to a low-carbon economy and lead to a change in the way it is perceived by its stakeholders.
- **Technological risks**, which refer to the impact on organisations of technological innovations that underpin the transition to a low-carbon economic system, displacing old ones and causing loss of competitiveness, increased production and distribution costs, or changes in consumer demand for products and services.
- **Legal or political risks** relate to the impact of existing regulations, the emergence of new regulations or changes in public policy aimed at limiting actions that may exacerbate the adverse effects of climate change.

### Time horizons: towards 2050

Línea Directa is developing and analysing scenarios to anticipate the possible positive and negative impacts arising from different risks and opportunities, including those inherent to global warming and its secondary effects. In 2023, the company assessed various stress scenarios over a time horizon that reflects the progress of climate change over time. The Group has used its own methodology, taking into account the time horizons defined by the European Insurance and Occupational Pensions Authority (EIOPA) as well as scenarios modelled by bodies such as the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGSF).

Given the complexity of designing and assessing long-term stress scenarios, where impacts need to be assessed under assumptions and over longer time horizons than those commonly used in financial risk assessment and strategic planning, we have divided the assessment of all climate change risks and opportunities into three different time horizons:

- Short term: less than 5 years.
- Medium term: between 5 and 10 years.
- Long term: beyond 10 years.



### Scenarios envisaged under climate change

In order to identify and develop the risks and opportunities arising from climate change, Línea Directa has looked at different climate scenarios qualitatively. The scenarios used include those relating to transition risks and physical risks and that meet two additional conditions:

- That at least one scenario from the **transition risks** category looked at temperatures rising by **1.5 °C** and that it be a disorderly scenario. The analysis focused on the NGFS scenarios assuming both orderly and abrupt change (Net Zero 2050 and Divergent Net Zero).
- That scenarios include mixed RCP and SSP scenarios modelled by the IPCC, and that at least one scenario looked at temperatures rising under **2°C (SSP1-2.6)** and that at least one scenario looked the most stressful physical risks (**SSP5-8.5**).



**Línea Directa has started by estimating the social cost of the impact of its carbon footprint and of its efforts in supporting the transition to electric and hybrid vehicles.**

## **A STRATEGY TO BUILD RESILIENCE AGAINST THE IMPACTS OF CLIMATE CHANGE**

Línea Directa has drawn up a strategy to address identified risks and opportunities in accordance with the TCFD recommendations guide. The strategy includes measures to address market and regulatory changes that may take place in the insurance sector; it also sets out strategic lines to model climate risks, promoting a circular economy and diversified reinsurance with solvency guarantees. The strategy also includes adopting new technical profiles to ensure compliance with the requirements of an increasingly demanding transition scenario.

Moreover, the Sustainability Plan includes a roadmap for this purpose, and will incorporate measures with short and medium term targets, with a time horizon of less than 5 years.

### **Emission reduction targets**

The 2023-2025 Sustainability Plan aims to reduce the company's emissions by reducing energy consumption and paper and plastic waste by 15% by 2025 compared to 2022. This will result in a significant reduction in the carbon footprint.

The Sustainability Plan also includes a calculation of full Scope 3 emissions, including the 15 categories set out in the GHG Protocol. The company has reviewed the 2022 calculation and will re-run the exercise to set absolute and intermediate reduction targets in line with SBTi, confirming a potential pathway to full decarbonisation by 2050.

### **Internal carbon price**

Línea Directa sees the implementation of an internal carbon price as an essential tool to drive the transition of its operations towards a low-carbon economy, to anticipate possible regulatory changes in this regard, to increase energy efficiency and to move towards an investment portfolio committed to reducing carbon emissions. It therefore included this measure in its Sustainability Plan 2023-2025.

To this end, the company has started by estimating the social cost of the impact of its carbon footprint and of its efforts in supporting the transition to electric and hybrid vehicles.

In doing so, it used the International Carbon Price Floor (ICPF) set by the International Monetary Fund in its report "Proposal for an International Carbon Price Floor Among Large Emitters". The report, published in June 2021, estimates a price of USD 75 per tonne of carbon in high-income countries.

It was then estimated that the carbon footprint of Línea Directa's Scope 1 and 2 emissions have a social impact of USD 60,810. For Scope 3 emissions associated with the value chain, the impact rises to USD 6.9 million.

In contrast, the social impact of specific products for the underwriting of electric and hybrid vehicle risks is very positive, avoiding up to USD 2.35 million in social costs.



# CARBON FOOTPRINT

Línea Directa Group has been calculating its carbon footprint for over 12 years, and makes significant efforts year after year to improve the accuracy of its calculation and gradually reduce the sources of greenhouse gas emissions in its carbon footprint.

In previous years, calculations covered the following sources of emissions: Direct (fossil fuel consumption), Indirect (electricity consumption) and Induced (including travel, business trips, paper and water consumption).

In 2023, Línea Directa Group perfected its calculation of indirect emissions generated by its own activity following the provisions of the GHG Protocol for the calculation of Scope 3, as well as the indications of the Accounting and Reporting Standard of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Línea Directa's Scope 3 is particularly relevant because it represents 99% of the Group's emissions. The most significant emissions derive from purchases of products and services from suppliers (Category 1) and financed emissions (Category 15), i.e. from financial investments, in the Group's role as institutional investor. The results for Scope 3 for the year 2023 will be released in the company's first TCFD report to be published in 2024.

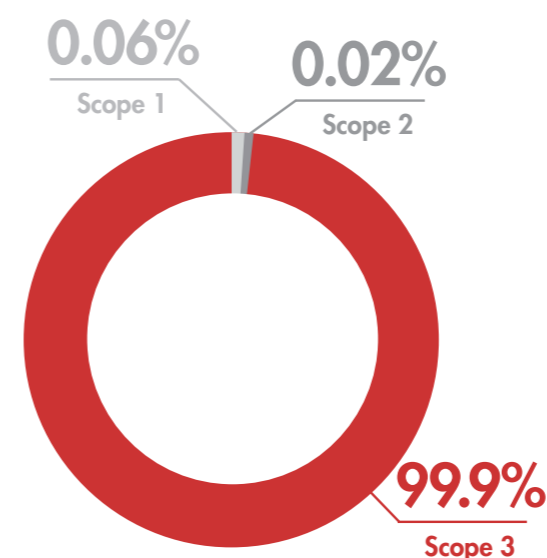
## 2022 CARBON FOOTPRINT VERIFICATION

Línea Directa Aseguradora has verified its 2022 carbon footprint created by all its emissions sources, including all three scopes for the first time, through an audit carried out by an independent third party and based on the GHG Protocol.

In addition, Línea Directa Asistencia calculates annually the greenhouse gases emitted in the services it provides on the road. The subsidiary takes into account the annual mileage of towing services, rental cars and taxis provided to customers while their vehicle is being repaired, the inspection services provided by surveyors and the collection and delivery of replacement vehicles to customers. A total of 6,947 tonnes of CO<sub>2</sub> were recorded in 2023, 4% less than in 2022.



LÍNEA DIRECTA CARBON FOOTPRINT DISTRIBUTION



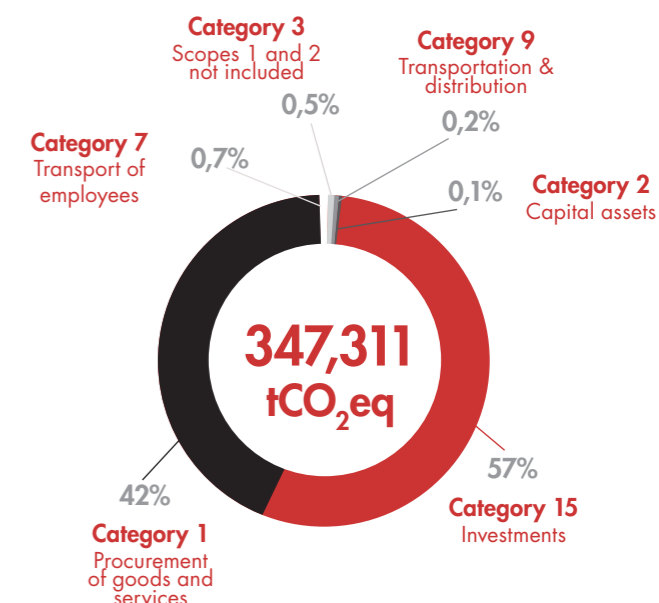
## 2022 CARBON FOOTPRINT RECORDING AND OFFSETTING

The company has again registered its carbon footprint with the Ministry for Ecological Transition and the Demographic Challenge in 2022, through the Spanish Climate Change Office (OECC). The company also plans to offset Scopes 1 and 2 of its carbon footprint through a series of absorption projects.

## CARBON FOOTPRINT REDUCTION TARGETS

Línea Directa ha establecido recurrentemente obLínea Directa regularly sets short-term targets in line with its roadmap for decarbonising its operations. The Sustainability Plan currently in

LÍNEA DIRECTA CARBON FOOTPRINT DISTRIBUTION 2022



force foresees a 5% annual reduction in Línea Directa Aseguradora's energy consumption, and consequently a similar reduction in the Group's Scopes 1 and 2 carbon footprint. This objective has been largely achieved, thanks to the measures adopted in 2023. The Group also set a first-time target of a reduction of 5% of Scope 3 emissions between 2022 and 2023.

In addition, the Sustainability Plan includes the definition of a science-based emissions reduction target, following the recommendations of the SBTi initiative, which will set the decarbonisation roadmap for the company in its roles as both an insurer and an institutional investor.

# ENVIRONMENTAL MANAGEMENT SYSTEM

## CERTIFICATION

Línea Directa Aseguradora has implemented an Environmental Management System, certified under 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 100% of its employees. The company has also implemented an Energy Management System, certified under the UNE-EN ISO 50.001:2018 international standard, which guarantees a lower environmental impact by reducing energy consumption.

Both certifications are renewed annually, allowing for the annual identification of new regulatory requirements and risks associated with these management systems.

These management systems also allow the planning and implementation of measures and strategies for the most effective control and management of all resources, with the ultimate aim of minimising the environmental impact and reducing the environmental costs arising from the company's activities.

## ECO-EFFICIENCY AND SUSTAINABLE USE INDICATORS

In its last two sustainability plans, Línea Directa Group set targets to reduce energy consumption and improve the efficiency of its facilities.

Moreover, 100% of the electricity consumed in 2023 by the Group's parent, Línea Directa Aseguradora, comes from renewable sources and

14% is self-generated by photovoltaic systems in the Group's own facilities.

Similarly, the company has placed an emphasis on avoiding unnecessary consumption of materials such as paper in its operations. The measures taken have led to a reduction in paper consumption in 2023 to one third of what was consumed in 2019.

Waste generation is a sub-item of the environmental management and responsible consumption category. For Línea Directa, the correct separation of its waste to facilitate recycling is a key objective.

In the CAR Madrid and CAR Barcelona repair shops, various measures to reduce energy consumption and the associated environmental impact continue to be implemented. At CAR Madrid, the solar panels became fully operational in June 2022, and by 2023 they were already self-generating 12% of the electricity consumed in the building.

CAR Barcelona is located in a high-efficiency building with LED lighting, high-efficiency compressors and energy-efficient paint booths. The fleet of replacement vehicles has been renovated in both centres, paying special attention to the reduction of emissions and improved safety features.

In 2023, LDA Reparaciones, the Group's subsidiary that services the Home segment, replaced the fleet of vehicles used by its professionals (in home assistance services) with vehicles that are less harmful to the environment.

To encourage employees also make this transition, the company has developed a carbon footprint reduction plan that applies to both the company's carbon footprint and the carbon footprint of individual employees. Its measures include car-sharing schemes, the promotion of public transport, the publication of a guide to improving employees' mobility habits and the provision of several electric vehicles for employees to use during the working day. The number of charging points available to employees has been increased to 16 to facilitate the use of plug-in vehicles for commuting to work.

## WASTE MANAGEMENT

To manage the waste generated, there are waste collection points at each plant and office, clearly signposted so that all employees are able to separate organic waste, paper waste and packaging.

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

## CIRCULAR ECONOMY

In recent years, Línea Directa Group has developed a set of actions that promote a circular economy, which is one of the main global challenges in this regard. The company's plan is based on the following three main pillars:

- A project, launched in 2016, aiming to reduce paper consumption through the implementation of digital procedures. Customers can have all their documents available digitally through the "Digital Policy", which is sent to the policyholder when the policy is taken out. 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.
- Using sustainable materials, promoting responsible consumption of resources, through the use or recycled resources 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.

The above 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

**Biodiversity is not a relevant issue for Línea Directa Group, as it is located in urban areas and does not have an impact on protected natural areas and/or biodiversity.**

Línea Directa has carried out an analysis of the recommendations for the disclosure of risks and opportunities related to nature, and has not currently identified issues that may have an impact on this aspect, either positive or negative, nor that are relevant in the short or medium term for the company.

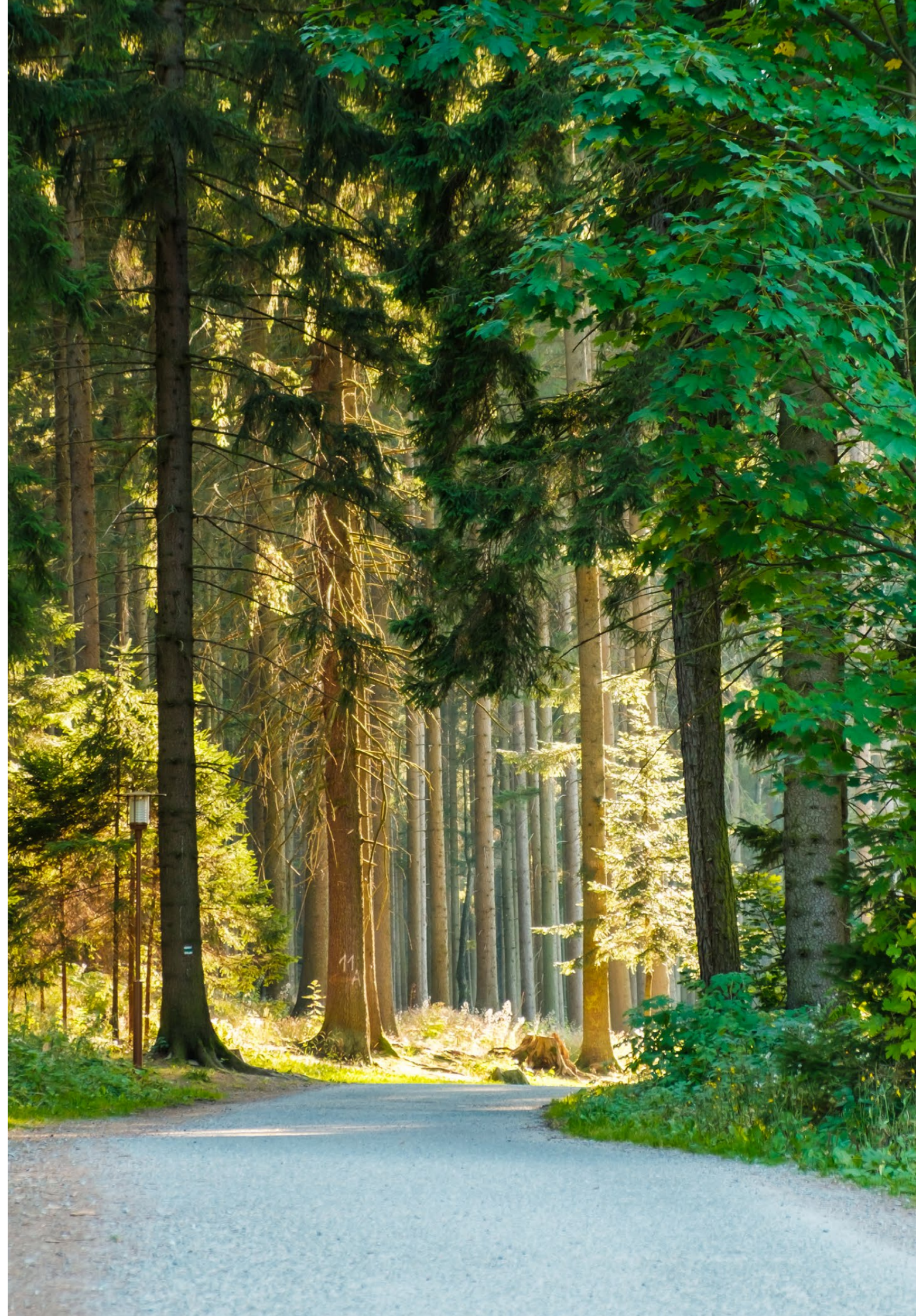
The business segments Línea Directa operates in as an insurer do not include activities that could have a negative impact on biodiversity or any animal species.

In future years, the company will evaluate the suitability of such an assessment, especially from the role of institutional investor. However, in order to be able to make a complete diagnosis, the companies in which the Group is a shareholder need to make public their corresponding analysis of risks and opportunities related to biodiversity in the coming years.

Moreover, the heterogeneity of the company's current value chain makes it difficult to obtain complete information related to the impacts on nature and, as a consequence, to carry out an exhaustive diagnosis of the risks and opportunities related to it.

The company's operations combine responsible consumption management with the launch of new products for new, less polluting forms of mobility. In addition, the company continues to make progress in managing its value chain responsibly and integrating ESG criteria into its investment portfolio.

Meanwhile, as sign of its commitment to nature and the environment, Línea Directa Group supports the initiative promoted by WWF, "Earth Hour", whose aim is to mobilise individuals, companies and governments to reverse the loss of biodiversity in nature. In particular, the company actively participates in the activities promoted by this initiative and makes an annual contribution to it.



# ADAPTATION TO CLIMATE CHANGE

The aim of 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 June 2023, the European Commission has laid out, by means of Delegated Acts, the technical criteria for the other four environmental objectives set, which are: "Water protection", "Circular economy", "Pollution prevention" and "Biodiversity and ecosystems", thus completing its green Taxonomy.

## SUSTAINABLE ACTIVITIES

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.

## PREVIOUS SITUATION

In previous years, Línea Directa Group has been reporting its eligibility percentages for both its business activity (specifically its premiums) and its assets. As of this year, the legislation requires the company to report the percentages of its activity and investments aligned with the Taxonomy.

## REPORTING METHODOLOGY

In order to provide this information in the most accurate and reliable way, Línea Directa has defined an internal methodology differentiating between the two indicators:



- In assessing insurance premiums, the company has followed the various steps set out in the regulations:
  - Assessment of compliance of the activity with the technical criteria for substantial contribution.
  - Applying the Do No Significant Harm (DNSH) principle to ensure that the activity aligned with the Adaptation to Climate Change objective does not harm other environmental objectives.
  - Finally, the company must ensure that its business is conducted in accordance with basic social and human rights standards.
- In assessing the investment portfolio, the company has used data published by other listed companies in which it holds shares or corporate bonds. This analysis, which will be completed in the coming years, corresponds to the entry into force of the obligation for financial institutions to report their percentage of alignment with the Taxonomy.

## ACCOUNTING CRITERIA USED AS A REFERENCE

The ratio of eligible activities according to in Article 8(2) of Regulation (EU) 2020/852 has been calculated as "eligible activity" = A/B

Where A is, in each case:

- **Insurance premiums:** is the part of gross premiums written deriving from insurance related to economic activities that meet the eligibility or alignment criteria of the Taxonomy.
- **Investment portfolio:** is the portion of the company's assets (equity, bonds, debt, real estate, etc.) that meet the eligibility or alignment criteria of the taxonomy.

Where B is, in each case:

- **Insurance premiums:** gross Non-Life premiums written as per the profit and loss account as disclosed in Note 17 to the 2023 financial statements.
- **Total assets in the balance sheet:** total on-balance sheet exposures excluding exposures to central governments, central banks and supranational issuers.

## INDICATORS

Línea Directa Aseguradora has assessed both its 2023 activity and investments based on the methodology set by the Taxonomy. In this respect, we report the following indicators:

### Premiums

Proportion and amount of gross premiums written in Non-Life and reinsurance business from activities identified as environmentally sustainable according to the Taxonomy.

The company's activity corresponds to the category "Non-Life insurance: insurance against climate-related risks", pertaining to the contribution to the Climate Change Adaptation objective.

KPIs related to underwriting activities have been calculated as the ratio of gross Non-Life premiums written corresponding to eligible underwriting activities according to the taxonomy to total gross Non-Life premiums written.

### Procedure adopted by Línea Directa

Línea Directa has drawn up the eligibility and alignment of the premiums it derives from the insurance areas it operates in. In this regard, the European Commission has presented Regulation (EU) 2020/852, which introduces which activities are sustainable from an environmental point of view. Línea Directa has analysed the key underwriting performance indicator of its Non-Life insurance and reinsurance companies in accordance with Appendix X of Delegated Regulation (EU) 2021/2178 at the consolidated level, finding no significant risks, as these companies do not operate in areas that are not specific to the insurance activity. Both eligible and ineligible Non-Life insurance activities have been taken into account, as well as all subsidiaries in which the company has a 100% interest.

The underwriting activity KPI shows what proportion of all Non-Life underwriting activities is composed of activities related to climate change adaptation carried out in accordance with points 10.1 and 10.2 of Appendix II to Delegated Regulation (EU) 2021/2139 on the European Union Climate Taxonomy. Indicators have been developed to allow the company to quantify the eligibility of each underwriting, ensuring the traceability and robustness of data.

### Eligibility

Due to changes in eligibility criteria from previous years, and coinciding with the first year the degree of alignment is analysed, Línea Directa has calculated the premiums it derives from insurance of activities that contribute significantly to achieving the objective of adapting to climate change (activities 10.1 and 10.2 of Appendix II to Delegated Regulation (EU) 2021/2139, included as such because they cover damages caused by bad weather not covered by the Insurance Compensation Consortium, in both the Motor and Home segments).

In the Motor segment, own damage and wind-screen coverages have been looked at in this context, estimating the impact on premiums of claims incurred from events related to meteorological phenomena. Estimates have been made using data from net premiums written for these coverages, drawing up a risk premium and a net premium issued for atmospheric damage.

For the Home segment, all premiums derived from insurance against atmospheric phenomena and electrical damage, covering damage caused by high-intensity meteorological events, have been included. In the Health segment, no specific coverages have been found to directly insure against damages to health resulting from climate change.

### Alignment

In calculating alignment, the company has taken into account the Technical Selection Criteria (STS) of the activity. For both the Motor and Home segments, the following criteria are met:

1. Underwriting models reflect the risks of climate change. The company does not only base its calculations on historical trends, but also takes into account expected trends and forward-looking projections included both in the ORSA and in the Task Force on Climate-related Financial Disclosures (TCFD). TCFD also includes impact management, risks and opportunities of climate change with projections between 5 and 10 years.
2. The TCFD prepared by the company in 2023 sets out a climate change governance model, the management of climate change risks and opportunities, as well as the relevant strategy, objectives and metrics.
3. Policyholders may see their premiums reduced if the insured case meets the criteria of lower exposure to atmospheric phenomena.

4. The renewal of the policies is annual and should a weather event take place, the company will make the conditions to renew or maintain the coverage available at the time of renewal. These conditions are subject to substantial changes depending on the history of weather events and the damage they cause.
5. Policies will benefit from discounts if preventive measures are taken by the insured or if they have a lower risk in the face of adverse weather phenomena. These conditions are described in the relevant contracts.
6. Products are marketed providing all the information relevant to the coverage, including coverage against climate-related risks, informing both of measures beneficial to the customer and of optional coverages that may make their insurance more complete and avoid inadequate insurance levels.
7. Línea Directa Aseguradora is an insurance company operating in the Motor, Home and Health segments, and as such is not authorised by the competent bodies to underwrite activities in fossil fuels (oil, gas or coal).
8. Línea Directa collaborates annually with the CCS, ICEA, UNESPA and the DGSFP, providing information requested for analysis and research on issues of climate change and adaptation.
9. Línea Directa treats all claims incurred in accordance with the applicable legislation, taking into account the stipulated deadlines.



## Compliance with DNSH

The company's insurance activity does not come into conflict with any other environmental objective included in the Taxonomy. Línea Directa is committed to mitigating climate change, implementing measures that reduce its impact on the environment. It does not insure any activity related to the extraction, transportation, refining and distribution of coal, gas or oil.

The company's activity does not have a significant impact on water resources, the circular economy, pollution or the objective of protecting biodiversity. The company meets the criteria of the Do No Significant Harm principle (DNSH).

## Social safeguards

Línea Directa meets the minimal social safeguards set out in Articles 3 and 18 of the EU Taxonomy Regulation regarding human rights, corruption, taxation and fair competition. A body of policies (Human Rights Policy, Anti-Corruption Policy, Fiscal Policy and its Code of Ethics, among others) shapes the company's position on these matters.

The company has human rights due diligence procedures in place, covering employees, suppliers, customers, investors and the public, in order to prevent the violation of fundamental rights.

Línea Directa is also part of the United Nations Global Compact, which promotes the fight against child labour, forced labour and the protection of fundamental rights.

In addition, it has procedures in place to monitor and establish disciplinary measures in the event of criminal acts, and carries out periodic training activities to make all corporate procedures and policies known among its professionals, especially among its Senior Management.

Línea Directa has not been convicted or sanctioned for human rights violations, corruption or bribery, tax evasion or for not respecting competition laws during the year 2023.

Economic activities (1)	Substantial contribution			Absence of material injury ("No material injury")					Minimum guarantees (10)
	Absolute premiums, year t (2)	Proportion of premiums, year t (3)	Proportion of premiums, year t-1 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	
	miles de €	%	%						
A.1. Non-Life insurance and reinsurance underwriting activities that comply with the Taxonomy (environmentally sustainable)	20,711.05	2.1%	Not applicable in 2023	S	S	S	S	S	S
A.1.1 Of which, reinsured	0.00	0.0%	Not applicable in 2023						
A.1.2 Of which, arising from reinsurance business	0.00	0.0%	Not applicable in 2023						
A.1.2.1 Of which, reinsured (retrocession)	0.00	0,0%	Not applicable in 2023						
A.2 Non-Life insurance and reinsurance activities eligible under the Taxonomy, but not environmentally sustainable (non-taxonomy compliant activities)	0.00	0.0%	Not applicable in 2023						
B. Non-Life insurance and reinsurance activities not eligible under the Taxonomy	952,570.00	97.9%	Not applicable in 2023						
<b>TOTAL (A.1 + A.2 + B)</b>	<b>973,281.04</b>	<b>100%</b>	<b>Not applicable in 2023</b>						

1. Motor gross written premiums have been calculated on the basis of the risk premium, taking into account the loss ratio for the financial year 2023 related to atmospheric phenomena..

2. In determining the eligibility and alignment of the gross premiums written for the Home segment, the premium corresponding to insurance covering atmospheric phenomena and electrical damage has been removed from the income statement.

## Asset taxonomy

Línea Directa Group has prepared the ICR of its assets according to the Taxonomy using templates from Appendixes X and XII to Delegated Regulation (EU) 2021/2178, taking into account its amendments.

In the regulatory context of the European Taxonomy, the proportion of the Group's investments directed at financing activities that comply with the Taxonomy or are related to these activities (as a proportion of total investments), has been calculated over of turnover and of investments in fixed assets or CapEx.

For this purpose, all consolidated balance sheet assets have been identified and included in the denominator, excluding exposures to central governments, central banks and supranational issuers. Among the assets included in the denominator are exposures to:

- **financial and non-financial companies not subject to** Articles 19a and 29a of Directive 2013/34/EU, (outside the NFRD and inside the EU).
- **non-EU financial and non-financial companies** from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU (Outside the NFRD and outside the EU).
- **financial and non-financial companies subject to** Articles 19a and 29a of Directive 2013/34/EU .
- **derivatives.**
- **other counterparties and assets**, (including deposits, own and investment property, intangible assets, etc.).

The numerator includes the proportion of exposures which:

- comply with the taxonomy towards financial and non-financial companies subject to Articles 19a and 29a.
- are not investments related to life insurance contracts where the investment risk is borne by the policyholders and which are intended to finance or are related to activities falling within the Taxonomy.
- conform to the Taxonomy vis-à-vis other counterparties and assets.

In the alignment exercise, 100% of the investments have been taken into account, excluding those categories not included in the Taxonomy. As there are no off-balance sheet assets, the total assets covered and the total assets under management are equal, i.e. 100% coverage.

To calculate the alignment and eligibility of exposures to financial and non-financial companies within the NFRD, primary data sources were used, analysing all information published by these companies in non-financial information reports in 2023, reporting on the 2022 financial year.

It was not possible to calculate the aligned percentage of the portfolio of investment funds due to a lack of information in this respect. Línea Directa has investment funds that include listed companies, debt and venture capital. In these cases, no information on the underlying assets is available.

Regarding property, most of the buildings are for own use and have not been included in the numerator because they are not considered as

investments, and the remaining investment property does not meet all the technical criteria for activity 7.7 as set out in Delegated Regulation (EU) 2021/2139.

Finally, we include information on fossil gas and nuclear activities according to the disclosure requirements of Delegated Regulation (EU) 2022/1214. The following tables provide information on the exposures of portfolio companies engaged in fossil gas and nuclear energy activities.

<b>Table: Ratio of investments of insurance or reinsurance companies directed to the financing of activities which comply with the Taxonomy, or are linked to these activities, to total investments.</b>			
The weighted average value of all investments of insurance or reinsurance companies directed towards the financing of economic activities which comply with the Taxonomy or are linked to these activities, in relation to the value of the total assets covered by the key performance indicator, with the following weights for investments in companies:		The weighted average value of all investments of insurance or reinsurance companies oriented towards the financing of economic activities which comply with the Taxonomy or are linked to these activities, with the following weights for investments in companies:	
In terms of turnover: %	2.3%	In terms of turnover [monetary value]:	€ 16,788,428
In terms of investments in fixed assets: %	4.5%	In terms of turnover [monetary value]:	€ 32,669,969
The percentage of assets covered by the key performance indicator in relation to the total investments of insurance or reinsurance undertakings (total assets under management), excluding investments in sovereign entities		The monetary value of the assets covered by the key performance indicator, excluding investments in sovereign entities	
Coverage ratio %	100%	Coverage: [monetary value]	€ 730,786,933
<b>Additional and supplementary disclosures: breakdown of the denominator in the key performance indicator</b>			
The percentage of derivatives relative to total assets covered by the key performance indicator X%	0.8%	The monetary value of derivatives [monetary value]	€ 5,908,568
The share of exposures to financial and non-financial companies not subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets covered by the key performance indicator:		Value of exposures to financial and non-financial companies not subject to Articles 19a and 29a of Directive 2013/34/EU:	
Non-financial companies:	0.4%	Non-financial companies [monetary value]:	€ 2,997,210
Financial companies:	0.0%	Financial companies [monetary value]:	- €
The share of exposures to non-EU financial and non-financial companies from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets covered by the key performance indicator:		Value of exposures to non-EU financial and non-financial companies from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
Non-financial companies:	6.9%	Non-financial companies [monetary value]:	€ 50.514.378
Financial companies:	7.2%	Financial companies [monetary value]:	€ 52.289.292
The share of exposures to financial and non-financial companies subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets covered by the key performance indicator:		Value of exposures to financial and non-financial companies subject to Articles 19a and 29a of Directive 2013/34/EU:	
Non-financial companies:	13.7%	Non-financial companies [monetary value]:	€ 100.360.961
Financial companies:	24.1%	Financial companies [monetary value]:	€ 175.928.734
The share of exposures to other counterparties and assets in total assets covered by the key performance indicator: X%	46.9%	Value of exposures to other counterparties and assets [monetary value]:	€ 342.787.791
The share of investments of insurance or reinsurance companies, other than investments related to Life insurance contracts under which the investment risk is borne by policyholders, which are directed to finance activities which comply with the Taxonomy or are linked to these activities: X%	0%	Value of investments of insurance or reinsurance companies, other than investments related to Life insurance contracts under which the investment risk is borne by policyholders, which are directed to finance activities which comply with the Taxonomy or are linked to these activities [monetary value]:	- €
Value of all investments that finance economic activities that are not eligible under the Taxonomy in relation to the value of total assets covered by the key performance indicator:		Value of all investments that finance economic activities that are not eligible under the Taxonomy:	
In terms of turnover: %	85.9%	In terms of turnover [monetary value]:	€ 627.766.768
In terms of investments in fixed assets: %	87.3%	In terms of investments in fixed assets [monetary value]:	€ 638.132.409
Value of all investments that finance economic activities that are eligible under the Taxonomy, but do not comply with it, in relation to the value of total assets covered by the key performance indicator:		Value of all investments that finance economic activities eligible under the Taxonomy, but which do not comply with	
In terms of turnover: %	11.8%	In terms of turnover [monetary value]:	€ 86.231.737
In terms of investments in fixed assets: %	8.2%	In terms of investments in fixed assets [monetary value]:	€ 59.984.556



**Additional and supplementary disclosures: breakdown of the numerator in the key performance indicator**

The share of taxonomy-compliant exposures to financial and non-financial corporations subject to Articles 19a and 29a in total assets covered by the key performance indicator:		Value of taxonomy-compliant exposures to financial and non-financial companies subject to Articles 19a and 29a:	
Non-financial companies:		Non-financial companies:	
In terms of turnover: %	2.3%	In terms of turnover [monetary value]:	€ 16.677.146
In terms of investments in fixed assets: %	4.5%	In terms of investments in fixed assets [monetary value]:	€ 32.576.037
Financial companies:		Financial companies:	
In terms of turnover: %	0%	In terms of turnover [monetary value]:	€ 111.282
In terms of investments in fixed assets: %	0%	In terms of investments in fixed assets [monetary value]:	€ 93.932
The share of investments of insurance or reinsurance companies, other than investments related to Life insurance contracts under which the investment risk is borne by policyholders, which are directed to finance activities which comply with the Taxonomy or are linked to these activities:		Value of investments of insurance or reinsurance companies, other than investments related to Life insurance contracts under which the investment risk is borne by policyholders, which are directed to finance activities which comply with the Taxonomy or are linked to these activities:	
In terms of turnover: %	0%	In terms of turnover [monetary value]:	- €
In terms of investments in fixed assets: %	0%	In terms of investments in fixed assets [monetary value]:	- €
The share of taxonomy-compliant exposures to other counterparties and assets in the total assets covered by the key performance indicator:		Value of taxonomy-compliant exposures to other counterparties and assets in relation to the total assets covered by the key performance indicator:	
In terms of turnover: %	0%	In terms of turnover [monetary value]:	- €
In terms of investments in fixed assets: %	0%	In terms of investments in fixed assets [monetary value]:	- €

**Breakdown of the numerator of the key performance indicator by environmental goal**

Activities that comply with the Taxonomy, provided that social safeguards and absence of significant harm are assessed as positive:

1) Climate change mitigation	In terms of turnover: %	1.9%	Transition activities: A % (turnover; CapEx)	0.0%
	CapEx: %	3.9%	Transition activities: B % (turnover; CapEx)	0.0%
2) Adaptation to climate change	In terms of turnover: %	0.2%	Transition activities: B % (turnover; CapEx)	0.0%
	CapEx: %	0.2%		
(3) Sustainable use and protection of water and marine resources	In terms of turnover: %	0.0%	Transition activities: B % (turnover; CapEx)	0.0%
	CapEx: %	0.0%		
4) Transition to a circular economy	In terms of turnover: %	0.0%	Transition activities: B % (turnover; CapEx)	0.0%
	CapEx: %	0.0%		
5) Pollution prevention and control	In terms of turnover: %	0.0%	Transition activities: B % (turnover; CapEx)	0.0%
	CapEx: %	0,0%		
6) Protection and restoration of biodiversity and ecosystems	In terms of turnover: %	0.0%	Transition activities: B % (turnover; CapEx)	0.0%
	CapEx: %	0.0%		

**Appendix XII**

Table 1: Activities related to nuclear and fossil gas energy

<b>Activities related to nuclear power</b>	
The company undertakes, finances or is involved in the research, development, demonstration and deployment of innovative power generation facilities that produce energy from nuclear processes with a minimum of fuel cycle waste.	YES
The company undertakes, finances or is involved in the construction and safe operation of new nuclear facilities for the production of electricity or process heat, including for urban heating or industrial processes such as hydrogen production, as well as their safety upgrades, using the best available technologies.	YES
The company undertakes, finances or is involved in the safe operation of existing nuclear facilities for the production of electricity or process heat, including for urban heating or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades.	YES
<b>Activities related to fossil gas</b>	
The company undertakes, finances or is involved in the construction or operation of power generation facilities that produce electricity from gaseous fossil fuels.	YES
The company undertakes, finances or has exposures to the construction, renovation and operation of combined heat/cold and power plants using gaseous fossil fuels.	YES
The company undertakes, finances or has exposures to the construction, renovation and operation of heat generation facilities producing heat/cooling from gaseous fossil fuels.	YES

Table 2: Taxonomy-compliant economic activities (denominator)

Economic activities	Amount and share (information should be presented in monetary amounts and in percentages)											
	CCM + CCA				Climate change mitigation (CCM)				Climate change adaptation (CCA)			
	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)
Amount and share of Taxonomy-compliant economic activity as defined in section 4.26 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	0€	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.27 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	0€	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.28 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	0€	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.29 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR.	€39.814	€16.180€	0%	0%	€39.814	€16.180	0%	0%	€0	0€	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.30 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR.	€15.782€	€10.787€	0%	0%	€15.782	€10.787	0%	0%	€0	0€	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.31 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	0€	0%	0%
<b>Amount and share of other Taxonomy-compliant economic activities not mentioned in rows 1 to 6 in the denominator of the applicable ICR</b>	<b>€730.731.337</b>	<b>€730.759.966</b>	<b>100%</b>	<b>100%</b>	<b>€730.731.337</b>	<b>€730.759.966</b>	<b>100%</b>	<b>100%</b>	€0	0€	0%	0%
<b>Total applicable ICR</b>	<b>€730.786.933</b>	<b>€730.786.933</b>	<b>100%</b>	<b>100%</b>	<b>€730.786.933</b>	<b>€730.786.933</b>	<b>100%</b>	<b>100%</b>	€0	0€	0%	0%

Table 3 Taxonomy-compliant economic activities (numerator)

Economic activities	Amount and share (information should be presented in monetary amounts and in percentages)											
	CCM + CCA				Climate change mitigation (CCM)				Climate change adaptation (CCA)			
	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)
Amount and share of Taxonomy-compliant economic activity as defined in section 4.26 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.27 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.28 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.29 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.30 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable ICR.	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
Amount and share of Taxonomy-compliant economic activity as defined in section 4.31 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable ICR	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
<b>Importe y proporción de otras actividades económicas que se ajustan a la taxonomía no mencionadas en las filas 1 a 6 en el numerador del ICR aplicable</b>	<b>€16.788.428</b>	<b>€32.669.969</b>	<b>100%</b>	<b>100%</b>	<b>€16.788.428</b>	<b>€32.669.969</b>	<b>100%</b>	<b>100%</b>	€0	€0	0%	0%
<b>Importe total y proporción de las actividades económicas que se ajustan a la taxonomía en el numerador del ICR aplicable</b>	<b>€16.788.428</b>	<b>€32.669.969</b>	<b>100%</b>	<b>100%</b>	<b>€16.788.428</b>	<b>€32.669.969</b>	<b>100%</b>	<b>100%</b>	€0	€0	0%	0%

Table 4: Economic activities eligible under the Taxonomy but which do not comply with it

Economic activities	Amount and share (information should be presented in monetary amounts and in percentages)											
	CCM + CCA				Climate change mitigation (CCM)				Climate change adaptation (CCA)			
	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)	In terms of turnover:	CapEx	In terms of turnover:(%)	CapEx (%)
Amount and share of economic activity eligible under the taxonomy but not compliant with it according to section 4.26 of Appendixes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
Amount and share of economic activity eligible under the taxonomy but not compliant with it according to section 4.27 of Appendixes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
Amount and share of economic activity eligible under the taxonomy but not compliant with it according to section 4.28 of Appendixes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
Amount and share of economic activity eligible under the taxonomy but not compliant with it according to section 4.29 of Appendixes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	470.109€	40.514€	1%	0%	470.109€	40.514€	1%	0%	€0	€0	1%	0%
Amount and share of economic activity eligible under the taxonomy but not compliant with it according to section 4.30 of Appendixes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	24.831€	10.822€	0%	0%	24.831€	10.822€	0%	0%	€0	€0	0%	0%
Amount and share of economic activity eligible under the taxonomy but not compliant with it according to section 4.31 of Appendixes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%	€0	€0	0%	0%	€0	€0	0%	0%
<b>Amount and share of other economic activities eligible under the taxonomy but not conforming to it and not mentioned in rows 1 to 6 (above) in the denominator of the applicable RCI</b>	<b>€85.736.797</b>	<b>€59.933.219</b>	<b>99%</b>	<b>100%</b>	<b>€85.736.797</b>	<b>€59.933.219</b>	<b>99%</b>	<b>100%</b>	€0	€0	0%	0%
<b>Amount and share of economic activities eligible under the Taxonomy but not conforming to it in the denominator of the applicable ICR</b>	<b>€86.231.737</b>	<b>€59.984.556</b>	<b>100%</b>	<b>100%</b>	<b>€86.231.737</b>	<b>€59.984.556</b>	<b>100%</b>	<b>100%</b>	€0	€0	0%	0%

Table 5 Economic activities not eligible under the Taxonomy

Economic activities	Amount and share (information should be presented in monetary amounts and in percentages)			
	In terms of turnover:	CapEx	In terms of turnover (%)	CapEx (%)
Amount and share of the economic activity referred to in row 1 of Table 1 that is not eligible under the Taxonomy according to section 4.26 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%
Amount and share of the economic activity referred to in row 1 of Table 1 that is not eligible under the Taxonomy according to section 4.27 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%
Amount and share of the economic activity referred to in row 1 of Table 1 that is not eligible under the Taxonomy according to section 4.28 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€ 35.626	€ 42.768	0%	0%
Amount and share of the economic activity referred to in row 1 of Table 1 that is not eligible under the Taxonomy according to section 4.29 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%
Amount and share of the economic activity referred to in row 1 of Table 1 that is not eligible under the Taxonomy according to section 4.30 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%
Amount and share of the economic activity referred to in row 1 of Table 1 that is not eligible under the Taxonomy according to section 4.31 of Appendixes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable ICR	€0	€0	0%	0%
<b>Amount and share of other economic activities not eligible under the Taxonomy and not mentioned in rows 1 to 6 (above) in the denominator of the applicable ICR</b>	<b>€627.731.142€</b>	<b>€638.089.641</b>	<b>100%</b>	<b>100%</b>
<b>Amount and share of economic activities not eligible under the Taxonomy in the denominator of the applicable ICR</b>	<b>€627.766.768€</b>	<b>€638.132.409€</b>	<b>100%</b>	<b>100%</b>

# 4.

# PEOPLE AND TALENT.

PEOPLE AND TALENT

DIVERSITY AND EQUALITY

TALENT ATTRACTION

TALENT MANAGEMENT

PERFORMANCE MANAGEMENT

EMPLOYEE WELL-BEING

REMUNERATION

PAY GAP

HEALTH AND SAFETY

EMPLOYEE RELATIONS

DISABILITY AND ACCESSIBILITY



# PEOPLE AND TALENT

## ALIGNMENT OF THE ORGANISATION WITH THE STRATEGY

**In 2023, a new organisational structure was implemented in the company in line with the organisation's guiding principles: operational efficiency and profitability, digital transformation, a focus on customers and multi-segment management. This new organisation will help leverage internal strengths and respond nimbly to market challenges.**

In this context, the performance management system has taken on particular importance as a key tool for developing talent and achieving commercial and sustainability goals.

### PROMOTING INTERNAL TALENT IN THE ORGANISATIONAL STRUCTURE

The main organisational changes implemented at Línea Directa in 2023 have responded to the company's objective of becoming a large multi-segment insurer with a unified approach to the customer. To this end, new business and support teams have been created equipped with cross-cutting innovation, new alliances and online sales. The Actuarial technical teams and the Modelling, Administration and Accounting functions have also been centralised.

Similarly, the company is committed to the development and growth of a specific team to lead its digital transformation process, which will become an essential asset for improving efficiency and customer experience. This area has thus grown by 38% by 2023.

Meanwhile, in line with the year's strategic priorities, a reorganisation of Services and Benefits has been implemented, involving both middle management and the area's own management. The aim of the restructuring is to improve service quality, cost control and process efficiency.

In 2023, new talent attraction and selection programmes and new succession plans have been designed, in line with the new Talent Management strategy. Meanwhile, 17% of staff have been involved in organisational changes, either in their functions, in an area move or in a change of manager within their department.

## CARE AND SUPPORT FOR PEOPLE

In this context of organisational change, change management has been key to the transformation of the company. It has been vital to develop good strategy in internal communications, training and development to give confidence and stability to all departments. In this regard, a range of support actions have been implemented to ensure that each Línea Directa employee feels supported when taking on new functions. This support begins on the first day, with an ad hoc programme and collaboration designed for each new employee, and ends after employees leave the company, under the offboarding model, according to which the People Care team listens to employees ending their time at Línea Directa, with the aim of identifying areas for improvement.

During 2023, Línea Directa's People and Communications team focused on offering employees opportunities for growth and ensuring the health of professionals in the company, with an emphasis on prevention, emotional health and psychosocial risk management. It also continued to build a unique employee experience, with a wide range of corporate benefits and perks.

In this context, the People Care team, which is dedicated to the care and well-being of employees and the development of various programmes and measures to meet their needs, has become very important. When it comes to communicating with employees, the company has powerful digital tools at its disposal, such as the employee service channel or LidIA, the artificial intelligence chatbot that can be used to ask questions or make requests.





# DIVERSITY AND EQUALITY

## DIVERSITY

Línea Directa Group has its own Diversity and Inclusion Policy approved by the Board of Directors, setting out the principles with which the company operates 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.
- Guaranteeing **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. At Línea Directa, the principles of diversity are also applied in the development of other policies such as in its Talent, Equality and External Selection and Recruitment Procedures, as well as in the filling of its internal vacancies.

Línea Directa is a member of the European Diversity Charter promoted by the European Commission, through which private institutions and organisations contribute to creating an environment and society more diverse and respectful with diversity, in line with the European anti-discrimination directives. In 2023, the

Charter was renewed, and this has meant the adoption 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 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 place to ensure that all of its processes observe the following:

- That they are respectful of **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.
- That they 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.
- That they help **young people in getting** their first job, through scholarship schemes and other arrangements.

- That they promote **the recruitment of people with disabilities** who are affected by or at risk of social exclusion, thus favouring socially acceptable employment.
- That they 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.

## Diversity Advisory Committee

A Diversity Advisory committee was set up in 2023, made up of members of the Management committee and advised by a working group including employees at different levels of responsibility. The objective of the committee, which is led by the People department, is to approve the diversity strategy, as well as to ensure compliance with the established action plan.

The company's diversity strategy is based on 4 fundamental pillars:

- **Generational diversity:** getting different generations to work together and integrate, bringing the best of themselves to their teams. The company will ensure the development of young and senior talent across the organisation, two key levers to attract diverse, skilled and innovative talent that brings knowledge, experience and new ideas.
- **Functional diversity:** promoting the integration of people with physical, sensory or functional disabilities into the workplace, creating work environments conducive to their professional development and working with organisations that promote this.

- **Gender diversity:** ensuring equal treatment and opportunities for women and men, creating the necessary conditions to guarantee that all persons have equal opportunities of access to positions of responsibility. The company also works to ensure that all uniqueness is respected, including sexual orientation, gender identity and gender expression.
- **Cultural diversity:** celebrating multiculturalism, differences of race, religion or belief, habits, language and thought, so that they are not perceived as a barrier but as an opportunity for people to move forward together. Línea Directa is a company where differences in education, skills and preferences contribute to the growth, innovation and commitment of its employees.

The main tasks of Línea Directa's Diversity Committee include drawing up a Diversity Action Plan, establishing KPIs for monitoring, creating a Diversity Map and raising awareness among the workforce.



## Diversity initiatives at Línea Directa

In 2023, the company has carried out different initiatives in order to promote diversity inside and outside the organisation.

- **Training:** The company has trained key groups in People management as well as technical experts from the back office on diversity and non-discrimination. This training was 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 platform, as well as on its internal social network. In 2023, in the context of the UN Global Compact, employees have been offered a training video on diversity.
- **External communications:** Línea Directa publicises its diversity initiatives on social media, such as the renewal of the European Diversity Charter and the certification from Top Employers.
- **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 an Equality, Inclusion and Non-discrimination Policy** approved by its Board of Directors. It also has an equality technical team made up of experts in people management.

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

- Equal access to **employment, recruitment** and termination.
- Promotion 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 objectives in this area, fostering co-responsibility and the reconciliation of professional, personal 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 and private and family life, while guaranteeing quality employment regardless of the gender of employees.

Línea Directa also has a **Harassment Prevention Protocol** in place, publicly available to all employees, and which sets out the principles of action in this area, 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.**
- Confidential whistleblowing channel in the event of a breach of the principles that accredit the company as a Family-Responsible Company (EFR) and in the event of possible breaches of the Code of Ethics. In addition, Línea Directa has a special channel for reporting harassment, with full guarantees of confidentiality.
- Package of **particular measures and time off** to adapt and reconcile family situations with work commitments.
- Specific campaigns to raise awareness of equality issues, such as the one carried out internally on the occasion of the **International Women's Day** (8 March) or the **launch of the Diversity Committee** of the EWI Network (Empower Women in Insurance) of which Línea Directa is a member.

In addition to the Equality Policy and the Anti-Harassment Protocol, Línea Directa is committed to training as the main tool to encourage respect for diversity and equality in the organisation. As a result, in 2023 we have continued to provide training plans on equality, gender-based violence and diversity for team leaders and technical recruitment staff, as well as awareness-raising days for the entire workforce.

## The company's chain of command receives annual training in the detection and prevention of gender-based violence.

Línea Directa supports the principle of equal pay for women and men for work of equal value, through measures and mechanisms of pay transparency that complement the current legislation. It has an up-to-date ad hoc job evaluation model in place and bases its remuneration model on sound parameters of fairness.



## 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. Línea Directa also actively participates in the accelerator programme promoted by Global Compact Spain (UN).
- **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.
- **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 seal 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 Ministry of Gender Equality.
- **The UNESPA Good Practices Guide on Gender Equality and Non-Discrimination**, which provides a catalogue of actions and measures that are considered good practices in the field of gender equality in the sector.

- **Fundación Más Familia (EFR)**, through which Línea Directa is audited annually by Lloyd's Register, looking at the Equality Plans and Policies, related measures, actions and specific protocols, with particular attention to the Harassment Prevention Protocol, as well as indicators and reports from the Equality Technical 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 participates by promoting work groups in **talent attraction and selection**.
- **Eje&Con Code** of good practices regarding 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 violence

The company's chain of command receives annual training in the detection and prevention of gender-based violence, in collaboration with a specialised 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).

For years, Línea Directa has been involved in a **School of Empowerment**, through the company's group of volunteers, which trains women victims of gender violence to prepare and conduct job interviews, with the aim of facilitating their integration into the labour market.

# TALENT ATTRACTION

**Línea Directa Aseguradora 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 two positions in the ranking, from 45th to 43rd place. It has also renewed its Top Employers certification, making it a benchmark in this field.**

Línea Directa's talent attraction strategy, under the slogan "Línea Directa DNA" (Agile, Different, We care about people – DNA for the slogan's acronym in Spanish), aims to attract the best professionals to meet the company's current and future challenges. To this end, it is important to consider the people perspective when defining the business strategy in order to identify the talent required in the short, medium and long term.

The focus of Línea Directa's employer brand strategy is the projection of an honest and transparent image of its projects and corporate culture. In a communication campaign translating as "**make it big, make it Línea Directa**", published on social media throughout 2023, employees shared first-hand the projects in which the company is immersed and in which they are protagonists.

The company has made a commitment to improve the **digitalisation of the selection process, the implementation of advanced selection and analysis tools** and the promotion of **the new channels for attracting young talent created in 2022**. In this regard, Línea Directa is committed to the use of different communication channels (digital and telephone, including WhatsApp) and social media.

The Talent Attraction team maintains agile, approachable and highly personalised communication with each candidate. In line with this strategy, in 2023 the company launched **new ways of attracting talent that are agile, efficient, flexible and focused on the candidate**, promoting the **use of technologies** and data, innovative tools and social media channels, allowing it to provide a human and unique experience.

In 2023, the company also launched "always on" **selection processes**", allowing a continuous dialogue with candidates on topics that capture their interest. Throughout this initiative, the information obtained is analysed to draw up a profile of the applicant and find out their motivations for joining Línea Directa. Moreover, the company's participation in business schools, professional communities, universities, technology platforms, forums and blogs has been pushed further, always with the aim of enriching information and boosting the company's notoriety in the process of attracting talent.

## NEW RECRUITMENTS AND TALENT POLICIES

The experience for new recruits begins with the Attraction Plan and the positioning of the company as an ideal place to work, continues with the selection process, and ends with the onboarding programme. This process is accompanied

by personalised support and a specific training plan to make the recruit feel like a part of Línea Directa Group from day one.

Línea Directa focuses on segmented and specialised searches through different channels to position the company and attract talent. It is present on the most important portals, on the job boards of the main business schools in the country, on social networks such as LinkedIn and TikTok and on the website 'Un Futuro Asegurado' of Estamos Seguros, a sectorial project to attract talent promoted by UNESPA, the business association of the insurance sector.

In 2023, the organisation has welcomed 34 new employees in strategic areas such as Technology, Digital Transformation, the Technical area, Finance, Risk Analysis, Compliance, People and Communication and Marketing. In addition, the Commercial and Customer Service Teams are continuously reinforced.

To recruit commercial talent, two campaigns were launched on social media to communicate the company's strengths under the creative concept that translates as "Let's Be Direct", with a dedicated landing page for candidates to upload their application quickly and easily.

In attracting general talent, Línea Directa has a specific policy in place in which the following principles stand out:

- Making the incorporation of each individual an experience that allows the new arrival to integrate and get to know the company culture through a mixed 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.
- Continuing to provide the business units with well-qualified sales staff with high standards in their customer relationships.

## Redefining a candidate's journey

In 2022, the company redefined the candidate journey map, which in 2023 has allowed it to identify those touch points that are key to generating a differentiating experience.

In addition, candidate satisfaction measurement has been incorporated through questionnaires that allow us to understand the perception of the new employee and also measure their level of satisfaction with the selection and recruitment process.

## THE SIGNIFICANCE OF ONBOARDING AT THE START OF THE JOURNEY

The onboarding of back office staff includes the following key milestones, which are followed up on:

- **Before joining**, the candidate is in permanent contact with the person from the Human Resources selection team who has been in charge of the recruitment process. They also have access to an App that guides them during their first month of work, providing them with practical information (car parks, cafeterias, etc.) and corporate information that will help them in their integration process.
- **During the first few days**, they are guided through a welcome programme where they meet the people with whom they will interact professionally in their day-to-day work.
- **Follow-up surveys** are conducted 3 and 6 months after the candidate joins the company to identify areas for improvement and to gather information about the onboarding process.
- The new employee is **interviewed regularly by the Talent Development team** to assist them during the incorporation process and to solve any problems that may arise.

For front office employees, i.e. those who have direct contact with customers in the call centre, onboarding includes specific insurance training. The aim is for them to be ready to serve customers from all business segments: Motor, Home, and Health, with an customer-specific and personalised programme.

### Young talent and STEM

Young talent and STEM (Science, Technology, Engineering and Mathematics) are key for Línea Directa Aseguradora. As a result, the organisation

took on 54 interns last year, many of whom were gaining their first work experience. Of these, 15 are STEM profiles.

The company is also launching numerous initiatives to raise awareness among this audience:

- **Scholarship programmes** at universities and business schools to provide students with internships at the company.
- **Presence at trade fairs and universities with presentations by the heads of the various departments, including Technology, Actuarial, Finance, Marketing and Digital.**
- **Reinforcement of the TikTok channel and strong presence on social media**, following a talent attraction strategy launched in 2022 and reinforced in 2023 with specific campaigns to raise awareness among younger audiences. With this strategy, the company aims to bring its hallmarks, such as its values, working environment, commitment to sustainability and professional development programmes, closer to the STEM community. The company's TikTok account had reached 22,300 followers by the end of 2023.
- **New 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. In 2023, vocational training students were welcomed at our offices on open days to introduce them to the company.

Once recruits are integrated into the organisation, they are involved in the Young Talent Programme through, consisting of:

- **Meeting points between trainees and middle management** where trainees can share their experiences and learn first-hand about new developments in the organisation.
- **Focus groups:** in 2023, trainees were included in working groups to gather information on how to improve their experience as trainees at Línea Directa and better address their motivations and priorities.
- **Participation of trainees in the meetings of the rest of the organisation:** As a new feature in 2023, trainees were included in the CEO's communications and training sessions for the Pi and Agile talent communities, and were presented with Christmas hampers at an event exclusively for them.

**Young talent and STEM are key for Línea Directa Aseguradora. As a result, the organisation took on 54 interns last year, many of whom were gaining their first work experience.**



# TALENT MANAGEMENT

## NEW CONSOLIDATED STRATEGY

During 2023, four challenges were laid out in the company's roadmap:

1. Efficiency and cost-effectiveness.
2. Digital transformation.
3. Customer focus and multi-segment management (Motor, Home and Health).
4. Greater business capacity: marketing, analytics and technology.

This strategy has been accompanied by a new culture of professional development and personalised training for all employees.



## STRENGTHENING THE CULTURE OF DEVELOPMENT AND COMMITMENT TO INTERNAL TALENT

The new environment and the new organisational roadmap require agility in adapting to change and in promoting team motivation and development. To this end, in 2023, we have continued to promote a professional development campaign that translates as "Re-evolve" and is based on three key pillars:

- **Motivating employees** through team leaders, to set goals and challenges for new professional development experiences.
- **Placing the focus on self-learning** so that, with the help of the company, each person in the organisation can draw up their own roadmap and training plan.
- **Encouraging internal job mobility and promotions** through a model for identifying potential talent within the organisation.

While in 2022 the company focused on employee motivation through "Conversations on Development" with its managers, and promoting self-learning through digital tools and training courses on @prende and LinkedIn Learning, in 2023 different initiatives have been implemented aimed at loyalty and a commitment to internal talent. These include a programme to identify critical positions, identify potential talent, and set up accelerated development plans. In addition, in order to align the strategy and culture of innovation, multidisciplinary innovation groups have been created in the organisation in which people with very diverse profiles and experiences participate. Finally, in order to reinforce the professional

development strategy, new training programmes have been created for team leaders to develop their strategic skills and knowledge of business management.

## Identifying potential talent and setting a career development plan

Talent Management teams have played an important role in identifying potential talent. This means identifying, together with the Management Committee, **key positions** in the different areas and **selecting talent** to fill these strategic positions in the short, medium and long term.

The objectives of this plan, implemented in 2023, are as follows:

- Identifying talent pools and helping them in their professional development so that they can take on positions of greater responsibility.
- Identifying critical positions that give the company a competitive advantage and mapping the risks to them.
- Ensuring that critical knowledge remains in the organisation.
- Filling vacancies with greater agility and boosting the movement of internal talent.

Potential is identified in collaboration with team leaders through performance assessments. To this end, middle management has been provided with the necessary tools to standardise the criteria for identifying potential throughout the company, helping leaders make decisions on possible growth paths for identified individuals.

Meanwhile, the skills needed to fill critical positions have been identified and training and development plans have been designed to develop these skills in people with potential for career growth.

## Boosting internal innovation and design thinking

In the organisation's roadmap, digital transformation and innovation play a key role. This is why the company runs the **10X Innovation Programme**, a business project with its own methodology that includes various innovation processes aimed at product differentiation and business growth.

In 2023, several innovation groups have been set up composed of employees identified for their potential talent. These groups aim to detect new areas of business opportunity working through the following phases: exploration, ideation, validation, and finally implementation. The employees involved in the 10X Product Innovation Programme have received training videos to learn the basic concepts in innovation methodologies and the creative process: Design Thinking, for strategic analysis applied to new business creation and value proposition; Lean Start Up, for minimum viable product creation and rapid prototype validation and learning; and Agile methodologies for implementation and iterative and incremental new product development.

This innovation methodology aims to quickly identify customer needs, validate them through prototyping products and services, and bring new products to market in record time.

The company also runs a Product committee led by the head of Marketing that sets up different strategic, operational and product approval sessions. Employees participating in the 10X Innovation Programme have been involved in all these phases.

## LEADERSHIP, A KEY PILLAR IN THE ORGANISATION'S FUTURE

Línea Directa promotes various programmes to develop leadership capabilities in its chain of command. To this end, new management programmes have been introduced for team leaders to align the company's priorities with their professional development.

In this respect, the main challenges faced by middle management in the company were as follows: improving strategic thinking, communicating and involving their teams in business goals, driving digital change, putting the customer at the centre of decisions, ensuring the commitment and alignment of their teams, developing new skills in their departments and designing new strategies in their areas of action, paying attention to the market context and the business' priorities.

In order to meet these challenges, two training courses were held in 2023. Via the Darwin Community: one in Strategic Management, in order to enhance the managerial and strategic skills of middle management, and another in Business Management designed for the newer members of this community to train them in the main areas of management of the company, providing them with an overview of the organisation and preparing them for new challenges.

## TRAINING AND SELF-LEARNING

In a key year like 2023, marked by a new internal organisation, training programmes to develop employees' skills and knowledge are particularly important. The main projects, aimed at improving customer experience and responding to the company's strategic needs, included:

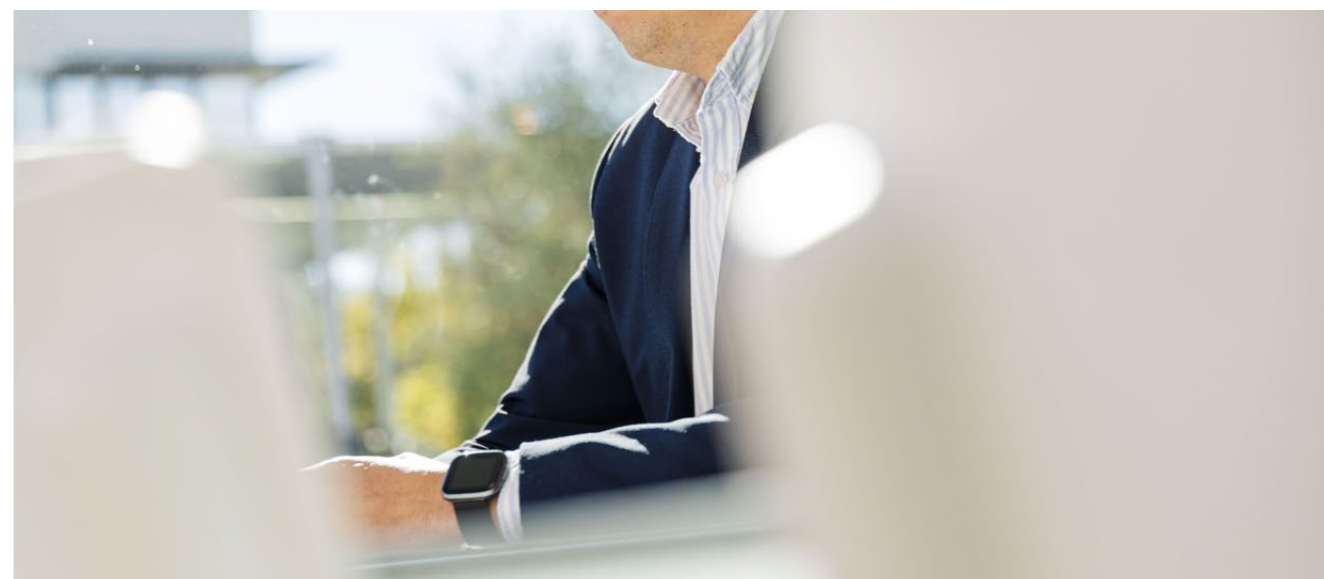
- **Multi-segment oriented training:** In 2023, the Commercial Area has been consolidating multi-segment sales, so all training projects have been continued to promote commercial talent in this area.
- **Comprehensive processing:** in 2023, the Motor and Home claims handling teams have been trained to understand all stages of a claim, from opening to resolution, providing a comprehensive view of the claim and improving customer service.
- **Customer experience programme in the Smile Community (call centre supervisors):** a training course was given to all Línea Directa call centre supervisors to improve the customer journey and understand the needs of customers.
- **Customer orientation programme** for the Home Claims area
- **Global Regulatory and Sustainability Plan** for the entire organisation through the @prende platform, which includes information on the new regulatory requirements, as well as the company's key milestones and achievements in this area.
- **Self-Learning Model and Learner Awards:** For yet another year, the culture of self-learning has been promoted at all levels with an internal catalogue available on the @prende intranet and training courses via LinkedIn Learning. To recognise employees and encourage this culture of self-learning, the second edition of the Learner Awards was held in 2023.

## Pi & Agile Talent Communities

Línea Directa Aseguradora's Talent Communities are made up of professionals with similar skills and functions who follow specific training programmes to develop their skills and knowledge. The aim is to help these professionals succeed in their roles, achieve their goals and develop professionally to take on new challenges, add value and contribute to the success of the business.

In addition to the Darwin and Crece communities, the Pi and Agile communities have become particularly important in 2023:

- **Pi Community.** The Pi community is made up of all the analysts at Línea Directa, a critical group for digital transformation and data management. During 2023, these professionals have worked on increasing their knowledge of statistics and improving their skills in their professional field. The community meets every four months in face-to-face sessions to discuss different analytical trends with external experts from academia and business, as well as with reference people from the company to share best practices. In addition, an analytical skills course has been developed for the Pi Community and for technology employees. This course has a programme for the development of new tools that process information more efficiently.
- **Agile community.** The Agile Community is made up of Process and Technology teams and aims to optimise the delivery of new projects and improve customer service through Agile methodologies. In 2023, the Remember Agile programme has been developed to recall the key concepts of the methodology and share experiences, successes and failures to generate learning and improve the efficiency of technology projects. Finally, the content of the Minimum Viable Product has been further developed to make the implementation of technology projects more efficient.



# PERFORMANCE MANAGEMENT

Línea Directa Aseguradora continuously evaluates the performance of all its professionals in order to support their professional development, measure their contribution to the company's strategy and identify their strengths and areas for improvement.

## GOAL SETTING

The company's strategic goals are set by the CEO in the performance management model. The head of each area then sets the strategic objectives by which their area will contribute to the achievement of the company's goals. These serve as the basis for setting individual targets for each employee so that all professionals can measure their contribution to the company's strategic goals.

At this stage, the individual development action plan linked to each employee's competency profile is also defined.

## ONGOING PERFORMANCE MONITORING

Once the 2023 goals had been defined, employees held "development meetings" with their line managers, using a specific methodology developed by the Human Resources department and on the use of which the entire chain of command was trained. These conversations are designed to foster a culture of development and talent, and to identify and develop the skills and knowledge necessary for employees' professional growth.

In the front office areas of the company, these conversations take place on a regular monthly basis, while in the corporate areas they take place on a semi-annual or annual basis and, in some cases, on a quarterly basis.

## PERFORMANCE APPRAISAL

To conclude the cycle, a multidimensional assessment of competence development is carried out by the team leader and the employee. The team leader assesses team members' individual objectives, development action plan, competency profile and commitment, and gathers information to identify those within his team who have the potential to take on new responsibilities. At the same time, each employee self-assesses their own competences.

Once these assessments have been completed, the manager holds a performance meeting with each team member to discuss their results and achievement of objectives, and to provide personalised feedback on their performance and development. This meeting is also an opportunity for the employee to share their objectives or goals within the organization. In 2023, Línea Directa Aseguradora carried out a performance evaluation of 98% of its employees.



**The head of each area sets the strategic objectives which serve as the basis for setting individual targets for each employee.**



# EMPLOYEE WELL-BEING

## WELLNESS PROGRAM “WELL-BEING TO BE WELL”

Although one of Línea Directa Group’s main objectives in people management is the safety and health of its employees, it believes it is also important to address the broader concept of well-being. Línea Directa runs a specific programme based on the principles of the ILO (International Labour Organisation) and the recommendations of the European Union on health and safety at work. The company is also a signatory to the Luxembourg Declaration.

In this context, Línea Directa offers its employees the “Well-being to Be Well” programme, which encompasses actions focused on improving their physical, emotional or financial health.



Throughout 2023, Línea Directa has held the following sessions:

- Activations through LíneaGram (internal social network) where employees share healthy experiences and act as wellness ambassadors within the company.
- Healthy physical activity and rest challenges through the Activity App, aimed at customers, employees and non-customers alike.
- Webinar on healthy living and prevention with an expert in the field.
- General mindfulness course for staff and access on the @prende platform to all sessions held in 2022 and 2023.
- Webinar on psychological care in childhood and early youth with an expert whose aim is to prepare employees for the most important stages of their children’s lives, when the foundations of personality are consolidated.
- A back-to-back face-to-face workshop on two consecutive days, organised in different buildings so that all employees could attend in different groups.
- Celebrations of World Health Days and World Mental Health Day, with training provided by an expert in the field.
- Publication of the report “Understanding or brooding over our emotions: Analysis of the silent strategies that bring us closer to or distance us from emotional well-being” developed by the company’s External Communications team in collaboration with two prestigious psychologists and professors from the Faculty of Health of the Camilo José Cela University (UCJC). A press conference was held for the media and the report was also circulated on social media.
- Participation in the second edition of the Santander Golf & Sport Olympics, finishing third in various categories.

- As part of the company’s wellness and health programme, the Caring for People programme was launched for business team leaders. Delivered by a clinical psychologist specialising in occupational health, this programme helps managers recognise emotional situations, take the emotional temperature of their teams and learn to take care of themselves in order to be able to take care of others. This is psychosocial training as part of the company’s commitment to the emotional well-being of its employees.

The wellness programme also includes flu vaccination campaigns on company premises, where employees are vaccinated on request whenever doses are available. Also included in the programme is the “Online Doctor” benefit, which is available to more than 500 employees and allows them to use the online medical chat service of the Línea Directa health insurance free of charge online.

Similarly, Línea Directa continued to offer special prices on health insurance for employees and their families through its flexible remuneration programme.

Other benefits and activities include participation in popular races and sports tournaments, discounts at gyms, healthy menus, healthy and gluten-free products in all vending machines, healthy Christmas hampers, relaxation rooms, health awareness campaigns, special medical check-ups and discounts on physiotherapy, among others.

Línea Directa’s employee wellness offer is accompanied by a strong communication plan linked to the actions to motivate employees to take up the challenge of improving their health. The programme also offers a range of different digital and exclusive content on emotional balance, available on the company’s internal training platform (@prende).

## Financial wellness initiatives

Línea Directa's wellness programme also addresses the financial well-being of its professionals through information and training programmes, as well as access to employee benefits related to their personal finances.

In collaboration with Bankinter, the company provides information on this topic to all new employees during the induction process and organises regular financial training sessions for all employees.

In particular, Group employees have access to webinars delivered by financial experts, focusing on credit, savings and investment products, including mortgages, investment funds and pension plans. As part of this, the company has developed a digital training space ("School of Finance") with training content on this topic. In the year under review, intensive work was carried out on savings and financial advice at home, and employees received advice on investments and share purchases, including the Línea Directa Aseguradora share purchase plan, through the "Broker" academy. Also during the year, a programme was developed to bring the financial sector closer to employees and their families, reducing knowledge gaps and facilitating access to different financial products.

As part of this focus on the financial well-being of employees and on the advantages of being an employee of Línea Directa Aseguradora, Línea Directa Aseguradora professionals who are customers of Bankinter's 6007 Virtual Banking Office can participate in the profits generated by the office each year. Once a year, during "Bonus Day", 50% of the profit generated is distributed among employees. In 2023, the employee members of the office received more than € 47,400 corresponding to 2022 benefits.

During 2023, Línea Directa Aseguradora has developed a new employee benefit related to financial wellness. **Tax Down** is an application that provides the company's professionals with a digital service to file their tax returns simply and efficiently, with a 30% discount.

## Work-life balance

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

The Fundación Más Familia's EFR label recognises Spanish companies that have made a firm commitment to work-life balance through their own work-life balance management model, which certified companies must develop internally. In the case of Línea Directa, its model is independently audited by the consultancy DNV.

The most recent audit, which was completed in October 2022, analysed the more than 130 measures the company has in place to promote work-life balance, structured around five principles:

1. Quality in employment.
2. Flexibility in space and time.
3. Employee family support.
4. Professional development.
5. Equality of opportunities.

Línea Directa is particularly committed to supporting the families of its employees and has implemented a series of measures related to maternity, paternity and the care and support of family members in special situations. In this regard, the company has its own special leaves of absence, in addition to those provided for by law, to help employees and their immediate families at particularly important times in their lives.



- Employees are entitled to 16 weeks of paid parental leave, in addition to 15 working days of breastfeeding leave, as established by Royal Decree-Law 6/2019 of March. The company supplements the salary of its employees during this type of leave by paying the difference between the benefit the employee receives from social security and the full salary, so employees receive the same salary as if they were working.
- In addition, Línea Directa offers 5 days of breastfeeding leave within 12 months of returning to work, instead of the 9 months after the birth of the child required by law. With this measure, the company encourages the use of this leave and gives employees greater flexibility in accessing it.
- To support breastfeeding, all company buildings have rooms equipped with refrigerators for this purpose.
- Línea Directa Aseguradora has agreements with nurseries close to its workplaces so that the Group's employees can use them under advantageous conditions, including significant discounts and timetables adapted to their working day.
- The company provides employees with leave to care for and accompany dependent family members, including paid leave. In addition, employees can access special permits to accompany family members with oncological diseases to chemotherapy and radiotherapy sessions, as well as to certain diagnostic tests.

As part of its commitment to the work-life balance of its employees, Línea Directa Aseguradora has developed a system of flexible working hours. Employees who are not in direct contact with customers have one hour's flexibility at the time of entry and, consequently, at the time of exit. This measure cannot be applied to call centre staff, as they must adhere strictly to planned schedules to ensure good customer service.

During 2023, and as an additional measure to improve the work-life balance, Línea Directa has added an extra day to its employees' holidays from 2024.

All information related to these work-life balance policies is available to the Group's professionals through the employee portal, and they can contact Línea Directa's Customer Service Department with any queries they may have. During 2023, the company has focused on disseminating EFR's actions both internally (Internal Communications) and externally (External Communications).

## Flexiwork

To further facilitate work-life balance, Línea Directa Aseguradora has implemented a flexible working model that allows all employees to work from home six days per month. This has enabled the company to optimise working hours and gain agility and efficiency, while enhancing its employee wellness strategy, with the ultimate goal of achieving its medium and long-term business and corporate goals.

## Employee wellness survey

Línea Directa Aseguradora places people at the centre of all its decisions, which means that it is necessary to establish a relationship between the company and its employees that creates an atmosphere of trust, in which all employees feel that they are valued and listened to.

This relationship is shaped by the Group's corporate values and is based on proximity and transparency; the pulse of the organisation is taken every two years through a survey of the entire workforce. In the latest one, conducted in 2023, the company took its methodology a step further to be able to analyse the experience of its employees in a more personalised way, allowing the Group to draw conclusions by employee groups and according to professional and life cycles at Línea Directa.

## DIGITAL DISCONNECTION POLICIES

As a company aware of its responsibilities towards family and society, Línea Directa Group organises the working hours of its employees so that they can reconcile their personal and professional lives. To this end, it relies on the autonomy and flexibility derived from the new ways of working offered by new technologies.

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 expressly recognises the right of employees not to respond to business communications outside working hours, except in cases of legitimate urgency, and team leaders are encouraged to avoid such communications. In fact, the newly introduced technological systems include, for example, warnings that it is not advisable to send messages outside working hours.

The digital tools available to the Group's employees enable them to work collaboratively, regardless of whether they work in person or remotely, and the company has taken special care to ensure that the right to digital disconnection is maintained in this situation. To this end, regular training and awareness-raising activities have been carried out in recent years to optimise the organisation of work, focusing

on respect for employees' agendas and schedules, as well as on planning and information on the need for and advisability of attending meetings and recommendations for limiting their duration. Meanwhile, workshops on time management on digital platforms and awareness-raising actions on the appropriate use of technological tools were organised, all with the aim of avoiding the risk of computer fatigue.



# REMUNERATION

## TOTAL REMUNERATION

The insurance sector is characterised by the generation of stable and quality employment, and is currently one of the ten sectors in Spain that best remunerates its professionals. At Línea Directa Aseguradora, the total remuneration programme is one of the levers for retaining talent in the organisation.

The company has a total compensation platform available in the employee portal where employees can consult all the elements that are part of their remuneration package. The information includes fixed remuneration, variable remuneration linked to objectives and remuneration in kind, such as life and accident insurance, as well as the various social benefits and advantages they are eligible for as employees of Línea Directa, such as a flexible remuneration programmes and discounts on all the company's products.

The variable remuneration of the Group's professionals is determined by the monthly, quarterly and annual incentive programme, which is linked to the achievement of the company's objectives, the area's objectives and the professional development of each employee. Through this incentive plan, professionals can achieve targets beyond 100% and receive a very attractive variable compensation on top of their fixed salary.

In addition to the instruments required by current legislation, this total remuneration platform is an example of the company's commitment to the principle of transparency in remuneration, the main purpose of which is to ensure the effective application of the principle of equal treatment and non-discrimination in remuneration between women and men.

## ONE-OFF SPECIAL PAYMENT TO EMPLOYEES FOR INFLATION

Due to the increase in the cost of living as a result of inflation in the last two years, Línea Directa Aseguradora made a one-off extraordinary payment to all its employees in January 2023, with the exception of the management team, equivalent to 1% of their fixed salary, with a minimum of € 300.

## SOCIAL BENEFITS

All Línea Directa employees have life and accident insurance from the moment they join the company, with an insured capital of € 27,000 for employees with temporary or internship contracts. For all other employees, the sum insured is the result of multiplying the basic full-time salary by three taken to the next higher multiple of 30,050. In addition, the insured capital covers the contingencies of death and disability and is doubled in the event of death resulting from an accident.

## DEFINED CONTRIBUTION INSURANCE

Línea Directa has in place a savings and retirement plan through which the company makes an annual defined contribution for each employee, thereby honouring its commitment to reinforcing the retirement pensions of employees.

In addition to the normal retirement contingency, this system also covers death and disability of any kind and allows the consolidation of rights accumulated in the collective insurance for professionals who have been with the company for at least three years.

## EMPLOYEE SHARE PURCHASE PLAN

In 2022, Línea Directa launched its first share purchase plan aimed at employees. By joining this plan, employees may allocate part of their salary to the purchase of shares at a 5% discount, also benefitting from the advantages of flexible remuneration. The company has continued this programme during 2023.

Two financial literacy training and counselling sessions were held to help employees understand the initiative prior to making an investment decision.

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



## 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 in all the company's lines of business, as well as free access to medical consultations without the need to take out health insurance. Family members of Group employees also benefit from favourable conditions when taking out the Group's Motor and Health insurance policies.
- Flexible remuneration programme through which employees can contract different services and products of personal and family utility such as health insurance, childcare, public transport passes and daily meals.
- 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.
- Advantages and discounts on financial products. Through a partnership agreement, the company offers its employees benefits and discounts on financial products as well as advice. All employees with an account contracted with the partners entity (Bankinter) enjoy an annual distribution of the benefits associated with their financial products with this bank.
- Support for language and specialised training. Línea Directa employees have access to language scholarships that allow them to study or raise their level in various specialised language academies. Similarly, employees who are pursuing official specialised studies related to the company's activities or to a possible future activity may be eligible for financial assistance in addition to the portion paid by the company.
- 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. Since 2018, the company runs a programme through which employees can lease premium brand vehicles at a discount on the market price together 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, choosing the products it contains. The hampers also represent a contribution by the company to a foundation that supports the employability of people with disabilities.

The benefits plan is complemented by other measures, bringing the total to more than 130 benefits, actions and measures that Línea Directa offers its employees. All these benefits and advantages are audited through the external audit process that Línea Directa, as a family responsible company (EFR), must pass each year to maintain this certification.



# PAY GAP

Línea Directa Aseguradora defends equal pay for women and men and carries out annual salary reviews with common criteria for both genders. Proof of this is that the total average remuneration of both genders is very similar and the pay gap at the end of 2023 was 3.1%.

To calculate this adjusted gap, employees are grouped into clusters consisting of people performing similar duties or performing a similar job.

The gap in each cluster is identified and, to determine the overall gap, it 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 monthly. The calculation formula is as follows:

$$\text{Adjusted pay gap} = \sum_{n=1}^N \frac{\text{Gap in each cluster} \times \text{Number of employees in cluster}}{\text{Total employees}}$$

The gap in each cluster is calculated as follows:

$$\text{Pay gap} = \frac{\text{Average pay for men} - \text{Average pay for women}}{\text{Average pay for men}}$$



# HEALTH AND SAFETY

One of the main objectives of people management in Línea Directa Group is to ensure the safety and health of employees. Línea Directa has joined the Luxembourg Declaration, promoted by the European Network for Workplace Health Promotion since 2017, in which it commits itself to accepting and implementing the basic objectives of workplace health promotion and to aligning its strategies with the principles of this declaration.

Línea Directa also has a welfare programme that is based on the principles of the International Labour Organisation (ILO) and complies with European Union (EU) recommendations on health and safety at work.

## UPDATE OF THE OCCUPATIONAL RISK PREVENTION POLICY

The assessment of risks and hazards in the work environment is crucial for the design of risk control activities and the management of the prevention system.

In 2023, the company updated its Occupational Risk Prevention and Well-being Policy, setting out the commitments on which it bases its management of occupational risk prevention, not only through strict compliance with the applicable regulations, but also through its commitment to ensuring the health and safety of the people who provide their services at Línea Directa.

These commitments include the periodic review of working conditions, the replacement of hazardous elements, the identification of external and internal factors affecting health and safety, the provision of medical surveillance that respects

privacy, the adaptation of work to individual conditions, the continuous training and awareness-raising of staff, the promotion of physical and emotional well-being and the organisation of emergency teams with annual drills.

In addition to these commitments, the policy sets out a number of objectives. The first of these focuses on setting quantitative targets to improve occupational safety, covering incidence rates, number of absences, average duration of absences, frequency and severity rates. Other objectives include ensuring the health of employees through medical check-ups and wellness campaigns, developing training in the prevention of occupational risks, implementing emergency plans, promoting employee participation and consultation, ensuring proper coordination of business activities with suppliers working in Línea Directa's work centres, and ensuring that suppliers comply with standards. In addition, a pre-audit for ISO45001 certification will be carried out, with a particular focus on the supervision of top management and governing bodies.

In 2023, in addition to updating this policy, initiatives will be launched to improve psychosocial health through mindfulness and emotional man-



agement campaigns as part of the company's wellness plan. Similarly, in the area of occupational risk prevention, theoretical and practical training in first aid, fire fighting and evacuation of designated emergency personnel has been reinforced.

In terms of the number of accidents at work, Línea Directa has a lower accident rate than the sector as a whole. In 2023, there were 22 accidents, the same as in the previous year. Accidents in 2023 were in itinere and work is being carried out on road safety training and information for employees through training videos to prevent accidents and raise awareness, in addition to organising a Road Safety Day for its employees at Línea Directa's facilities.

**In 2023, the company updated its Occupational Risk Prevention and Well-being Policy.**

## STUDY OF PSYCHOSOCIAL FACTORS

In 2023, work has been carried out on various action plans based on the Psychosocial Factors Study prepared in 2022, which arose from a survey of employees with the aim of ensuring the health and emotional well-being of the workforce. The results have highlighted the points most valued by the people in the organisation and the areas for improvement.



In 2023, the company focused on measures for employees. The following stand out:

- With a view to improving emotional well-being, the wellness programme has included specific actions related to emotional well-being, such as a mindfulness course, back workshop, publication of a study on emotional rumination with renowned psychologists and employee talks with specialists.

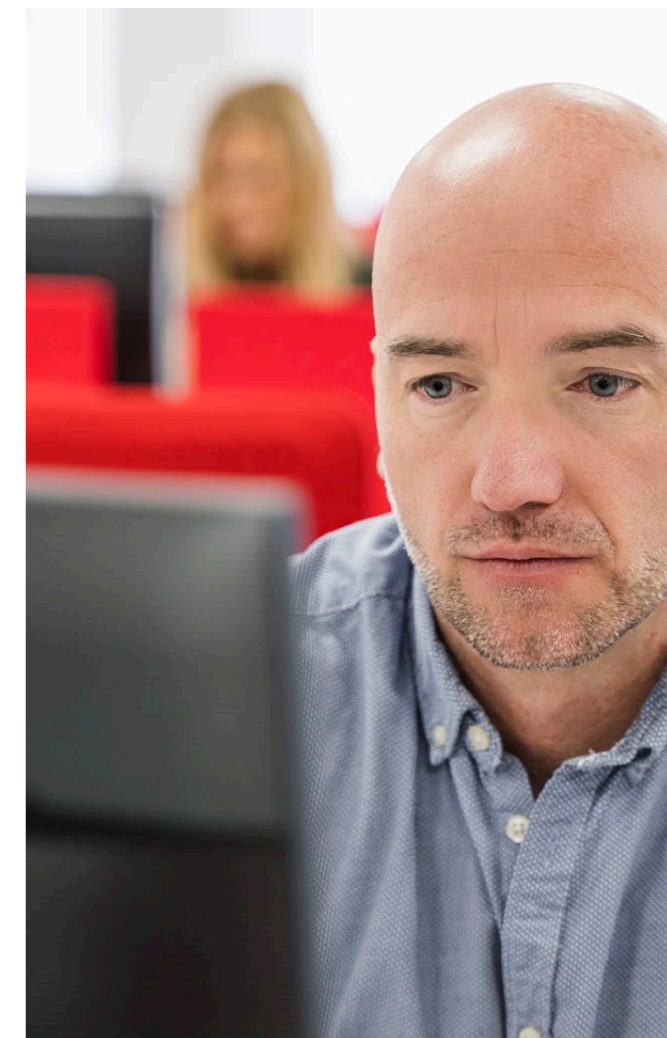
Of particular relevance is the workshop for business coordinators and supervisors, which focuses on caring for people from a psycho-emotional perspective. Under the guidance of an expert in the field, teams leaders in Línea Directa will receive training aimed at accompanying people, understanding their emotional state and finding solutions that will help the whole team to work in an environment of trust and security.

- Regarding the organisation of awareness campaigns, campaigns on equality, diversity and harassment prevention were carried out, the latter targeting coordinators and supervisors.
- To encourage consultation and participation of employees in matters relating to their work and the functioning of the organisation, these following measures have been circulated more widely: internal quality survey, employee climate and experience survey, performance evaluation, EFR certificate, regular area meetings and meetings with the CEO to inform staff about the company's strategy and business results.

## 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 contracted out to 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.



**With a view to improving emotional well-being, the wellness programme has included specific actions related to emotional well-being, such as a mindfulness course, back workshop, publication of a study on emotional rumination with renowned psychologists and employee talks with specialists.**



# EMPLOYEE RELATIONS

**In 2022, Línea Directa Aseguradora launched an organisational and strategic transformation that is key to the company's future. Paying attention to people's needs and managing change has been vital in turning this process into new professional development opportunities for the people in the organisation.**

In this context, employee relations have been based on close attention to people, supporting employees at times when they need it most, but also implementing specialised training programmes, promoting multidisciplinary and strengthening the expertise of teams to prepare them to successfully meet the challenges of change.

Moreover, in order to increase both productivity and staff well-being, the company has opted for flexibility in its working model, introducing a mixed system that combines presence in the offices with remote working modalities, allowing the company's employees to manage their time and workspace effectively.

Finally, the measurement of employee experience has been changed to a new, more sophisticated survey system that helps us to understand the mix of facts and perceptions that influence a better employee experience. The aim is to gain a better understanding of the level of engagement in relation to each employee's life and career cycle. This was a key project in 2023, as were the technological innovations implemented in employee relations and communications through the use of artificial intelligence.

## PEOPLE CARE AND CHANGE MANAGEMENT

Organisational and cultural change management has been particularly relevant to 2023. The shift to a multi-segment approach has been a challenge and an opportunity for growth and development for everyone in the organisation. The People area has played a central role in preparing the Business and Service and Benefits areas for this transformation, providing specialised training and promoting a multidisciplinary approach to strengthen the expertise and skills of the teams.

Throughout this transformation, which is fundamental to the future of the company, the People and Communications area has focused on supporting employees and the chain of command along the process. To this end, 2023 has worked with the business units to address the specific needs of each team and to ensure a harmonious transition that respects their particularities.

Special attention has also been paid to the emotional management of change. The proximity of the People area to the business means that it is actively involved at critical moments. Línea Directa is very committed to the emotional wellbeing of its employees and is aware that

change can create uncertainty. For this reason, a permanent presence of the People teams has been established in all the company's buildings. This physical presence not only facilitates communication and the resolution of doubts, but also underlines the company's commitment to being close to its employees during this process of change, demonstrating its availability to support them at all times.

## FOCUS ON FLEXIBILITY

Línea Directa Aseguradora's employees have access to appropriate digital tools, which are a strategic tool for promoting work flexibility and employee wellbeing. With these technologies, the company promotes an agile and adaptable working environment, implementing a blended working system that combines in-office presence with flexible or remote working, taking into account the different needs and working styles of each team.

In managing this system of flexibility, the Group's employees have access to the company's IT systems. This autonomy reinforces Línea Directa's vision of creating a working environment based on trust and individual responsibility. Employees, in close collaboration with their managers and teams, are able to adapt their work environment to optimise their time and well-being.

In addition, following specialist remote leadership training delivered during and after the Covid-19 pandemic, known internally as DigitLeads, managers are leading mixed face-to-face and remote teams, effectively managing the different realities imposed by the flexible model.

## DIALOGUE WITH EMPLOYEES

The company has set up various direct digital communication channels with employees through which information flows in all directions, thanks to the publicly accessible employee channel and the management of the People Care team.

The Group has set up various internal communication channels:

- The "Online Employee" platform. This is a space designed for employees to easily and quickly access information of interest, such as their personal space, management tools, company news and corporate social applications.
- A fortnightly newsreel in video format, summarising the key company milestones during the period. The content is of particular interest in the areas of sustainability, business, innovation, culture and employee benefits. The videos are short and light-hearted, making them easy to watch.
- Mailings and email communications with campaigns aimed at all employees or segmented by groups according to communication needs.
- A network of screens installed in the transit areas of all workstations. These screens reinforce corporate messages, campaigns published in other formats and welcome new employees.
- The "En Línea y en Directo" [online and live] corporate chat, that is universally accessible and allows instant communication with all employees through this direct, one-way channel.
- Collaborative spaces for virtual meetings, collaborative projects or sharing and working on files simultaneously.

## 'LidIA', Línea Directa's artificial intelligence chatbot

As part of the process of digitising employee communications, in 2022 the company launched the 'LidIA' chatbot, a virtual assistant on the company's intranet programmed to answer employees' key questions in a conversational manner. In 2023, a proof-of-concept (PoC) has been launched to integrate this assistant with generative Artificial Intelligence and thus make the user experience more modern, effective and human through natural language.

This proof of concept was carried out throughout the year by the People and Communication teams, as well as the Architecture specialists in the Technology area. A roadmap for HR projects has been drawn up, developing short and long term frameworks and a change management plan that addresses the adoption of artificial intelligence by considering not only processes and technology, but also people.

At a technical and project level, a website was developed connected to the Azure Open AI technology, focusing on defining the content to be addressed by the AI, in line with everything

**In 2023, Línea Directa worked on a holistic and sophisticated measurement project that allows us to draw conclusions by type of employee.**

that already exists in the company's employee portal, as well as the tone of voice that the artificial intelligence of 'LidIA' should have, so that it is consistent with the communication style and culture of Línea Directa.

Once this project has been successfully validated in a virtual environment, the goal for 2024 is to unify internal information to standardise it with artificial intelligence and to integrate 'LidIA' into other areas of the company's operations, streamlining not only communication but also business processes.

## MEASURING THE EMPLOYEE EXPERIENCE

Línea Directa Aseguradora has taken another step forward in measuring employee experience. Previously, the company had conducted surveys in different cycles (one-off and annual) to gauge the mood of the organisation at a particular point in time. In 2023, we worked on a holistic and sophisticated measurement project that allows us to draw conclusions by type of employee, according to their life cycle in the organisation and their personal and professional reality, among other criteria.

This model seeks to identify which moments are key in the employee's relationship with the company and how they affect their commitment and motivation. In a time of change management such as the present, this will enable the People area to configure specific and adaptable action plans based on this knowledge, thus helping to achieve better business results.

This project has been implemented based on four fundamental pillars:

- **Diagnosis** the first step was to diagnose the current experience of Línea Directa's professionals and analyse the different archetypes of the company's employees. A benchmarking exercise was carried out to determine the company's positioning and to identify action plans that are easy to implement and have a high impact (quick wins).
- **Strategy:** align the voices of employees with the needs and goals of the Group and the marketplace. This allows us to build a relationship model and redesign the employee experience by identifying where we need to focus.
- **Transformation:** define the action plan to improve the employee experience at key moments in the organisation and in line with the organisation's strategic objectives.
- **Measure to understand development:** recurrent measurement of experience through taking individual pulses or carrying out global measurements. This allows us to create an employee experience dashboard with key indicators and access for the HR department and employee experience managers.

## UNION REPRESENTATION

All employees of Línea Directa Group are subject to the collective bargaining agreement that applies in each workplace of the companies that make up the Group:

- **In Línea Directa Aseguradora**, the Insurance and Reinsurance Agreement.
- **In Línea Directa Asistencia**, the Collective Agreement of Offices.
- **In CAR Barcelona**, the Barcelona Metalworkers' Agreement.
- **In CAR Madrid:** the Madrid Metalworkers' Agreement.
- **In Línea Directa Reparaciones**, the Madrid Construction Collective Bargaining Agreement until July 2023.

The Group has several union sections exercising their rights in accordance with the Organic Law on Freedom of Association.

Information and consultations with employees (opinion surveys, EFR postbox, psychosocial risk assessment, etc.) are of utmost importance for the company to know how employees perceive their working conditions and to be able to implement appropriate action plans if necessary.

# DISABILITY AND ACCESSIBILITY

## DISABILITY

Línea Directa’s firm commitment to diversity, inclusion and, in particular, to the integration of people with functional disabilities, has a long history and has enabled the company to win prestigious awards and certifications over the years. Today, this commitment has evolved to adapt to the new legislative framework on sustainability, to integrate it into the ESG axes and to respond to the new social and economic context.

One of the key pillars in this area is the inclusion of employees with a disability certificate. With this goal in mind, in 2009 Línea Directa launched the No Limits programme, which addresses diversity in the workplace from four perspectives: attracting talent with different abilities, highlighting internal diversity, developing and participating in social inclusion projects and contributing to the employability of this group through special employment centres (CEE).

The programme includes a guide or tutor who guarantees a working environment and a welcoming process adapted to the needs of the employee, who also receives a grant of € 1,500. The guide also advises and accompanies people enrolled in the programme through the procedures, guaranteeing them confidentiality throughout the process. In this way, Línea Directa promotes the integration of people with different abilities from the moment they join the company, ensuring their participation in the company and the development of their talents.

The programme also includes technical aids to remove or reduce physical barriers and professional advice from specialist agencies such as the Randstad Foundation. No Limits includes the

You Add Plan, which offers advice to all employees who have a family member with a disability.

Línea Directa collaborates with other foundations and associations in various projects for the socio-occupational integration of people with disabilities, for which it has a network of volunteers who offer their knowledge, experience and time to design and run employment workshops. For example, the company offers work placements to young people with disabilities from the Aproroc Foundation and organises inclusive leisure activities, such as charity markets where the products are made by specialised centres.

In addition to No Limits, Línea Directa has other corporate volunteering programmes that enable it to work with groups at risk of social exclusion:

- For more than 10 years, Línea Directa has been contributing to the employment of people with disabilities by working with special employment centres.
- Línea Directa has joined the Companies for Equality, Diversity and Inclusion initiative as a Promoter Company, promoting good practices in this area and disseminating the different initiatives of this group.

At the end of the year, the Línea Directa Group was employing 39 people with some form of disability, representing 1.6% of the workforce. In 2022, the entity had 39 employees with a disability, representing 1.54% of the workforce in that year.

## ACCESSIBILITY

All the workplaces of the Línea Directa Group are accessible. In addition, the company works on communication and awareness about disability, both

internally and externally. In 2023, the accessibility of the corporate website has been addressed to ensure access for all users.

<https://www.lineadirectaaseguradora.com>

The criteria adopted to improve the accessibility of the Línea Directa Aseguradora website (<https://www.lineadirectaaseguradora.com>) are based on the WCAG/WAI guidelines of the World Wide Web Consortium (W3C), an international consortium that develops recommendations and standards to ensure the use and development of the internet.

In this sense, the development of the Línea Directa Aseguradora website has been based on compliance with the W3C-WAI WCAG 2.1 Web Content Accessibility Guidelines, in its AA level of requirement. A specialist consultancy was commissioned to carry out an accessibility audit in accordance with the requirements of WCAG 2.1.



# 5.

# SOCIETY.

SOCIETY

SUSTAINABLE INVESTMENT

LÍNEA DIRECTA FOUNDATION

CORPORATE VOLUNTEERING

SUBCONTRACTING AND SUPPLIERS

CUSTOMER SERVICES

SERVICE QUALITY



# SOCIETY

**Línea Directa Aseguradora was founded 28 years ago with strong values of responsibility, involved in the communities in which it operates and committed to the progress of society.**

## COMMITMENT TO ROAD SAFETY

The main social contribution from Group is made by Línea Directa Foundation, which covers research, dissemination, training and social action in the field of road safety.

In 2023, Línea Directa Foundation published three road safety studies with a strong media impact and carried out road safety training for the company's employees.

## INSURANCE SECTOR

Línea Directa Group actively participates in insurance sector organisations such as ICEA, which is dedicated to research, statistical studies, training and consultancy applied to the insurance sector, and UNESPA, the association that represents the insurance sector in society.

At an international level, Línea Directa joined, in early 2023, the United Nations Principles for Sustainable Insurance (PSI) initiative, which provides a global action plan to develop and scale the innovative insurance and risk management solutions needed to promote renewable energy, clean water, food security, sustainable cities and disaster-resilient communities.

The amount allocated by the company to support these sectoral initiatives was € 136,121 in 2023, and € 126,632 in 2022.

## OTHER CONTRIBUTIONS

Línea Directa Group, as a sign of its commitment to society, has contributed € 572,164 to foundations and non-profit organisations, mainly for investment in the community and to a lesser extent for charitable donations and commercial initiatives. These contributions totalled € 658,061 in 2022.

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.



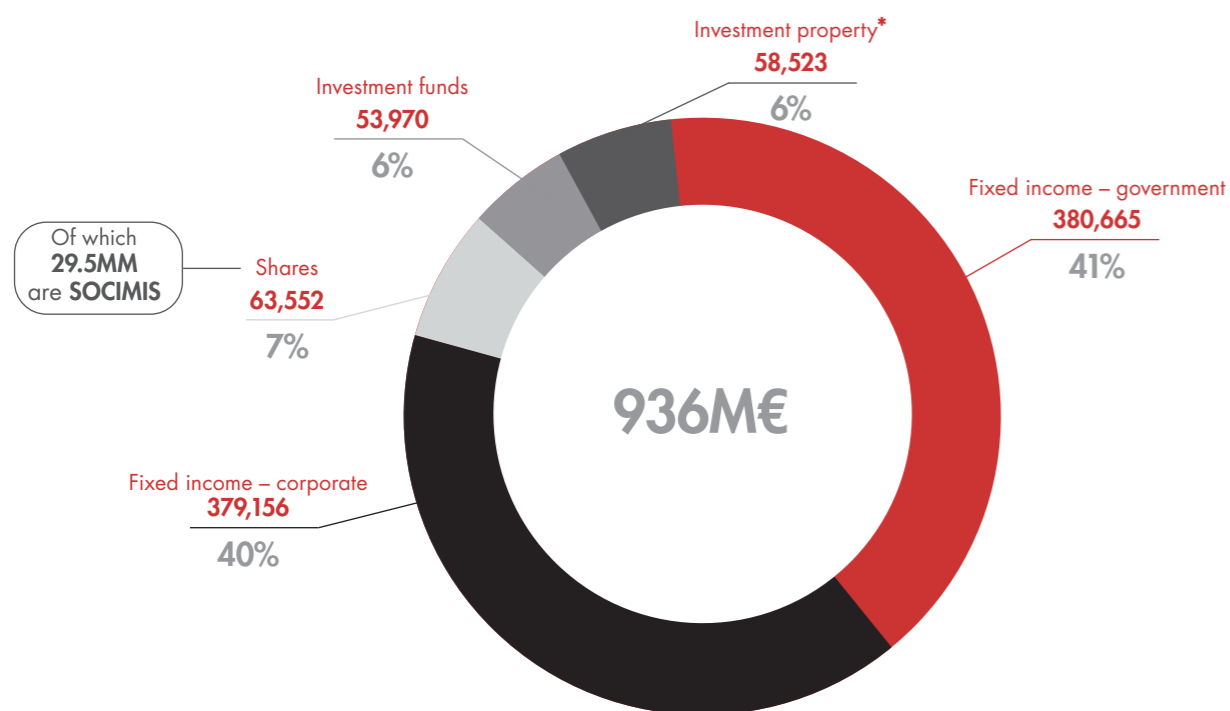
# SUSTAINABLE INVESTMENT

Insurance companies, as an integral part of the financial system, have an obligation to society by virtue of their role as investors and the ultimate destination of the capital flows they manage.

Línea Directa’s asset portfolio, valued at € 936 million at year-end 2023, is regularly evaluated against environmental, social and governance (ESG) criteria and published quarterly with the company’s financial results. This information is taken from the Sustainalytics tool provided by Morningstar, one of the benchmark companies in its segment. This tool facilitates the automated management and monitoring of ESG investments and helps to integrate sustainability issues into investment decisions.



PORTFOLIO COMPOSITION



Línea Directa’s investment and divestment decisions are governed by the principles set out in its Sustainable Investment Policy, approved by the Board of Directors in mid-2022. In this policy, the Group actively promotes the integration of these criteria in its investment decisions, limiting its participation as an investor in organisations, projects or products that may encourage or cause serious breaches due to their economic activity being linked to controversial sectors or being related to fossil fuels.

The company’s sustainable investment strategy has been shaped by the European Commission’s strong commitment to sustainable finance in recent years. This has led it to consider ESG issues in its investment policies and even in the definition of commitments to limit exposure to some controversial sectors. It has also helped to define a roadmap for decarbonising investment portfolios.

At the same time, the regulatory pressure from the reporting requirements arising from the entry into force of the Taxonomy Regulation on the investment portfolios of financial institutions poses an additional challenge. This is due to the highly demanding criteria that companies face when assessing the degree of alignment of their activity with the Taxonomy. Línea Directa’s report in this regard is included in the chapter “Adaptation to climate change”. However, the lack of public disclosure from unlisted companies and the staggered timetable for listed companies poses an even greater challenge for financial institutions, as the relevant information is not always available.

\* Off-balance sheet capital gains on investment property and property for own use amount to € 31 million before tax.

# LÍNEA DIRECTA FOUNDATION

After nearly two decades of fighting road accidents, Línea Directa Aseguradora created its own foundation in 2014 to further strengthen its commitment to safe and sustainable mobility. 10 years after its creation, Línea Directa Foundation has become a true reference in the field of road safety, promoting numerous initiatives to combat a tragedy that every year forever marks the lives of thousands of people in Spain.

## INTRODUCTION

In 2024, Línea Directa Foundation, a non-profit organisation which, under the slogan “Here and Now” is dedicated to the fight against road accidents, celebrates its 10th anniversary. The Foundation, which has already become a benchmark in the field, draws on the Línea Directa’s long experience in road safety. It works on four fronts: Research, Dissemination, Social Action and Training, through which it promotes and develops powerful initiatives with great social impact.

Among them we find numerous studies that analyse the most relevant aspects of accidents, always with the aim of raising awareness about the importance of maintaining responsible driving habits. These studies seek to offer a holistic view of the phenomenon of traffic and accidents, providing innovative approaches that help fight against road mortality and injuries.

Línea Directa organises each year the Road Safety Journalism Awards, 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 event, which celebrated its twentieth edition in 2023, also honours institutions, foundations and organisations that have made outstanding contributions to the fight against road accidents, as well as the careers of prominent journalists and media professionals who have dedicated their careers to informing, investigating and raising awareness of road safety in society.

Línea Directa Foundation also promotes a programme of start-up accelerators, an activity it carries out through its Road Safety and Entrepreneurs Award, a competition that funds projects that, due to their particular relevance, can contribute to saving lives on Spain’s roads. In addition, the Foundation carries out numerous training and social action activities in collaboration with other foundations, organisations and institutions in Spain.

Thanks to its strong commitment to road safety and despite its young age, the Línea Directa Foundation has been recognised by the government with important awards, including the Silver Cross of the Order of Merit of the Civil Guard and the Bronze Medal for Road Safety, awarded by the Spanish Ministry of the Interior and Directorate-General for Traffic (DGT).

### BOARD OF TRUSTEES OF THE LÍNEA DIRECTA FOUNDATION



\* Teodoro García-Egea was a member of the Board of Trustees of Línea Directa Foundation until March 2023.

## RESEARCH

Since its creation ten years ago, Línea Directa Foundation, in collaboration with leading institutes, foundations and universities, has carried out important studies aimed at making Spaniards aware of the risks involved in driving. Each year it focuses on three issues which, because of their interest and importance, represent a major challenge for all organisations and administrations committed to ending road deaths.

In 2023, Línea Directa Foundation has published 3 studies that have had a strong impact on the media, with more than 800 news appearances and a cumulative audience of more than 398 million.

- “Life in a second. Distractions and accidents on Spanish roads (2012-2021)”



Distractions are one of the great challenges in the fight against road accidents. One of the main conclusions of this report is that **1 in 3 fatal accidents** in Spain is caused by a **lack of concentration while driving**. In the last decade, **238,000 acci-**

**dents** caused by distracted driving were recorded in Spain, resulting in 6,200 deaths. Incidents are also becoming more lethal, with the **fatality rate** increasing by **52%** over the period.

Distractions are generally caused by one of three leading causes, according to the reports: **absent-minded driving, tiredness and looking at the surroundings**. However, Spaniards admit to another reason, which is not usually mentioned in

these documents and which is ultimately decisive: **the use of the mobile phone**. In fact, almost half of drivers (48%), equivalent to **13 million drivers**, say they **do not use a hands-free option in their phone** while driving.

- Getting there and back. X-ray of traffic accidents on holiday journeys in Spain (2012-2021)



The second study of the year, presented in July 2023 to coincide with the forthcoming summer holiday traffic received a great deal of media coverage due to its surprising findings. Over the last decade, 165,000 accidents involving casualties have been recorded on long journeys during the summer months, resulting in more than 3,300 deaths and 234,000 wounded, amounting to 5 deaths per day, making

summer the most dangerous time of year for road safety, with a fatality rate 20% higher than the rest of the year.

The report was accompanied by a survey, the results of which revealed some surprising findings: more than half of drivers admit to speeding during their summer journeys and some 6 million (23%) admit to drinking alcohol at rest stops.



• **Safe cars for all. Analysis of accidents from a gender perspective (2012-2021)**



The Foundation’s third study in 2023 highlighted a serious historical problem: **passive safety tests have so far failed to take into account the female anatomy.** In fact, only three dummy models have been used in crash tests: a 95th percentile male, a 50th percentile male and a 5th percentile female, which is a rescaling of the female body. In response to these findings, **Línea Directa Foundation**, in collaboration with the Comillas Pontifical University, has developed a computerised crash test with two 50th

percentile models for men and women, with some surprising conclusions: in a frontal impact, **women are twice as likely to suffer a severe brain injury and 50% more likely** to suffer a skull fracture.

Moreover, seat-belt design fosters the “submarining” effect for female drivers: slippage in the seat that can cause significant internal injuries due to the pressure of the lower band on the stomach.

**DISSEMINATION**

**Línea Directa Foundation’s Road Safety Journalism Award is one of the most recognised initiatives in Spanish journalism. The competition, which celebrated its 20th edition last year, aims to encourage the publication and dissemination of reports and articles on road safety, always with the aim of promoting road safety among drivers.**

In 2023, the Línea Directa Foundation Road Safety Journalism Award celebrated its 20th edition at the Gran Teatro Príncipe Pío in Madrid. The competition rewards the best journalistic works published and broadcast in Spain in the written press, online media, radio and television, with a net prize of € 10,000 for each category.

The Foundation also presented the Solidarity Award for Road Safety, an annual prize of € 10,000 net awarded to organisations, institutions and foundations that have distinguished themselves through their commitment and initiatives in the fight against road deaths. Finally, the Foundation also presented the Honorary Road Safety Journalism Award, which recognises the career of an information professional or media outlet in this field.

The winners, chosen from more than 2,000 entries, were Leticia Núñez, Isabel Martín and Patricia Corral from Diario de Burgos (written press and online media), Ana Corbatón from Cadena SER (radio) and Esperanza Calvo from Telecinco (television).

The Solidarity Award went to the Institut Guttmann for Neurorehabilitation, a leading hospital in the field of brain health, which aims to improve the prevention and outcomes of the treatment of nervous system pathologies, often caused by road traffic accidents. The Honorary Journalism Prize was awarded to DGT’s Revista Tráfico y Seguridad Vial for its great work in the field of public information for almost 40 years.



The components of the Jury of the 20th 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) from 2003 to 2023.
- **Pere Macias**, Chairman of the Commission for Road Safety of the Chamber of Deputies during the 2011-2015 legislature.
- **Pedro Guerrero**, Chairman de Bankinter.
- **Carlos Franganillo**, Journalist and presenter of the 2nd edition of the Telediario de La 1 (TVE).
- **Ángel Carreira**, Journalist and political correspondent for ANTENA 3 NOTICIAS.
- **Leticia Iglesias**, Journalist and presenter of Informativos TELECINCO.
- **Helena Resano**, Journalist and presenter of Informativos de LA SEXTA.
- **Juan Antonio Marrahí**, Journalist for LAS PROVINCIAS, and winner in the 19th edition of the Road Safety Journalism Prize under Written Press and Online Media.

**In 2023, Línea Directa Foundation held the Línea Directa Road Safety Day, the aim of which was to disseminate safe driving habits among the company's employees.**



## TRAINING AND SOCIAL ACTION

**Línea Directa Foundation's research and dissemination aim to promote road safety knowledge in society and to serve different groups that, due to their vulnerability, require a relationship based on cooperation and mutual learning. As part of its social action, the Foundation also organises the annual Road Safety and Entrepreneurs Award, a competition that promotes entrepreneurship in the field of road safety.**

Training and social action are two of the main lines of action of Línea Directa Foundation, with the aim of disseminating the most relevant aspects of accidents, as well as their causes

and consequences. These lines of action seek to respond to the needs and concerns of different associations and groups which, because of their vulnerability, require a relationship based on cooperation, awareness and mutual learning.

In 2023, **Línea Directa Foundation held the Línea Directa Road Safety Day**, the aim of which was to disseminate safe driving habits among the company's employees, for which purpose it made available to the entire workforce **four simulators that recreated various driving situations**. For example, the company's employees were able to experience a 360° rollover, as well as an impact simulator that simulates a collision with a fixed object at low speed. In addition, through a variety of fun activities and computer simulations, employees were able to see the main effects of alcohol and drugs on drivers and what it is like to drive in adverse weather conditions.

The day was rounded off with two presentations by psychologists from AESLEME (Association for the Study of Spinal Cord Injury) to the company's personal injury specialists, in which they stressed the need to promote empathy and closeness with the injured and their families.

## Road Safety and Entrepreneurs Award

Catalonian start-up **Engidi** wins the 9th edition of Línea Directa Foundation's **Road Safety and Entrepreneurs Award**. This Barcelona-based technology firm designs and manufactures IoT **electronic devices** that can be included in the **PPE** (Personal Protective Equipment) worn by workers operating in highly dangerous environments. Its ACRUX model is designed to improve the safety of road construction and maintenance workers by connecting them with drivers of road vehicles to prevent accidents and run-overs.

The contest is endowed with a **prize of € 20,000** net without carryover, as well as access to **training and mentoring**. At a later stage, they will also be able to access financing rounds organised by **Bankinter's Foundation for Innovation** and **IESE Business School**.

The second placed start-up at this edition was Sevillian firm, KOMOBI, which forms part of the **Livelihood Ventures** group. The Andalusian start-up presented a **smart device** that features a dual anti-theft alarm system, GPS tracking, route recording, race telemetry and 24/7 roadside assistance. The system **alerts the emergency services** in the event of an accident, facilitating the **exact location of the rider** and thus reducing the time it takes to attend to those affected.

**Línea Directa Foundation's Road Safety and Entrepreneurs Award is endowed with a prize of € 20,000 net without carryover, as well as access to training and mentoring.**

The 5 finalists of this edition presented their proposals in an elevator pitch format to a jury of eight renowned professionals from the business world, the entrepreneurial ecosystem and public administration:

- **Jorge Ordás**, Deputy Director General for Mobility Management and Technology of the DGT.
- **Clara Gutiérrez**, Managing Partner at BRAIN VC Fund.
- **Juan Roure**, Professor of Entrepreneurship at IESE Business School.
- **María Jesús Magro**, Managing Director of the PONS Foundation.
- **Marisol Menéndez**, CEO of Bilakatu and of #WomenInTechSpain and start-up consultant.
- **José Carlos Huerta**, Director of Analysis on the Venture Capital Programme at the Bankinter Innovation Foundation.
- **Carlos Rodríguez Ugarte**, CFO of Línea Directa Aseguradora.
- **Mar Garre**, Managing Director of Línea Directa Foundation.



## Social media

At the end of 2023, **Línea Directa Foundation** had a community of 4,570 followers on **Facebook, Twitter and YouTube**, 3.6% more than the previous year, a growth achieved without recruitment campaigns.

By promoting and developing these channels, Línea Directa Foundation is committed to immediate, transparent and agile communication with the public, always with the aim of continuing to promote safe driving habits in society. Its blog, dedicated to current events, but also to innovation and the history of road safety, is therefore one of the main communication tools for communicating the main issues in this field to the public.



# CORPORATE VOLUNTEERING

The Línea Directa Group offers its employees the opportunity to join its network of volunteers, called “Conmovedores Línea Directa”, whose aim is to promote social and environmental commitment and involvement, and to carry out actions with a high environmental impact. Corporate Volunteering was launched in 2009 and currently has 169 volunteers.

Since 2022, the social action of Línea Directa Aseguradora has been effectively integrated into the sustainability strategy under the name “Línea Directa Movement”. This terminology is intended to make social action visible and comprehensive, and to provide a framework for corporate volunteering. It also seeks to make a call to action with the aim of involving more people in the community. The volunteering network aims to incorporate social action and sustainability programmes that address all the solidarity concerns of the company’s employees.

All Conmovedores volunteer activities are aligned with the UN Sustainable Development Goals, with priorities in the areas of inclusion, children, equality, sustainability, health, transparency, diversity and the elderly.

This year, volunteering has focused on actions targeting children, young people and adults at risk of social exclusion, people with disabilities, women in situations of gender-based violence and the elderly, in particular to reduce the digital divide for the elderly; it brings added value to communities, strengthens organisational culture internally and enables the development of new competences, skills and sensitivities in the participating volunteers and in their professional environment.

The Group uses the Aplanet tool to document, quantify and categorise social action initiatives according to the type of activity carried out and the resources allocated, enabling it to measure the contribution and impact of its social action on society.

## INCLUSION VOLUNTEERING

### INTEGRA FOUNDATION - EMPOWERMENT SCHOOL

**No. of volunteers: 10**

**No. of beneficiaries: 86**

**Volunteer hours: 32**

During the year, volunteers from Línea Directa Aseguradora conducted 8 employment workshops and job preparation days as part of the Integra Foundation’s Empowerment School 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.

### INTEGRA FOUNDATION - INTEGRATECH

**No. of volunteers: 12**

**No. of beneficiaries: 10**

**Volunteer hours: 28**

This action, carried out in collaboration with the Integra Foundation, consisted of a training workshop for people at risk of social exclusion with the aim of reducing their digital divide and improving their employability.

The training took place over two full days, during which volunteers from Línea Directa Aseguradora shared their knowledge of digital issues with the participants.

### NORTE JOVEN ASSOCIATION

**No. of volunteers: 6**

**No. of beneficiaries: 20**

**Volunteer hours: 21**

Línea Directa Group works with the Norte Joven 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.

#### INTEGRA FOUNDATION - INTERNATIONAL WOMEN'S DAY

**No. of volunteers: 13**

**No. of beneficiaries: 43**

**Volunteer hours: 12**

On International Women's Day, 8 March, Línea Directa group organised a day of three different activities for a group of women in a situation of gender violence:

- Employment workshop in which job interviews were practised through role-playing and each volunteer interviewed each participant for about 15 minutes.
- Group dynamics with feedback from volunteers
- Listening in on sales department calls for one hour, each listener standing next to a sales manager, watching and listening as the call is made and the customer is dealt with.

#### ADOPT A GRANDPARENT - SHOWCOOKING

**No. of volunteers: 18**

**No. of beneficiaries: 1**

**Volunteer hours: 20**

A new activity with 'Adopt a Grandparent' in 2023 was a cooking workshop where the company's employees learned to make torrijas with a very experienced cook: Grandma Asun, from Adopt a Grandparent. Participating employees learnt culinary tricks of the trade and at the same time helped out.

With this action, the network of volunteers promotes the integration of the elderly by drawing attention to the personal journey of the grandmother who accompanied the Línea Directa Aseguradora staff during the session.

#### ADOPT A GRANDPARENT - THE POWER OF A LETTER

**No. of volunteers: 67**

**No. of beneficiaries: 67**

**Volunteer hours: 22**

For Christmas 2023, the company launched an initiative with Adopt a Grandparent to provide companionship to elderly people in nursing homes.

The initiative consists in a digital platform through which Línea Directa employees can send letters to different grandparents in Spain who will be spending Christmas alone, making them happy at this time of year.

#### BOTÍN FOUNDATION - THINKXSOCIAL

**No. of volunteers: 2**

**No. of beneficiaries: 14**

**Volunteer hours: 32**

Línea Directa Aseguradora has participated in the first interdisciplinary meeting between different marketing, advertising and communication professionals, with the aim of helping non-profit organisations to reach out to "Generation Z".

The project, organised by the Botín Foundation, brought together more than 14 NGOs and foundations. From Línea Directa, two marketing and communication professionals joined the project by putting their knowledge at the service of the project for two full days.

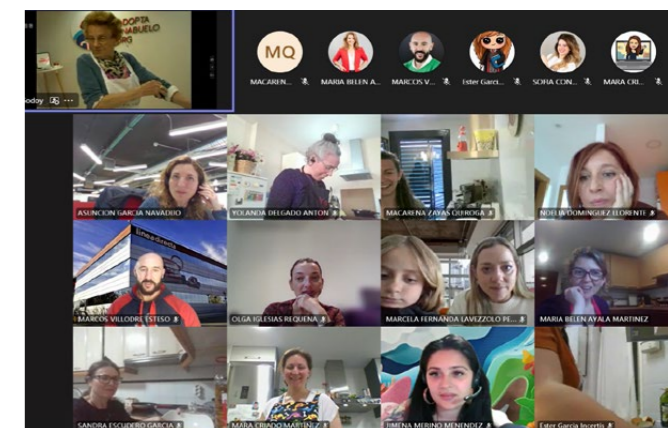
#### APROCOR FOUNDATION - THE BACK STREET

**No. of volunteers: 46**

**No. of beneficiaries: 100**

**Volunteer hours: 133**

On the occasion of the quarterly meeting of the People, Communication and Sustainability department, the employees of the department visited the facilities of the Aprocor Foundation. Once there, after the working session, a corporate volunteering activity took place in which people from the organisation helped the association to rehabilitate a disused area of its facilities. Together they managed to turn the area into a recreational and meeting place for all the young people who study at the centre.



### A LA PAR FOUNDATION - HOME SAFETY TRAINING WORKSHOP

**No. of volunteers: 6**

**No. of beneficiaries: 12**

**Volunteer hours: 12**

Volunteers from Línea Directa gave a home safety workshop to young people with intellectual disabilities living in the A LA PAR Foundation's training home, where they are preparing to live independently.

In this workshop they learned about the main risks in a home: fire, possible injuries and electrical hazards. In order to avoid them, participants are taught how to prevent them and shown which tools to use if they occur.

### EL OLIVO HOME - DANCE WORKSHOP

**No. of volunteers: 4**

**No. of beneficiaries: 17**

**Total hours: 13**

Four volunteers from the Conmovedores network visited the El Olivo home and gave a dance workshop to the 17 children who live there.

The aim of this action, apart from imparting educational knowledge to the young people, is to spend some time with them, promote their social integration and share a pleasant moment in their company.

## Environmental volunteering

### AMI3 – REFORESTATION DAY

**No. of volunteers: 51**

**No. of beneficiaries: 10**

**Volunteer hours: 102**

Together with the Association for People with Disabilities in Tres Cantos (AMI3), Línea Directa organised a family reforestation day in which employees, family members and children participated.

This action aims to integrate people with disabilities, who acted as monitors for the activity, while sharing in the care and conservation of the environment and having a positive local impact in the Tres Cantos community.

## Christmas solidarity campaigns

### EL OLIVO HOME - BECOME ONE OF THE THREE KINGS

**No. of volunteers: 22 volunteers**

**No. of beneficiaries: 17 young people from Hogar el Olivo Volunteer hours: 44 hours**

"Become one of the three kings" is an initiative with a long tradition within the company. Every Christmas, the children at El Olivo send Línea Directa their letters to the Three Kings. The letters are distributed to different parts of the company and collection boxes are set up to collect money.

The proceeds are used to buy the gifts requested by the children and are given to them in January during a visit to El Olivo.

### SOLIDARITY FOOD COLLECTION, WITH SOLIDARITY BANK

**No. of volunteers: 12 volunteers**

**No. of beneficiaries: 65 families in food poverty Volunteer hours: 20 hours**

This is a food bank that serves more than 300 families in the Madrid region. On this occasion, the food donated by the employees of Línea Directa Aseguradora was put together in the form of Christmas hampers, with the aim of bringing Christmas cheer to those who need it most.

## Wellness and health

### 10TH MADRID RUN AGAINST CANCER

**Participants: 96**

**Donation: 1,366€**

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 donated more than

90 race numbers to encourage employee participation and contribute to the cause of cancer research.

### INRUN RUN

**Participants: 10**

Línea Directa Group participated in the first solidarity run for the mentally handicapped, organised by the A LA PAR Foundation. The funds raised at a solidarity flea market were used for the celebration of this run.



## Donations

### SOLIDARITY MARKET 2023 IN FAVOR OF A LA PAR

All gifts that arrived on Christmas 2022 for Group employees from suppliers and other companies were donated to a charity market. For the 2023 flea market, Línea Directa Aseguradora has donated 150 refurbished computers and 110 monitors, sold at the market at a symbolic price of € 20 and € 10 respectively. The final collection exceeded € 4,500.

The market was organised by 10 volunteers, giving support to the professionals A LA MAR who manned the stalls. All proceeds went to the A LA PAR Foundation, which promotes the rights of people with intellectual disabilities and their participation in society. Specifically, the funds were used to organise and carry out the first edition of InRun, the first solidarity run for people with intellectual disabilities, in which almost a thousand people took part.

### DONATION OF CPUS AND MONITORS

**Donated computer equipment: 15**

This year, 9 refurbished computers were donated to the Aprocor Foundation. Additionally, 6 reconditioned devices have been donated to the A LA PAR foundation.

This equipment has been installed in one of their training rooms, giving young people with intellectual disabilities access to technological tools for educational purposes.

### ALBERTO CONTADOR FOUNDATION - BICYCLE DONATION

**No. of donated bicycles: 10**

To mark World Bicycle Day, Línea Directa Aseguradora has launched a campaign to collect bicycles to donate to the Alberto Contador Foundation, which will refurbish them and distribute them to people at risk of social exclusion.

### APROCOR FOUNDATION - THE BACK STREET

**Total donated: 1,486€**

In addition to corporate volunteering, a donation of € 1,486 was made to the Aprocor Foundation following the quarterly meeting of the People, Communication and Sustainability department at its facilities.

### COLLECTION OF HUMANITARIAN MATERIAL - VICTIMS OF THE WAR IN UKRAINE

**No. of boxes donated as humanitarian aid: 70**

Following the earthquake in Turkey and Syria, Línea Directa launched a campaign to collect clothes and basic necessities for the victims.

After contacting the Turkish embassy and various foundations working on the ground, the organisation was informed that it was impossible to deliver the shipment.

Línea Directa's Social Action decided to redirect the collection to the victims of the war in Ukraine.

## PARTNERSHIPS

- Randstad Foundation
- Aprocor Foundation
- Integra Foundation
- A la Par Foundation
- Banco de Solidaridad (solidarity bank)
- San Camilo Centre for the Humanisation of Health Care
- Norte Joven Association
- Adopta un Abuelo (adopt a grandparent)
- AECC
- AMI3
- Alberto Contador Foundation
- El Olivo Home
- Botín Foundation



# SUBCONTRACTING AND SUPPLIERS

Línea Directa has a robust system for managing its value chain, from the time of approval of suppliers, to the management of tenders, to the time of contracting, adapted to the specific needs of each area of the company.

## GOVERNANCE OF THE VALUE CHAIN

The Procurement area, which is part of the Group's financial management, is responsible for defining the strategy and procedures and overseeing the acquisition of services and products in accordance with the strategic objectives set by the Board of Directors.

During the procurement process, this area is responsible for ensuring a full risk assessment of suppliers. In particular, the following risks are looked at: credit risk, fraud risk, cybersecurity, ethics, ESG, human resources and tax risk.



Línea Directa has a responsibility to motivate its suppliers to improve their ethical, social and environmental performance. To this end, four objectives have been set in relation to the value chain in the company's Sustainability Policy:

- Building a partnership that ensures the efficiency and quality of products and services provided by suppliers to customers and the company, and that promotes the creation of mutual value.
- Ensuring that the value chain observes the company's principles and values, its Code of Conduct for Suppliers and the principles enshrined in its Sustainability Policy, as well as other applicable internal regulatory frameworks.
- Fostering compliance with the Procurement Policy to incorporate sustainability or ESG aspects that will allow Línea Directa's commitments to reach across the entire value chain.
- Seeking to protect and improve the environment across the value chain by promoting the responsible and rational use of resources, focusing on efficiency and seeking to minimise the generation of waste.



## RESPONSIBLE PROCUREMENT POLICY

In 2022, the company approved its **Responsible Procurement Policy**, which requires suppliers to develop a strategic ESG plan. In addition, non-financial criteria (ESG) were incorporated into the procedure for the evaluation and approval of suppliers.

## SUSTAINABLE VALUE CHAIN MANAGEMENT

Among the strategic lines approved in the Sustainability Plan 2023-2025, Línea Directa has defined a series of actions aimed at gaining a deeper understanding of the value chain from a sustainability point of view.

Since the adoption of the Responsible Procurement Policy, suppliers in the approval phase have been required to complete an initial general assessment, including ESG criteria, in order to provide services or supply products to the company.

In addition, in 2023 the company developed a questionnaire covering environmental, human rights, social, talent management, information security and privacy issues to assess suppliers' ESG performance.

The purpose of this supplier analysis is to identify the sustainable development impacts that Línea Directa generates in its supply chain, as well as to identify potential actions to be taken with the value chain: awareness-raising, training, support or incentives.

## CODE OF CONDUCT FOR SUPPLIERS

The Code of Conduct for suppliers is a mandatory aspect for any supplier who is going to offer a service or a product to the company. It was updated and approved by the Board of Directors at the end of 2022.

This code aims to ensure that all suppliers and subcontractors comply with the United Nations Global Compact, including promoting sustainable development, upholding human rights, respecting labour standards and promoting environmental protection. 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.



The procurement process is audited internally on a regular basis. The recommendations and opportunities for improvement arising from these reviews are analysed and implemented, and the level of implementation of these recommendations and opportunities is monitored on a regular basis to ensure continuous improvement of processes.

### SUPPLY CHAIN: PROCUREMENT FROM LOCAL SUPPLIERS

In 2023 Línea Directa placed orders with 570 suppliers for € 167.3 million, in addition to those placed with the Group's service network, compared to payments of € 172.1 million to 494 suppliers in the previous year. As proof of Línea Directa's commitment to the development and growth of the local productive fabric in Spain, 92% of purchases were made from local suppliers, the same percentage as in 2022. In addition, the company approved 146 new suppliers in 2023 (119 in 2022).

The Group's high volume of local purchases is an engine of growth for the geographical areas in which Línea Directa operates, promoting the economic, industrial and social development of these areas by creating jobs in the companies that supply the products and services.

**The procurement process is audited internally on a regular basis. The recommendations and opportunities for improvement arising from these reviews are analysed and implemented, and the level of implementation of these recommendations and opportunities is monitored on a regular basis to ensure continuous improvement of processes.**

### ASSESSMENT OF CRITICAL SUPPLIERS

In 2023, Línea Directa implemented a system to manage and evaluate the ESG performance of suppliers that carry out critical operations throughout their relationship with the company, resulting in an informative report available to management.

By the end of 2023, 91% of the insurer's suppliers surveyed this year had been assessed against established sustainability criteria. Similarly, as part of a first wave of evaluations, the performance of 34% of the suppliers in Motor's servicing network was assessed.

The aim of the ESG supplier assessment is not only to select partners with the best sustainability performance, but also to motivate them to improve their ESG performance, which will also improve their competitiveness.

### COMPLAINTS TO THE ETHICS CHANNEL RELATED TO SUPPLIERS

In 2023, we did not identify any supplier contracts where incidents related to freedom of association, collective bargaining, the use of child labour or forced or compulsory labour occurred, nor are we aware of any complaints received on these grounds. As in 2022, no supplier with a significant negative social impact has been identified. Of the communications about suppliers that were registered through the complaints channel set up for this purpose (Ethics Channel), all were investigated and no findings were confirmed in any of them.



# CUSTOMER SERVICES

Línea Directa Aseguradora’s Customer Services area deals with customer complaints and claims, acting with complete independence from the company’s business areas and in strict compliance with the regulations that govern it. This guarantees personalised attention to all incidents and a reasoned response to the customer, based on contractual clauses, transparency rules and the protection of their interests.

To this end, the company analyses the information obtained from the complaints and claims received and proposes different measures to the business areas to promote quality improvement. Incident handling includes the review of all processes related to the service and the timely communication of the progress of the management to the customer through the channel of their choice.

The 2023 financial year has been a major challenge for Customer Services, as the complex and uncertain environment caused by the inflationary process and the loss of household liquidity has led to an increase in complaints and claims. Last year, the company resolved 630 complaints and 7,007 claims, an increase from 2022 of 58.3% and 29.5%, respectively. Of these, 39.86% were resolved in favour of the customer.

In terms of resolution times, Línea Directa continues to maintain fast response times, with an average resolution time of 16.56 days in 2023.

## ACTIVITY REPORT OF THE CUSTOMER OMBUDSMAN

If the insured is not satisfied with the decision of the Customer Service department, there are several options for arguing and making a successful claim. Línea Directa has a **Customer Ombudsman**, who promotes transparency and the protection of the interests of the insured and the application of best practices, with resolutions that are binding on the company.

In 2023, **488 complaints** were resolved by the Customer Ombudsman, of which **214 (43.8%)** were resolved in favour of the customer and **274 (56.2%)** in favour of the company.

Of the 214 complaints resolved in favour of the customer, 11 were upheld and 203 were settled.

## CHANGES IN COMPLAINTS AND CLAIMS

YEAR	COMPLAINTS	CLAIMS	TOTAL
2023	630	7,007	7,637
	8.25%	91.75%	
2022	398	5,411	5,809
	6.85%	93.15%	

YEAR	APPLY	DO NOT APPLY	TOTAL
2023	3,044	4,593	7,637
	39.86%	60.14%	
2022	2,215	3,594	5,809
	38.13%	61.87%	

\* Data extracted as at 01.01.2024 on claims closed in 2023 regardless of their submission date.

## DISTRIBUTION BY THE DIFFERENT MANAGEMENT AREAS 2023

AREA	PERCENTAGE	COMPLAINTS AND CLAIMS
Accident management	66.39%	5,070
Policy management	19.22%	1,468
Quote and close	1.79%	137
Additional services	8.73%	667
Roadside assistance	3.34%	255
Other	0.52%	40

## SERVICE QUALITY

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**The direct business model provides a number of competitive advantages over the traditional business model: greater ability to adapt, savings on commissions and branch networks, and direct contact with the customer. The latter allows Línea Directa to gain first-hand knowledge of the needs of its policyholders, which is an extraordinary asset when it comes to promoting quality in all its processes.**

Línea Directa Aseguradora monitors its net promoter score (NPS), which estimates the degree to which its customers and users would recommend the company to others. This system has a measurement scale of 1 to 10 points, and only those policyholders who rate their experience with the company with a score of 9 or 10 are considered “promoters”.

Línea Directa Aseguradora’s global NPS in 2023 reached 29.16 points, a variation of 17.8 points compared to 2022, a decline caused by the tightening of underwriting in the face of the current market situation of inflationary pressures on costs and insurance margins.

One of the main challenges experienced by the Quality area during the past year has been to adapt the measurement systems to the company’s

new multi-segment approach. It has been possible to define a set of indicators that, in addition to providing a joint reading of the KPIs, offers the possibility of knowing how a policyholder evaluates the process or service in question.

The year 2023 has also seen important developments in the Customer Experience Scorecard applied to home insurance benefits and has deepened the knowledge and analysis of the best practices in the market, always with the aim of enriching decision-making in the future.

In 2024, work will be done to extend the methodology on service provision evaluation to the rest of customer interactions, as well as to the prediction and early detection of alarms on the new perception indicators.



# APPENDICES

DIRECTOR JURISDICTION MATRIX

ENVIRONMENTAL INDICATORS

PEOPLE INDICATORS

REQUIREMENTS OF LAW 11/2018

GRI CONTENT INDEX

INDEPENDENT VERIFICATION REPORT



## DIRECTOR JURISDICTION MATRIX

Jurisdiction			Alfonso Botín-Sanz de Sautuola y Naveda	Patricia Ayuela Rueda	John de Zulueta Greenebaum	Ana María Plaza Arregui	Rita Estévez Luaña	Elena Otero-Novas Miranda	Fernando Masaveu Herrero		
1	Regulated sectors	Insurance, banking and stock exchange	1.1 Insurance	x	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	x	
			2.3 Regulatory compliance	x		x	x	x	x	x	
3	Digital transformation	Digitalisation Information and communication technologies (ICT) Cybersecurity	3.1 Digitalisation and ICT	x	x	x	x	x	x		
			3.2 Cybersecurity	x		x		x	x		
			3.3 Data protection	x		x		x	x	x	
4	Diversity	Diversity of gender, nationality and age	4.1 Gender	Male	Female	Male	Female	Female	Female	Male	
			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	Between 50 and 60	Between 50 and 60	Between 50 and 60	
5	ESG	Experience and training in ESG matters	5.1 Environmental issues	x		x	x		x	x	
			5.2 Social issues	x		x	x	x	x	x	
			5.3 Governance issues	x		x	x	x	x	x	
6	Customers	Comercial and marketing Quality Consumers	6.1 Comercial and marke	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		
8	International	International experience	8. International experience	x	x	x	x	x	x		
9	Boards	Experience on other boards	9. Experience on other boards	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	2021	2022	2023
<b>POWER CONSUMPTION</b>			
Diesel (l)	8,319.70	11,547.00	12,028.93
Diesel (MWh)	81.5	111.77	120.05
Natural gas (MWh)	3,143.34	2,414.50	2,370.53
Electricity (MWh)	5,209.90	5,223.10	4,916.57
Self-generated electricity (MWh)	-	318.4	688.5
% electricity from renewable sources	0%	69.10%	72.2%
Electricity from renewable sources (MWh)	0	3,611.47	3,548.18
Electricity from non-renewable sources (MWh)	5,209.92	1,611.64	1,368.39
<b>Total energy (MWh)</b>	<b>8,434.74</b>	<b>7,749.37</b>	<b>7,407.15</b>

Indicator	2021	2022	2023
<b>CARBON FOOTPRINT</b>			
<b>SCOPE 1</b>			
Scope 1: direct CO <sub>2</sub> emissions (tonCO <sub>2</sub> e)	602.3	471.0	464.2
<b>SCOPE 2</b>			
Scope 2 (market-based) indirect CO <sub>2</sub> emissions from electricity consumed (tonCO <sub>2</sub> e)	1,178.3	426.2	346.7
Scope 2 (location-based) indirect CO <sub>2</sub> emissions from electricity consumed (tonCO <sub>2</sub> e)*	1,178.3	1,239.9	1,084.15
Scope 3 CO <sub>2</sub> emissions from water	4.58	2.4	2.7
Scope 3 CO <sub>2</sub> emissions from paper**	16.5	0.2	0.2
Scope 3 CO <sub>2</sub> emissions from business trips	7	22.01	19.82
Scope 3 CO <sub>2</sub> emissions from employee commutes	2,296.4	2,653.4	2,451.2
Scope 1 intensity (tonCO <sub>2</sub> e/average staff)	0.230	0.190	0.185
Scope 2 intensity (tonCO <sub>2</sub> e/average staff)	0.460	0.150	0.138
Intensity (Scope 1 + Scope 2)	0.690	0.340	0.324

\* From 2022, the calculation methodology for Scope 1 and Scope 2 emissions has changed.

\*\* From 2022, the calculation methodology for Scope 1 and Scope 2 emissions, and for emissions from paper, has changed. Scope 2 emissions are amended following independent third party verification.

\*\*\* Sources: MITECO. Emission factors, carbon footprint registration, offsetting and carbon dioxide absorption projects (Version 23 – Junio 2023) and DEFRA Version 1.1 2023.

\*\*\*\* The company's direct and indirect emissions (Scopes 1 and 2) will be subject to additional verification. Once the verification is completed, the data will be updated in the next edition of the Non-Financial Information Statement.

Indicator	2021	2022	2023
<b>WATER CONSUMPTION</b>			
Drinking water (ml)	14.32	16.12	15.27
<b>WASTE MANAGEMENT</b>			
Total waste (Kg)	107,822	112,042	113,967
Hazardous waste (Kg)	35,715	40,435	40,059
Non-hazardous waste (Kg)	72,106	71,608	73,908
Paper and cardboard (Kg)	14,839	17,898	21,915
Plastic (Kg)	16,976	14,010	18,777
Other non-hazardous waste (Kg)	40,291	39,700	33,216
<b>WASTE RECOVERY</b>			
Recycled/reused waste (Kg)	97,332	81,156	82,844
Discarded waste (Kg)	0	0	10,499.2
Waste sent to landfill (Kg)	0	0	0
Incinerated waste (with or without recovery) (Kg)	0	20,202	19,044
Waste otherwise disposed of; specify (Kg)	0	0	1,277
Waste with unknown disposal method (Kg)	10,490	10,684	303
<b>SCOPE OF ENVIRONMENTAL CERTIFICATION</b>			
Occupants in environmentally certified centres (%)	76%	76%	86%
<b>CONSUMPTION OF MATERIALS</b>			
Paper consumption (Kg)	11,712	9,705	9,158
Toner consumption (Kg)	30.8	23.4	28.4

## PEOPLE INDICATORS

### Staff data at year-end

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
<b>Total staff</b>	<b>1,096</b>	<b>1,480</b>	<b>2,576</b>	<b>1,068</b>	<b>1,432</b>	<b>2,500</b>	<b>1,046</b>	<b>1,459</b>	<b>2,505</b>
<b>Distribution of staff by seniority and gender</b>									
<=5	557	599	1,156	510	542	1,052	480	551	1,031
6-15	325	452	777	293	380	673	285	365	650
16-25	207	417	624	256	471	727	265	493	758
>25	7	12	19	9	39	48	16	50	66
<b>Distribution of staff by age and gender</b>									
<30	104	131	235	102	129	231	139	170	309
>=30 y <50	826	1,054	1,880	771	968	1,739	699	924	1,623
>=50	166	295	461	195	335	530	208	365	573
<b>Distribution of staff by professional group and gender</b>									
Directors	35	35	70	37	37	74	35	37	72
Expert professionals	189	176	365	187	169	356	185	163	348
Professionals	283	422	705	264	412	676	261	397	658
Staff	589	847	1,436	580	814	1,394	565	862	1,427
<b>Distribution of staff by type of contract and gender</b>									
Permanent	1,050	1,444	2,494	1,050	1,417	2,467	1,037	1,458	2,495
Temporary	46	36	82	18	15	33	9	1	10
<b>Distribution of staff by type of working day and gender</b>									
Full-time	709	631	1,340	720	664	1,384	679	674	1,353
Part-time	387	849	1,236	348	768	1,116	367	785	1,152

	2021	2022	2023
<b>Percentage of nationalities in relation to total staff (%)</b>			
Spain	95.4%	95.7%	93.8%
Venezuela	1.3%	1.5%	1.9%
Peru	0.6%	0.5%	0.8%
Colombia			0.5%
Other nationalities*	2.7%	2.4%	3.1%
<b>Total number of nationalities</b>	<b>28</b>	<b>24</b>	<b>33</b>

\*with a weight of less than 0.5% over the total

## PEOPLE INDICATORS

## Staff data at year-end

Indicator	2021			2022			2023		
	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL
<b>Total staff</b>	<b>1,340</b>	<b>1,236</b>	<b>2,576</b>	<b>1,384</b>	<b>1,116</b>	<b>2,500</b>	<b>1,353</b>	<b>1,152</b>	<b>2,505</b>
<b>Distribution of staff by seniority and type of working day</b>									
<=5	362	794	1,156	392	660	1,052	349	682	1,031
6-15	469	308	777	382	291	673	352	298	650
16-25	491	133	624	568	159	727	591	167	758
>25	18	1	19	42	6	48	61	5	66
<b>Distribution of staff by age and type of working day</b>									
<30	59	176	235	73	158	231	78	231	309
>=30 y <50	972	908	1,880	956	783	1,739	865	758	1,623
>=50	309	152	461	355	175	530	410	163	573
<b>Distribution of staff by professional group and type of working day</b>									
Directors	70	0	70	74	0	74	72	0	72
Expert professionals	333	32	365	326	30	356	325	23	348
Professionals	599	106	705	566	110	676	561	97	658
Staff	338	1,098	1,436	418	976	1,394	395	1,032	1,427
<b>Distribution of staff by type of contract and type of working day</b>									
Permanent	1,320	1,174	2,494	1,371	1,096	2,467	1,344	1,151	2,495
Temporary	20	62	82	13	20	33	9	1	10
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
<b>Total staff</b>	<b>2,494</b>	<b>82</b>	<b>2,576</b>	<b>2,467</b>	<b>33</b>	<b>2,500</b>	<b>2,495</b>	<b>10</b>	<b>2,505</b>
<b>Distribution of staff by seniority and type of contract</b>									
<=5	1,074	82	1,156	1,019	33	1,052	1,021	10	1,031
6-15	777	0	777	673	0	673	650	0	650
16-25	624	0	624	727	0	727	758	0	758
>25	19	0	19	48	0	48	66	0	66
<b>Distribution of staff by age and type of contract</b>									
<30	213	22	235	214	17	231	309	0	309
>=30 y <50	1,830	50	1,880	1,724	15	1,739	1,614	9	1,623
>=50	451	10	461	529	1	530	572	1	573
<b>Distribution of staff by professional group and type of contract</b>									
Directors	70	0	70	74	0	74	72	0	72
Expert professionals	365	0	365	356	0	356	348	0	348
Professionals	701	4	705	675	1	676	658	0	658
Staff	1,358	78	1,436	1,362	32	1,394	1,417	10	1,427



## PEOPLE INDICATORS

### Average staff data

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Average headcount	1,098.0	1,481.3	2,579.3	1,078.2	1,459.9	2,538.1	1,052.9	1,435.4	2,488.3
<b>Distribution of average staff by seniority and gender</b>									
<=5	565.8	619.1	1,184.9	532.7	577.5	1,110.2	497.8	541.8	1,039.7
6-15	345.0	486.3	831.3	300.1	400.3	700.3	282.8	366.0	648.8
16-25	181.0	368.7	549.7	237.9	451.0	688.9	258.7	481.3	739.9
>25	6.2	7.3	13.5	7.5	31.2	38.7	13.6	46.3	59.9
<b>Distribution of average staff by age and gender</b>									
<30	109.6	143.1	252.7	99.0	131.4	230.4	121.9	145.0	266.9
>=30 y <50	841.3	1,058.3	1,899.5	794.8	1,006.4	1,801.2	730.4	940.0	1,670.4
>=50	147.2	280.0	427.2	184.4	322.1	506.5	200.6	350.4	551.0
<b>Distribution of average staff by professional group and gender</b>									
Directors	34.9	35.0	69.9	35.3	36.2	71.4	34.6	37.6	72.2
Expert professionals	184.4	175.8	360.2	189.9	171.3	361.3	187.7	167.1	354.8
Professionals	278.3	419.4	697.7	274.8	419.7	694.5	260.7	400.4	661.1
Staff	600.4	851.2	1,451.6	578.2	832.8	1,410.9	570.0	830.3	1,400.3
<b>Distribution of average staff by type of contract and gender</b>									
Permanent	1,039.6	1,417.2	2,456.8	1,046.1	1,421.3	2,467.3	1,042.7	1,432.4	2,475.1
Temporary	58.4	64.2	122.6	32.1	38.7	70.8	10.3	3.0	13.3
<b>Distribution of average staff by type of working day and gender</b>									
Full-time	703.6	626.5	1,330.1	688.8	640.0	1,328.8	713.4	667.3	1,380.8
Part-time	394.4	854.8	1,249.3	389.4	819.9	1,209.3	339.5	768.1	1,107.6

## PEOPLE INDICATORS

### Average staff data

Indicator	2021			2022			2023		
	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL	FULL-TIME	PART-TIME	TOTAL
Average headcount	1,330.1	1,249.3	2,579.3	1,328.8	1,209.4	2,538.1	1,380.8	1,107.6	2,488.3
<b>Distribution of average staff by seniority and type of working day</b>									
<=5	367.9	817.0	1,184.9	349.1	761.1	1,110.2	395.3	644.3	1,039.7
6-15	512.0	319.3	831.3	405.1	295.3	700.3	355.2	293.7	648.8
16-25	436.8	112.9	549.7	540.9	148.0	688.9	576.1	163.8	739.9
>25	13.4	0.1	13.5	33.7	5.0	38.7	54.2	5.8	59.9
<b>Distribution of average staff by age and type of working day</b>									
<30	56.3	196.3	252.7	57.8	172.6	230.4	89.9	177.0	266.9
>=30 y <50	990.6	908.9	1,899.5	936.3	864.9	1,801.2	907.8	762.6	1,670.4
>=50	283.2	144.0	427.2	334.7	171.8	506.5	383.0	168.0	551.0
<b>Distribution of average staff by professional group and type of working day</b>									
Directors	69.9	0.0	69.9	71.4	0.0	71.4	72.2	0.0	72.2
Expert professionals	327.8	32.4	360.2	331.1	30.2	361.3	328.0	26.8	354.8
Professionals	591.5	106.2	697.7	585.7	108.8	694.5	558.3	102.8	661.1
Staff	340.9	1,110.7	1,451.6	340.6	1,070.3	1,410.9	422.3	978.0	1,400.3
<b>Distribution of average staff by type of contract and type of working day</b>									
Permanent	1,312.3	1,144.4	2,456.8	1,312.0	1,155.3	2,467.3	1,370.7	1,104.4	2,475.1
Temporary	17.8	104.8	122.6	16.8	54.0	70.8	10.1	3.2	13.3

## PEOPLE INDICATORS

### Average staff data

Indicator	2021			2022			2023		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Average headcount	2,456.8	122.6	2,579.3	2,467.3	70.8	2,538.1	2,475.1	13.3	2,488.3
<b>Distribution of staff by seniority and type of contract</b>									
<=5	1,062.3	122.6	1,184.9	1,039.4	70.8	1,110.2	1,026.4	13.3	1,039.7
6-15	831.3	0	831.3	700.3	0.0	700.3	648.8	0.0	648.8
16-25	549.7	0	549.7	688.9	0.0	688.9	739.9	0.0	739.9
>25	13.5	0	13.5	38.7	0.0	38.7	59.9	0.0	59.9
<b>Distribution of staff by age and type of contract</b>									
<30	211.2	41.5	252.7	204.5	25.9	230.4	265.3	1.7	266.9
>=30 y <50	1,825.5	74.0	1,899.5	1,764.2	37.0	1,801.2	1,659.8	10.6	1,670.4
>=50	420.1	7.1	427.2	498.7	7.8	506.5	550.0	1.0	551.0
<b>Distribution of staff by professional group and type of contract</b>									
Directors	69.9	0	69.9	71.4	0.0	71.4	72.2	0.0	72.2
Expert professionals	360.0	0.2	360.2	361.3	0.0	361.3	354.8	0.0	354.8
Professionals	695.4	2.3	697.7	693.1	1.4	694.5	661.1	0.0	661.1
Staff	1,331.4	120.2	1,451.6	1,341.6	69.3	1,410.9	1,387.1	13.3	1,400.3

## PEOPLE INDICATORS

### Data of hires in the Group

Indicator	2021			2022			2023		
	HIRES	PERIOD-END HEADCOUNT	HIRING RATE	HIRES	PERIOD-END HEADCOUNT	HIRING RATE	HIRES	PERIOD-END HEADCOUNT	HIRING RATE
<b>Total staff</b>	<b>298</b>	<b>2,576</b>	<b>11.57%</b>	<b>279</b>	<b>2,500</b>	<b>11.2%</b>	<b>419</b>	<b>2,505</b>	<b>16.73%</b>
<b>Hires in the Group by gender</b>									
<b>Male</b>	<b>140</b>	<b>1,096</b>	<b>12.8%</b>	<b>129</b>	<b>1,068</b>	<b>12.1%</b>	<b>204</b>	<b>1,046</b>	<b>19.5%</b>
Hire	133		12.14%	121		11.33%	196		18.74%
Rehire	7		0.64%	8		0.75%	8		0.76%
<b>Female</b>	<b>158</b>	<b>1,480</b>	<b>10.7%</b>	<b>150</b>	<b>1,432</b>	<b>10.5%</b>	<b>215</b>	<b>1,459</b>	<b>14.7%</b>
Hire	139		9.39%	136		9.50%	204		13.98%
Rehire	19		1.28%	14		0.98%	11		0.75%
<b>Hires in the Group by age</b>									
<b>&lt;30</b>	<b>109</b>	<b>235</b>	<b>46.4%</b>	<b>119</b>	<b>231</b>	<b>51.5%</b>	<b>223</b>	<b>309</b>	<b>72.2%</b>
Hire	105		44.68%	116		50.22%	218		70.55%
Rehire	4		1.70%	3		1.30%	5		1.62%
<b>&gt;=30 y &lt;50</b>	<b>171</b>	<b>1,880</b>	<b>9.1%</b>	<b>138</b>	<b>1,739</b>	<b>7.9%</b>	<b>196</b>	<b>1,623</b>	<b>12.1%</b>
Hire	152		8.09%	122		7.02%	182		11.21%
Rehire	19		1.01%	16		0.92%	14		0.86%
<b>&gt;=50</b>	<b>18</b>	<b>461</b>	<b>3.9%</b>	<b>22</b>	<b>530</b>	<b>4.2%</b>	<b>0</b>	<b>573</b>	<b>0.0%</b>
Hire	15		3.25%	19		3.58%	0		0.00%
Rehire	3		0.65%	3		0.57%	0		0.00%

## PEOPLE INDICATORS

### Data of hires in the Group

Indicator	2021			2022			2023		
	HIRES	PERIOD-END HEADCOUNT	HIRING RATE	HIRES	PERIOD-END HEADCOUNT	HIRING RATE	HIRES	PERIOD-END HEADCOUNT	HIRING RATE
<b>Hires in the Group by professional group</b>									
<b>Directivos</b>	1	70	1.4%	4	74	5.4%	2	72	2.8%
Hire	1		1.4%	4		5.41%	2		2.8%
Rehire	0		0.0%	0		0.00%			
<b>Profesionales expertos</b>	29	365	7.9%	9	356	2.5%	23	348	6.6%
Hire	28		7.7%	7		1.97%	23		6.6%
Rehire	1		0.3%	2		0.56%			
<b>Profesionales</b>	39	705	5.5%	18	676	2.7%	18	658	2.7%
Hire	32		4.5%	10		1.48%	15		2.3%
Rehire	7		1.0%	8		1.18%	3		0.5%
<b>Staff</b>	229	1,436	15.9%	248	1,394	17.8%	376	1,427	26.3%
Hire	211		14.7%	236		16.93%	360		25.2%
Rehire	18		1.3%	12		0.86%	16		1.1%

### New hire data

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
<b>Overall total</b>	133	139	272	121	136	257	196	204	400
<b>Type of contract in new hire</b>									
Permanent	49	20	69	73	44	117	193	203	396
Temporary	84	119	203	48	92	140	3	1	4
<b>New hires by type of working day</b>									
Full-time	55	18	73	49	12	61	157	134	291
Part-time	78	121	199	72	124	196	39	70	109

## PEOPLE INDICATORS

### New hire data

Indicator	2021			PERIOD-END HEADCOUNT			HIRING RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Overall total	133	139	272	1,096	1,480	2,576	12.1%	9.4%	10.6%

#### New hires by professional group

Directors	1		1	35	35	70	2.9%	0.0%	1.4%
Expert professionals	19	9	28	189	176	365	10.1%	5.1%	7.7%
Professionals	25	7	32	283	422	705	8.8%	1.7%	4.5%
Staff	88	123	211	589	847	1,436	14.9%	14.5%	14.7%

Indicator	2022			PERIOD-END HEADCOUNT			HIRING RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Overall total	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%

Indicator	2023			PERIOD-END HEADCOUNT			HIRING RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Overall total	196	204	400	1,046	1,459	2,505	18.7%	14.0%	16.0%

#### New hires by professional group

Directors	2	0	2	35	37	72	5.7%	0.0%	2.8%
Expert professionals	17	6	23	185	163	348	9.2%	3.7%	6.6%
Professionals	14	1	15	261	397	658	5.4%	0.3%	2.3%
Staff	163	197	360	565	862	1,427	28.8%	22.9%	25.2%

## PEOPLE INDICATORS

### Performance evaluation data

Indicator	2021			2022			2023		
	EVALUATED	PERIOD-END HEADCOUNT	%	EVALUATED	PERIOD-END HEADCOUNT	%	EVALUATED	PERIOD-END HEADCOUNT	%
Total staff	2,544	2,576	98.8%	2,451	2,500	98.0%	2,446	2,505	97.6%
<b>Employees who have participated in the performance assessment by gender</b>									
Hombres	1,075	1,096	98.1%	1,408	1,432	98.3%	1,016	1,046	97.1%
Mujeres	1,469	1,480	99.3%	1,043	1,068	97.7%	1,430	1,459	98.0%
<b>Employees who have participated in the performance assessment by age</b>									
<30	228	235	97.0%	227	231	98.3%	293.0	309	94.8%
>=30 y <50	1,869	1,880	99.4%	1,711	1,739	98.4%	1,593.0	1,623	98.2%
>=50	447	461	97.0%	513	530	96.8%	560.0	573	97.7%
<b>Employees who have participated in the performance assessment by professional group</b>									
Directors	55	70	78.6%	59	74	79.7%	52	72	72.2%
Expert professionals	362	365	99.2%	348	356	97.8%	344	348	98.9%
Professionals	697	705	98.9%	666	676	98.5%	655	658	99.5%
Staff	1,430	1,436	99.6%	1,378	1,394	98.9%	1,395	1,427	97.8%

### Development data

Indicator	2021	2022	2023
<b>Internal selection processes</b>			
No. of internal selection processes	41	79	81*
No. of people who change positions	41	71	90
No. of candidates	579	530	636

Indicator	2021	2022	2023
<b>Individual external selection processes</b>			
No. of selection processes	61	21	42
Candidates	5,845	3,500	5,463

\* In 2023, the number of people promoted is higher than the number of promotion processes because in some of these processes several people have been promoted at the same time.

## PEOPLE INDICATORS

### Development data

Indicator	2023								
	INTERNAL CHANGES IN POSITION			PERIOD-END HEADCOUNT			MOVEMENT RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Overall total	42	48	90	1,046	1,459	2,505	4.0%	3.3%	3.6%

#### Procesos de Selección Internos

Directors	1	1	2	35	37	72	2.9%	2.7%	2.8%
Expert professionals	15	9	24	185	163	348	8.1%	5.5%	6.9%
Professionals	18	19	37	261	397	658	6.9%	4.8%	5.6%
Staff	8	19	27	565	862	1,427	1.4%	2.2%	1.9%

Indicator	2023								
	INTERNAL CHANGES IN POSITION			NEW HIRES			INTERNAL VS EXTERNAL POSITION COVERAGE RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Overall total	42	48	90	136	131	267	24%	27%	25%

#### Selection processes (including group processes)

Directors	1	1	2	1	0	1	50%	100%	67%
Expert professionals	15	9	24	20	6	26	43%	60%	48%
Professionals	18	19	37	13	2	15	58%	90%	71%
Staff	8	19	27	102	123	225	7%	13%	11%

\* Includes additions to staff whose vacancies are not opened internally.

Indicator	2023								
	INTERNAL CHANGES IN POSITION			VACANCIES FILLED INTERNALLY			% VACANCIES FILLED INTERNALLY OVER INTERNALLY OPEN POSITIONS		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Overall total	42	48	90	34	8	42	55%	86%	68%

#### Individual selection processes

Directors	1	1	2	1	0	1	50%	100%	67%
Expert professionals	15	9	24	20	6	26	43%	60%	48%
Professionals	18	19	37	13	2	15	58%	90%	71%
Staff	8	19	27	0	0	0	100%	100%	100%



## PEOPLE INDICATORS

### Reconciliation data

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Employees entitled to parental leave during the year (children born during the year)	34	44	78	43	39	82	33	46	79
Employees who have taken parental leave during the year (includes those who began their leave the year before)	40	61	101	62	41	103	57	54	111
% of staff returning to work after leave	96.9%	89.6%	92.5%	98.9%	97.6%	98.2%	96.0%	82.4%	90.5%
% of staff returning to work after leave	87.8%	76.7%	83.5%	97.7%	95.9%	96.8%	91.0%	78.0%	84.0%

Indicator	2021		2022		2023	
	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
<b>Maternity</b>	<b>3,868</b>	<b>23,259</b>	<b>3,537</b>	<b>20,439</b>	<b>3,401</b>	<b>19,548</b>
Male	73	501	-	-	-	-
Female	3,795	22,758	3,537	20,439	3,401	19,548
<b>Paternity</b>	<b>2,217</b>	<b>13,711</b>	<b>3,526</b>	<b>21,684</b>	<b>2,762</b>	<b>16,959</b>
Male	2,217	13,711	3,446	21,163	2,722	16,698
Female	-	-	80	521	40	261
<b>Total</b>	<b>6,085</b>	<b>36,970</b>	<b>7,063</b>	<b>42,123</b>	<b>6,163</b>	<b>36,507</b>

## PEOPLE INDICATORS

## Remuneration data

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Overall total	39,933	35,292	37,268	40,902	36,667	38,468	41,619	37,921	34,488
<b>Average remuneration by age</b>									
<30	26,855	26,517	26,663	28,520	27,418	27,895	28,522	26,014	27,160
>=30 y <50	37,539	34,628	35,917	39,127	35,636	37,176	40,766	36,946	38,618
>=50	62,786	42,184	49,337	54,870	43,529	47,686	52,368	45,327	47,910
<b>Average remuneration by professional group</b>									
Directors* (fixed salary)	123,694	97,650	110,656	112,253	103,553	107,847	113,976	105,110	109,358
Directors	168,139	114,905	141,490	156,337	128,877	142,431	145,402	141,443	143,340
Expert professionals* (fixed salary)	52,168	50,255	51,235	53,207	51,520	52,407	54,526	53,671	54,123
Expert professionals	57,833	55,712	56,798	59,064	57,345	58,249	60,914	60,040	60,501
Professionals + staff* (fixed salary)	24,945	24,149	24,475	25,582	24,636	25,020	25,993	24,907	25,346
Professionals	39,574	36,785	37,895	40,155	37,543	38,575	41,572	38,296	39,586
Staff	27,138	27,041	27,081	28,224	27,912	28,040	29,017	28,518	28,722
<b>Median employee remuneration</b>									
Total	31,474	30,037	30,651	33,564	31,562	32,258	34,753	32,520	33,305
<b>Average remuneration</b>									
<b>Average annual remuneration</b>									
Senior management	319,971	228,244	289,396	356,889	238,785	311,144	298,657	289,129	294,537
Non-executive director	61,782.7	68,333.7	63,966.3	91,125.0	91,562.0	91,344.0	106,333.3	89,437.5	96,678.6
Executive director	428,190.5	-	428,190.5	54,117.6	361,846.3	415,963.9		504,336.0	504,336.0
Average	204,512.8	68,333.7	159,119.8	102,602.2	148,087.2	127,412.7	106,333.3	172,417.2	147,635.8

\* The figure for remuneration of the executive director in 2022 corresponds to one month's remuneration of the former CEO, Miguel Ángel Merino, and 11 months of the current CEO, Patricia Ayuela.

## PEOPLE INDICATORS

### Collective bargaining agreement data

Indicator	2021	2022	2023
		<b>Employees assigned to collective bargaining agreements</b>	
Collective bargaining agreements	10	5*	4*
International secondment letter	-	-	-
Persons assigned to agreement	100%	100%	100%

\*At year-end 2022: 10 collective agreements active during the period

\*At year-end 2023: 6 collective agreements active during the period

Indicator	2021	2022	2023
Employees covered by collective bargaining agreement	100%	100%	100%

### Data on disability

Indicator	2021	2022	2023
		<b>Disabled employees</b>	
Average for year	40.0	39.0	38.6
Average Group employees	2,579.3	2,538.1	2,488.30
Average disabled employees	1.55%	1.54%	1.55%

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
				<b>Disabled employees</b>					
Average disabled employees	18.2	21.7	40.0	19.0	20.0	39.0	20.6	18.0	38.6
Average headcount	1,098.0	1,481.3	2,579.3	1,078.2	1,459.9	2,538.1	1,052.9	1,435.4	2,488.3
Percentage employees	1.66%	1.47%	1.55%	1.76%	1.37%	1.54%	1.95%	1.26%	1.55%

## PEOPLE INDICATORS

### Pay gap data

Indicator	2021		2022		2023	
	HEADCOUNT	WEIGHTED GAP	HEADCOUNT	WEIGHTED GAP	HEADCOUNT	WEIGHTED GAP
<b>Pay gap by professional group</b>						
Directors	69	6.75%	71	8.32%	72	5.55%
Expert professionals	360	4.15%	361	3.41%	352	1.49%
Professionals	697	6.15%	693	5.40%	662	6.52%
Staff	1,449	0.38%	1,404	1.10%	1,388	1.74%

Indicator	2021		2022		2023	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
<b>Averages by professional category</b>						
Directors	168,139	114,905	156,337	128,877	145,402	141,443
Expert professionals	57,833	55,712	59,064	57,345	60,914	60,040
Professionals	39,574	36,785	40,155	37,543	41,572	38,296
Staff	27,138	27,041	28,224	27,912	29,017	28,518

Indicator	2021		2022		2023	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
<b>Averages by age</b>						
1, <30	26,855	26,517	28,520	27,418	28,522	26,014
2, >=30 y <50	37,539	34,628	39,127	35,636	40,766	36,946
3, >=50	62,786	42,184	54,870	43,529	52,368	45,327
<b>Overall total</b>	<b>39,933</b>	<b>35,292</b>	<b>40,902</b>	<b>36,667</b>	<b>41,619</b>	<b>37,921</b>

	2021	2022	2023
Pay gap calculated by type of position	2.6%	2.8%	3.1%
Pay gap calculated by type of position using median	2.6%	3.4%	3.9%
Pay gap calculated by average of categories	4.4%	4.6%	3.8%
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	1.0	0	1.14
Ratio of the fixed compensation of the highest paid individual to the median compensation of the rest of the staff	16.42	9.3	9.37
Ratio of standard entry level wages compared to local minimum wage	1.18	1.12	1.06
Variable pay gap calculated by type of position	-0.4%	-2.0%	0.4%
Variable pay gap calculated by type of position using the median	5.0%	-7.6%	-9.6%

## PEOPLE INDICATORS

### Data on departures in the Group

Indicator	2021			2022			2023		
	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE
<b>Total</b>	<b>258</b>	<b>2,576</b>	<b>10.0%</b>	<b>314</b>	<b>2,500</b>	<b>12.6%</b>	<b>380</b>	<b>2,505</b>	<b>15.2%</b>
<b>Departures in the Group y gender</b>									
<b>Male</b>	<b>132</b>	<b>1,096</b>	<b>12.0%</b>	<b>144</b>	<b>1,068</b>	<b>13.5%</b>	<b>212</b>	<b>1,046</b>	<b>20.3%</b>
Dismissal	70		6.4%	81		7.58%	115		10.99%
Voluntary and other*	62		5.7%	63		5.90%	97		9.27%
<b>Female</b>	<b>126</b>	<b>1,480</b>	<b>8.5%</b>	<b>170</b>	<b>1,432</b>	<b>11.9%</b>	<b>168</b>	<b>1,459</b>	<b>11.5%</b>
Dismissal	62		4.2%	94		6.56%	98		6.72%
Voluntary and other*	64		4.3%	76		5.31%	70		4.80%
<b>Departures in the Group by age</b>									
<b>&lt;30</b>	<b>64</b>	<b>235</b>	<b>27.2%</b>	<b>71</b>	<b>231</b>	<b>30.7%</b>	<b>96</b>	<b>309</b>	<b>31.1%</b>
Dismissal	28		11.9%	26		11.26%	34		11.0%
Voluntary and other*	36		15.3%	45		19.48%	62		20.1%
<b>&gt;=30 y &lt;50</b>	<b>171</b>	<b>1,880</b>	<b>9.1%</b>	<b>200</b>	<b>1,739</b>	<b>11.5%</b>	<b>241</b>	<b>1,623</b>	<b>14.8%</b>
Dismissal	92		4.9%	123		7.07%	152		9.4%
Voluntary and other*	79		4.2%	77		4.43%	89		5.5%
<b>&lt;50</b>	<b>23</b>	<b>461</b>	<b>5.0%</b>	<b>43</b>	<b>530</b>	<b>8.1%</b>	<b>43</b>	<b>573</b>	<b>7.5%</b>
Dismissal	12		2.6%	26		4.91%	27		4.7%
Voluntary and other*	11		2.4%	17		3.21%	16		2.8%

\* Voluntary and other: including voluntary redundancies, retirements and temporary contract terminations.

## PEOPLE INDICATORS

### Data on departures in the Group

Indicator	2021			2022			2023		
	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE	DEPARTURES	PERIOD-END HEADCOUNT	TURNOVER RATE
<b>Departures in the Group by professional group</b>									
<b>Directors</b>	1	70	1.4%	4	74	5.4%	7	72	9.7%
Dismissal	0		0.0%	1		1.35%	4		5.6%
Voluntary and other*	1		1.4%	3		4.05%	3		4.2%
<b>Expert professionals</b>	22	365	6.0%	22	356	6.2%	19	348	5.5%
Dismissal	5		1.4%	11		3.09%	3		0.9%
Voluntary and other*	17		4.7%	11		3.09%	16		4.6%
<b>Professionals</b>	34	705	4.8%	42	676	6.2%	51	658	7.8%
Dismissal	15		2.1%	25		3.70%	31		4.7%
Voluntary and other*	19		2.7%	17		2.51%	20		3.0%
<b>Staff</b>	201	1,436	14.0%	246	1,394	17.6%	303	1,427	21.2%
Dismissal	112		7.8%	138		9.90%	175		12.3%
Voluntary and other*	89		6.2%	108		7.75%	128		9.0%

\* Voluntary and other: including voluntary redundancies, retirements and temporary contract terminations

## PEOPLE INDICATORS

## Data on departures in the Group

Indicator	DEPARTURES			PERIOD-END HEADCOUNT			TURNOVER RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Total	70	62	132	1,096	1,480	2,576	6.4%	4.2%	5.1%

## Dismissals by professional group

Directors	0	0	0	35	35	70	0.0%	0.0%	0.0%
Expert professionals	2	3	5	189	176	365	1.1%	1.7%	1.4%
Professionals	13	2	15	283	422	705	4.6%	0.5%	2.1%
Staff	55	57	112	589	847	1,436	9.3%	6.7%	7.8%

Indicator	DEPARTURES			PERIOD-END HEADCOUNT			TURNOVER RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Total	81	94	175	1,068	1,432	2,500	7.6%	6.6%	7.0%

## Dismissals by professional group

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%

Indicator	DEPARTURES			PERIOD-END HEADCOUNT			TURNOVER RATE		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Total	115	98	213	1,046	1,459	2,505	11.0%	6.7%	8.5%

## Dismissals by professional group

Directors	2	2	4	35	37	72	5.7%	5.4%	5.6%
Expert professionals	2	1	3	185	163	348	1.1%	0.6%	0.9%
Professionals	17	14	31	261	397	658	6.5%	3.5%	4.7%
Staff	94	81	175	565	862	1,427	16.6%	9.4%	12.3%

## PEOPLE INDICATORS

### Occupational accident data

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Accident rate	0.004	0.000	0.003	0.003	0.000	0.001	0.004	-	0.002
Frequency rate	5.009	0.372	2.349	4.595	0.000	1.953	5.240	-	2.211
Severity rate	0.132	0.014	0.064	0.070	0.000	0.030	0.186	-	0.079
Number of deaths from disease	-	-	-	-	-	-	-	-	-
Types of occupational diseases	-	-	-	-	-	-	-	-	-
No. of accidents	10	1	11	9	0	9	10	0	10

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	2021		2022		2023	
	No. OF DAYS ABSENCE	No. OF HOURS ABSENCE	No. OF DAYS ABSENCE	No. OF HOURS ABSENCE	No. OF DAYS ABSENCE	No. OF HOURS ABSENCE
<b>Total</b>	<b>35,378</b>	<b>210,557</b>	<b>41,521</b>	<b>242,293</b>	<b>54,004.00</b>	<b>316,204.48</b>
Common illness	35,006	208,094	41,248	240,697	53,430.00	312,533.73
Male	10,394	63,207	13,242	80,063	16,047.00	97,649.34
Female	24,612	144,887	28,006	160,634	37,383.00	214,884.38
<b>Total accidents with sick leave</b>	<b>372</b>	<b>2,463</b>	<b>273</b>	<b>1,596</b>	<b>574.00</b>	<b>3,670.75</b>
Male	295	1,986	162	1,050	439.00	2,877.80
Female	77	477	111	546	135.00	792.94
Business days	616,025.00		606,251.30		595,030.50	

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Absenteeism ratio including Occupational Accidents	4.10%	7.00%	5.70%	4.20%	8.35%	6.05%	5.94%	9.80%	8.11%



## PEOPLE INDICATORS

## Training data

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Total staff	25,767.2	32,993.6	58,760.8	30,145.5	38,680.9	68,826.4	34,773.0	47,806.0	82,579.0

## Hours of training by category

Directors	1,744.2	1,355.6	3,099.8	1,247.3	734.1	1,981.3	1,407.4	764.8	2,172.2
Expert professionals	8,689.4	7,089.1	15,778.6	5,450.5	5,527.3	10,977.8	4,758.8	4,229.4	8,988.2
Professionals	6,039.2	9,529.6	15,568.7	8,135.9	9,362.4	17,498.3	5,265.0	8,016.0	1,3281.0
Staff	9,294.4	15,019.4	24,313.7	15,311.8	23,057.1	38,368.9	23,341.8	34,795.8	58,137.5

Indicator	2021			2022			2023		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Total staff	23.5	22.3	22.8	28.0	26.5	27.1	33.0	33.3	33.2

## Average training hours by category

Directors	49.9	38.7	44.3	35.3	20.3	27.7	40.7	20.3	30.1
Expert professionals	47.1	40.3	43.8	28.7	32.3	30.4	25.4	25.3	25.3
Professionals	21.70	22.7	22.3	29.6	22.3	25.2	20.2	20.0	20.1
Staff	15.5	17.6	16.7	26.5	27.7	27.2	41.0	41.9	41.5

Indicator	2023								
	TRAINING HOURS			AVERAGE HEADCOUNT			AVERAGE HOURS		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Total staff	34,773.0	47,806.0	82,579.0	1,052.9	1,435.4	2,488.3	33.0	33.3	33.2

## Average training hours by category

1, <30	11,168.2	14,155.5	25,323.7	121.9	145.0	266.9	91.6	97.6	94.9
2, >=30 y <50	20,107.9	26,288.0	46,395.9	730.4	940.0	1670.4	27.5	28.0	27.8
3, >=50	3,496.9	7,362.4	10,859.4	200.6	350.4	551.0	17.4	21.0	19.7

Overview of training data	2021	2022	2023
No. of training initiatives	430	481	374
Investment in training per person (€)	228.4	200	198.16
Investment in training per person trained (€)	234.5	196	190.24
People trained	2,512	2,598	2,592
Training hours	58,761	68,826	82,579
% staff trained	97.4%	91.9%	90.4%

## REQUIREMENTS OF LAW 11/2018 REGARDING NON-FINANCIAL INFORMATION

Areas	Content	Standards GRI associates	Description GRI	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	Organisational details	Purpose, mission, vision and values Business environment Business model Sustainability management	Pages 11-12 Pages 19-42
		2-6	Activities, value chain and other business relationships		
		2-7	Employees		
		2-22	Sustainable Development Strategy Statement		
Policies	A description of the policies 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 aspects	Ethics and transparency	Pages 55-61
Short term, medium term and long term risks	The main risks related to these issues associated with the Group's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse impact in these areas, and * how the Group manages these risks, * explaining the procedures used to identify and assess them in accordance with the national, European or international frameworks of reference for each matter. * Should include information on the impacts detected, with the related breakdown, in particular on the main short-, medium- and long-term risks.	3-3	Management of material aspects	Risk Model and Risk Management	Pages 65-74
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	Claims of reporting in accordance with the GRI Standards	About this report	Page 9

Areas	Global Environment	Standards GRI associates	Description GRI	Chapter of the Report	Page of the Report	
Environmental issues	1.) Detailed information on the actual and potential impacts of the company's operations on the environment and, where applicable, health and safety, the assessment procedures or environmental certificate; 2.) The resources allocated to the prevention of environmental risks; 3.) The application of the precautionary principle, the amount of provisions and guarantees for environmental risks. (e.g. arising from the environmental responsibility law)	3-3	Management of material aspects	Climate change governance and management Risks and opportunities in the face of climate change Carbon footprint Environmental management system Biodiversity Adaptation to climate change	Pages 76-94	
		2-23	Commitment policies			
		3-3	Management of material aspects			
		201-2	Financial implications and other risks and opportunities due to climate change			
		308-1	New suppliers that were screened using environmental criteria			
	<b>Pollution</b>					
	1.) <u>Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment;</u> 2.) Taking into account any form of activity-specific air pollution, including noise and light pollution.	3-3	Management of material aspects	Climate change governance and management Risks and opportunities in the face of climate change Carbon footprint Environmental management system Biodiversity Adaptation to climate change	Pages 76-94	
		305-5	Reduction of GHG emissions			
	<b>Circular economy and waste prevention and management</b>					
	<u>Circular economy</u>	3-3	Management of material aspects	Environmental management system: Waste generation	Page 82	
	<u>Waste: Prevention measures, recycling, reuse and other forms of recovery and elimination of waste;</u>	3-3	Approach to effluents and waste management	Environmental management system: Waste generation	Page 82	
		306-1	Waste generation and significant waste-related impacts			
		306-2	Waste by type and disposal method	Appendix: Environmental indicators	Page 134	
		306-3	Waste generated			
	<u>Actions to combat food waste</u>	3-3	Management of material aspects	About this report	Page 9	
<b>Sustainable use of resources</b>						
<u>The consumption of water and the supply of water in accordance with local restrictions;</u>	303-5	Water consumption	Appendix: Environmental indicators	Page 134		
<u>Consumption of materials and the measures taken to improve efficiency in their use;</u>	3-3	Management of material aspects	Environmental management system	Pages 82		
	301-1	Materials used by weight or volume	Appendix: Environmental indicators	Page 134		
<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 aspects	Environmental management system	Page 82		
	302-1	Energy consumption within the organisation	Appendix: Environmental indicators	Page 134		
	302-3	Energy intensity				
	302-4	Reduction of energy consumption				

**Climate change**

Environmental issues	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 aspects	Carbon footprint	Page 81	
		305-1	Direct (Scope 1) GHG emissions	Appendix: Environmental indicators	Page 134	
		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 aspects	Risk and opportunities in the face of climate change	Page 78-80	
		201-2	Financial implications and other risks and opportunities due to climate change	Adaptation to climate change	Pages 84-94	
	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 aspects	Carbon footprint Environmental management system Appendix: Environmental indicators	Pages 81-82	
		305-5	Reduction of GHG emissions		Page 134	
	<b>Biodiversity protection</b>					
	<u>Measures taken to preserve or restore biodiversity;</u>		3-3	Management of material aspects	Biodiversity	Pág. 83
<u>Impacts caused by activities or operations in protected areas.</u>						
<b>Taxonomy</b>						
Eligibility and alignment of business activities with the European Taxonomy		Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 July 2020 and related Delegated Regulations		Adaptation to climate change	Pages 84-94	

Areas	Employment	Standards GRI associates	Description GRI	Chapter of the Report	Page of the Report
Social and personnel issues	<u>Total number and distribution of employees by gender, age, country and professional classification</u>	3-3	Management of material aspects	Talent attraction Talent management	Page 100-103
		2-7	Employees	Appendix on people indicators	Pages 135-153
		405-1	Diversity in governance bodies and employees		
	<u>Total number and distribution of work contracts by type,</u>	2-7	Employees	Appendix on people indicators	Pages 135-153
	<u>Annual average of permanent, temporary and part-time contracts by gender, age and professional category</u>	2-7	Employees	Appendix on people indicators	Pages 135-153
		405-1	Diversity in governance bodies and employees		
	<u>Number of dismissals by gender, age and professional category;</u>	401-1	New employee hires and employee turnover	Appendix on people indicators	Pages 135-153
	<u>Average salaries and their progress broken down by sex, age and professional classification or equal value;</u>	3-3	Management of material aspects	Corporate remuneration and benefits	Page 108-109
		405-2	Ratio of basic salary and remuneration of women to men	Appendix on people indicators	Pages 135-153
	<u>Pay gap, remuneration for equal or average jobs,</u>	3-3	Management of material aspects	Corporate remuneration and benefits Pay gap	Pages 108-110
<u>Average remuneration of directors and executives, including variable remuneration, attendance fees, severance payments, payments to long-term savings schemes and any other compensation broken down by gender,</u>	405-2	Ratio of basic salary and remuneration of women to men	Appendix on people indicators	Pages 135-153	
	3-3	Management of material aspects	Corporate governance system	Page 44-54	
	102-35, 2-19	Remuneration policies			

Areas	Employment	Standards GRI associates	Description GRI	Chapter of the Report	Page of the Report	
Social and personnel issues	Implementation of labour disconnect policies,	3-3	Management of material aspects	Employee wellness, work-life balance and digital disconnection policy	Pages 105-107	
	Employees with disabilities	3-3	Management of material aspects	Disability and accessibility	Page 115	
		405-1	Diversity in governance bodies and employees			
	<b>Organisation of work</b>					
	Organisation of work time	3-3	Management of material aspects	Employee wellness, work-life balance and digital disconnection policy	Pages 105-107	
	Number of hours of absenteeism	403-9	Occupational accident injuries	Appendix on people indicators	Pages 135-153	
		403-10	Occupational diseases and illnesses			
	<u>Measures aimed at facilitating work-life balance and promoting shared responsibility of both parents</u>	3-3	Management of material aspects	Employee wellness, work-life balance and digital disconnection policy	Pages 105-107	
	<b>Health and safety</b>					
	Health and safety conditions in the work place;	3-3	Management of material aspects	Health and safety	Page 111-112	
		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 workers' health			
		403-8	Occupational health and safety management system coverage			
	<u>Occupational accidents, in particular their frequency and seriousness; Occupational illnesses, broken down by gender</u>	403-9	Occupational accident injuries	Appendix on people indicators	Pages 135-153	
		403-10	Occupational diseases and illnesses			
	<b>Social relationships</b>					
	Organisation of social dialogue, including procedures for notifying and consulting personnel and negotiating with them;	3-3	Management of material aspects	Employee relations Dialogue with employees Union representation	Pages 113-114	
Percentage of employees covered by collective bargaining agreements by country;	2-30	Collective bargaining agreements	Employee relations Dialogue with employees Union representation	Pages 113-114		
Balance of collective bargaining agreements, in particular with regard to occupational health and safety	3-3	Management of material aspects	Health and safety	Pages 111-112		
	403-4	Worker participation, consultation and communication on occupational health and safety				
<u>Mechanisms and procedures that the company has in place to promote the involvement of employees in the management of the company in terms of information, consultation and participation.</u>	3-3	Management of material aspects	Employee relations	Pages 113-114		
<b>Training</b>						
Policies implemented with regard to training;	3-3	Management of material aspects	Talent management Re-evolucionaria	Pages 102-103		
	404-2	Programmes to upgrade employee skills and transition assistance programmes				
Total number of hours of training by professional category;	404-1	Average hours of training per year per employee	Appendix on people indicators	Pages 135-153		
<b>Universal accessibility for persons with disabilities</b>	3-3	Management of material aspects	Disability and accessibility	Page 115		

Social and personnel issues	<b>Equality</b>				
	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 between 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 aspects	Diversity and equality	Pages 97-99
	Policy against all types of discrimination and, where applicable, for diversity management				

Areas		Standards GRI associates	Description GRI	Chapter of the Report	Page of the Report
Human rights	Application of due diligence processes with regard to human rights. Prevention of risks of human rights violations and, where applicable, measures to mitigate, manage and repair potential abuses committed;	3-3	Management of material aspects	Guiding principles and human rights	Pages 62-64
		2-23	Commitment policies		
		2-26	Mechanisms for seeking advice and raising issues		
	Reports of cases of human rights violations;	3-3	Management of material aspects	Guiding principles and human rights	Pages 62-64
		406-1	Incidents of discrimination and corrective actions taken		
	Promotion and compliance with the provisions of the core conventions of the International Labour Organisation related to respect for the freedom of association and the right to collective bargaining;	3-3	Management of material aspects	Health and safety	Pages 111-112
	The elimination of discrimination in employment and occupation;	3-3	Management of material aspects	Guiding principles and human rights	Pages 62-64
The elimination of forced or compulsory labour;	406-1	Incidents of discrimination and corrective actions taken			
The effective abolition of child labour					

Areas		Standards GRI associates	Description GRI	Chapter of the Report	Page of the Report
Corruption and bribery	Medidas adoptadas para prevenir la corrupción y el soborno.	3-3	Management of material aspects	Ethics and transparency	Pages 55-61
		2-23	Commitment policies		
		2-26	Mechanisms for seeking advice and raising issues		
		205-3	Confirmed incidents of corruption and actions taken		
	Medidas para luchar contra el blanqueo de capitales.	205-2	Communication and training on anti-corruption policies and procedures	Ethics and transparency	Pages. 55-61
Aportaciones a fundaciones y entidades sin ánimo de lucro.	413-1	Operations with local community engagement, impact assessments, and development programmes	Society	Page 117	

Areas		Standards GRI associates	Description GRI	Chapter of the Report	Page of the Report
	The impact of the company's activity on employment and local development	3-3	Management of material aspects	Línea Directa Foundation	Pages 119-123
		203-1	Infrastructure investments and services supported		
		203-2	Significant indirect economic impacts		
		413-1	Operations with local community engagement, impact assessments, and development programmes		
	The impact of the company's activities on local populations and the region	203-1	Infrastructure investments and services supported	Línea Directa Foundation	Pages 119-123
		203-2	Significant indirect economic impacts	Corporate volunteering	Pages 124-127
		413-1	Operations with local community engagement, impact assessments, and development programmes		
	The relationships with the main players in local communities and the types of dialogue established with them	2-29	Approach to stakeholder engagement	Corporate volunteering	Pages 124-127
		413-1	Operations with local community engagement, impact assessments, and development programmes		
	Association or sponsorship actions	2-28	Partner associations	Society	Page 117
<b>Subcontracting</b>					
Society	* The inclusion of social, gender equality and environmental issues in procurement policy; * Consideration of social and environmental responsibility in relationships with suppliers and subcontractors;	2-6	Activities, value chain and other business relationships	Subcontracting and suppliers	Pages 128-129
		3-3	Management of material aspects		
		308-1	New suppliers that were screened using social criteria		
		414-1	New suppliers that were screened using social criteria		
	Supervision and audit systems and their results	3-3	Management of material aspects	Subcontracting and suppliers	Pages 128-129
<b>Consumers</b>					
Measures towards the health and safety of consumers	3-3	Management of material aspects	Customer Services department	Pages 130-131	
	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 aspects	Customer Services department	Page. 130	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			
<b>Tax information</b>					
Profit obtained country-by-country. Taxes paid on profits	3-3	Management of material aspects	Ethics and transparency	Page 57	
Public subsidies received	201-4	Financial assistance received from government	Ethics and transparency	Page 57	

## GRI CONTENT INDEX

<b>Statement of use</b>	LÍNEA DIRECTA ASEGURADORA, S.A. SEGUROS Y REASEGUROS has presented the information in this GRI Content Index for the period from 1 January 2023 to 31 December 2023, using the GRI Standards as a reference.
<b>Used GRI 1</b>	GRI 1: Fundamentals 2021
<b>Applicable GRI industry standards</b>	N/A

GRI standard	Contents	Location	Page.	Observations
<b>GRI 2: 2021 General Content</b>	2-1 Organisational details	Scope of the report	9	LINEA DIRECTA ASEGURADORA, S.A. COMPAÑÍA DE SEGUROS Y REASEGUROS For further information on the nature and legal form of the company, please refer to the Annual Corporate Governance Report 2023 available on Linea Directa's corporate website, section Corporate Governance/ Remuneration Policy, section Corporate Governance Report.  As for the location of the organisation's headquarters, it is as follows: Calle Isaac Newton, 7 Pol. Ind. Tres Cantos, Tres Cantos, Madrid, Spain. The Group's operations are located in Barcelona and Madrid.
		Corporate Information	46	
		Tax practices	57	
	2-2 Entities included in sustainability reporting	Scope of the report	9	
	2-3 Reporting period, frequency and contact point	About this report	9	The Integrated Management Report reflects the economic, social and environmental performance of Linea Directa Group in the financial year 2023, which runs from 1 January 2023 to 31 December 2023. It is a report that is published annually and its date of publication at the CNMV for this financial year is 29.02.2024." <u>Contact details:</u> External Communications and Sustainability department comunicación_externa@lineadirecta.es. Tel.: +34 91 807 20 00
	2-4 Updating Information	About this report	9	Where information has a different temporal or organisational scope than in previous years, the nuances of these changes are described next to the data in question.
	2-5 External verification	External verification	9	
2-7 Employees	Appendix on people indicators	135-153	The company does not have employees on a non-guaranteed hourly basis.  Despite having a company located in Portugal, the company only has employees in Spain.	
2-9 Governance structure and composition	Corporate bodies	47	For more information on the company's governance structure and practices, please refer to the Annual Corporate Governance Report 2023, available on Linea Directa's corporate website, section Corporate Governance/Remuneration Policy, section Corporate Governance Statement.	
	Executive committees	50-54		



GRI standard	Contents	Location	Page.	Observations
GRI 2: 2021 General Content	2-10 Appointment and selection of the highest governance body	Selection: independence and diversity	49	For more information on the company's governance structure and practices, please refer to the Annual Corporate Governance Report 2023, available on Línea Directa's corporate website, section Corporate Governance/Remuneration Policy, section Corporate Governance Statement.
	2-11 Chair of the highest governance body	Board of Directors	47	The chairman of the Board of Directors is not a senior executive of the organisation. For more information, please refer to the Annual Corporate Governance Report 2023, available on Línea Directa's corporate website, section Corporate Governance/Remuneration Policy, section Corporate Governance Statement.
	2-14 Highest governance body's role in presenting sustainability reporting			El Consejo de Administración es el órgano responsable de revisar y aprobar el Informe de Gestión Integrado, que incluye el Estado de Información No Financiera.
	2-17 Collective knowledge of highest governance body	Assessment	49	For more information on the company's governance structure and practices, please refer to the Annual Corporate Governance Report 2023, available on Línea Directa's corporate website, section Corporate Governance/Remuneration Policy, section Corporate Governance Statement.
		Appendix – jurisdiction matrix	133	
	2-18 Evaluating the highest governance body's performance	Assessment	49-133	For more information on the company's governance structure and practices, please refer to the Annual Corporate Governance Report 2023, available on Línea Directa's corporate website, section Corporate Governance/Remuneration Policy, section Corporate Governance Statement.
		Appendix – jurisdiction matrix		
	2-19 Remuneration policies	Remuneration	49	For more information on the company's governance structure and practices, please refer to the Annual Corporate Governance Report 2023, available on Línea Directa's corporate website, section Corporate Governance/Remuneration Policy, section Corporate Governance Statement.
	2-20 Process for determining remuneration	Remuneration	49	For more information on the company's governance structure and practices, please refer to the Annual Corporate Governance Report 2023, available on Línea Directa's corporate website, section Corporate Governance/Remuneration Policy, section Corporate Governance Statement.
	2-22 Statement on the sustainable development strategy	Letter from the Chairman	3-4	
		Interview with the CEO	5-8	
	2-26 Mechanisms for seeking advice and raising issues	Ethics Channel	56	
	2-27 Compliance with laws and regulations			During 2023 and as in 2022 and 2021, Línea Directa Group did not receive, through the channels available for this purpose, any significant fines or non-monetary penalties for non-compliance with applicable legislation or regulations.
2-28 Membership of associations	Contributions to associations	61		
2-29 Approach to stakeholder engagement	Dialogue with stakeholders	41-42		
2-30 Collective bargaining agreements	Trade union representation	114		
	Collective agreement data	147		

GRI standard	Contents	Location	Page.	Observations
<b>Material topics</b>				
GRI 3: Material topics (2021)	3-1 Process of determining material issues	About this report	9	
		Materiality analysis and indicators	31-32	
	3-2 List of material issues	Materiality analysis and indicators	31-32	
<b>Fight against climate change</b>				
GRI 305: Emissions (2016)	3-3 Management of material topics	Climate change governance and management	77	
		Risks and opportunities in the face of climate change	78-80	
	305-1 Direct (Scope 1) GHG emissions	Carbon footprint	81	
		Appendix – Environmental indicators	134	
	305-2 Indirect energy-related GHG emissions (Scope 2)	Carbon footprint	81	
Appendix – Environmental indicators		134		
305-4 GHG emissions intensity	Appendix – Environmental indicators	134		
<b>Sustainable products: mobility, home and health</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Strategy	24-30	
<b>Ethics and compliance</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Ethics and transparency	55-61	
GRI 201: Economic performance (2016)	201-4 Financial assistance received from government	Tax practices	56-57	No significant financial aid has been received from the government, nor in 2022 and 2021.
GRI 205: Anti-corruption (2016)	205-3 Confirmed incidents of corruption and actions taken	Fight against corruption and bribery	58	There have been no cases of corruption in the fiscal year under review, nor in 2022 and 2021.
GRI 207: Tax (2019)	207-1 Approach to tax	Tax practices	57-58	
	207-2 Tax governance, control and risk management	Tax practices	57-58	
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	Reports of human rights violations	64	In 2023, as in the previous two years, no complaints of human rights violations were received.

GRI standard	Contents	Location	Page.	Observations
<b>Information security</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Data protection	59	
		Cybersecurity	60	
GRI 418: Customer privacy (2016)	418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	Data protection	59	In 2023, there were 3 cases where data protection authorities contacted the company requesting information (5 in 2022 and 1 in 2021). Of these, only one case remained open at the end of 2023. No resolution involving financial or other sanctions was determined during the year, nor in 2022 and 2021. With regard to substantiated complaints from third parties, the company considers this to be a confidential matter that should not be made public.
		Cybersecurity	60	In addition, there were 2 cases involving the security of personal data where the company considered it necessary to notify to data protection authorities (none in 2022 and 2 in 2021). In all cases, the authorities found the information provided to be sufficient and the cases were closed without further action.  The company considers that any substantiated claims made by third parties are confidential and are therefore not included in this report.
<b>Diversity and equality</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Diversity and equality	97-99	
<b>Health, safety and well-being of professionals</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Employee well-being	105-107	
		Health and safety	111-112	
GRI 401: Employment (2016)	401-3 Parental leave	Reconciliation data	145	
GRI 403: Occupational health and safety (2018)	403-4 Worker participation, consultation, and communication on occupational health and safety.	Health and safety committee	112	
	403-5 Worker training on occupational health and safety.	Study of psychosocial factors	112	
	403-6 Promotion of worker health	"Wellbeing to Be Well" wellness programme	105-107	

GRI standard	Contents	Location	Page.	Observations
<b>Attraction and loyalty of the best talent</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Talent attraction	100-104	
		Talent management		
		Performance management		
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	New hire data	141	
		Data on departures in the Group	149-151	
GRI 404: Training and education (2016)	404-1 Average hours of training per year per employee	Training data	153	
GRI 405: Diversity and equal opportunity (2016)	405-1 Diversity in governance bodies and employees	Appendix on people indicators	135-153	At year-end 2023, 58% of our workforce was female, compared to 42% male (57% and 43% in 2022 and 2021, respectively). We also have different generations of employees coexisting in our teams, with the 30-50 age group standing out at 65%, followed by the over-50s at 23% and the under-30s at 12% (70%, 21% and 9% respectively in 2022 and 73%, 18% and 9% in 2021).
				Employees with disabilities represented 1.5% at the end of 2023 (1.5% in 2022 and 1.4% in 2021).  For more information on the diversity of the company's Board of Directors, please refer to the Annual Corporate Governance Report 2023, available on Línea Directa's corporate website, section Corporate Governance/Remuneration Policy, section Corporate Governance Statement.
GRI 405: Diversity and equal opportunity (2016)	405-2 Ratio of basic salary and remuneration of women to men	Remuneration data	146	Data is provided for the entire reporting period.
		Pay gap data	148	
<b>Quality and customer satisfaction</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Customer Services department	130	
		Service quality	131	
<b>Responsible investment</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Sustainable investment	118	

GRI standard	Contents	Location	Page.	Observations
<b>Responsible supply chain</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Subcontracting and suppliers	128-129	
GRI 204: Procurement practices (2016)	204-1 Proportion of spending on local suppliers	Subcontracting and suppliers	128-129	The percentage of purchases from local suppliers as a percentage of total spend is shown.
GRI 308: Supplier environmental assessment (2016)	308-1 New suppliers that were screened using environmental criteria	Supply chain: purchases from local suppliers Assessment of critical suppliers	128-129	In 2023, the ESG questionnaire was conducted for a few recurring suppliers, with the aim of extending the scope to all suppliers in the coming years. However, the company has been including questions on ESG issues in its supplier approvals since 2017.
GRI 414: Supplier social assessment (2016)	414-1 New suppliers that were screened using social criteria	Supply chain: purchases from local suppliers Assessment of critical suppliers	128-129	In 2023, the ESG questionnaire was conducted for a few recurring suppliers, with the aim of extending the scope to all suppliers in the coming years. However, the company has been including questions on ESG issues in its supplier approvals since 2017.
<b>Environmental management and responsible consumption</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Environmental management system	82	
GRI 301: Materiales (2016)	301-1 Materials used by weight or volume	Appendix – Environmental indicators	134	The materials consumed (toner and paper) are non-renewable.
GRI 302: Energy (2016)	302-1 Energy consumption within the organisation	Appendix – Environmental indicators	134	Reported fuel consumption comes from non-renewable sources only. All the electricity consumed is purchased, except for self-generated electricity.
GRI 303: Water and effluents (2018)	303-5 Water consumption	Appendix – Environmental indicators	134	Water consumption is reported for all company subsidiaries. The water supply in all subsidiaries comes from authorised public water supply networks. All supply comes from areas with low or no water stress.
GRI 306: Waste (2020)	306-3 Waste generated	Appendix – Environmental indicators	134	
<b>Transparencia y diálogo con grupos de interés</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Dialogue with stakeholders	41-42	
<b>Digitalisation</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Identified risks	68-74	
<b>Social contribution</b>				
GRI 3: Material topics (2021)	3-3 Management of material topics	Línea Directa Foundation Corporate volunteering	119-127	

## INFORME DE VERIFICACIÓN DEL EINF



### Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros

Estado de Información No Financiera Consolidado  
adjunto correspondiente al ejercicio finalizado el 31 de diciembre de 2023.



### Informe de verificación independiente

A los accionistas de Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros:

De acuerdo al artículo 49 del Código de Comercio hemos realizado la verificación, con el alcance de seguridad limitada, del Estado de Información No Financiera Consolidado adjunto (en adelante EINF) correspondiente al ejercicio finalizado el 31 de diciembre de 2023, de Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros (Sociedad dominante) y sociedades dependientes (en adelante Grupo Línea Directa o el Grupo) que forma parte del informe de gestión consolidado de Grupo Línea Directa.

El contenido del EINF incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información identificada en el Anexo "Requerimientos de la Ley 11/2018 en materia de información no financiera" y en el Anexo "Índice de contenidos GRI" incluida en el EINF adjunto.

#### Responsabilidad de los administradores de la Sociedad dominante

La formulación del EINF incluido en el informe de gestión consolidado de Grupo Línea Directa, así como el contenido del mismo, es responsabilidad de los administradores de Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente y utilizando como referencia los criterios de los *Sustainability Reporting Standards* de *Global Reporting Initiative* (estándares GRI) de acuerdo a lo mencionado para cada materia en el Anexo "Requerimientos de la Ley 11/2018 en materia de información no financiera" y en el Anexo "Índice de contenidos GRI" del citado Estado.

Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error.

Los administradores de Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros son también responsables de definir, implantar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF.

#### Nuestra independencia y gestión de la calidad

Hemos cumplido con los requerimientos de independencia y demás requerimientos de ética del Código Internacional de Ética para Profesionales de la Contabilidad (incluidas las normas internacionales de independencia) del Consejo de Normas Internacionales de Ética para Profesionales de la Contabilidad (Código de ética del IESBA por sus siglas en inglés) que está basado en los principios fundamentales de integridad, objetividad, competencia y diligencia profesionales, confidencialidad y comportamiento profesional.

Nuestra firma aplica la Norma Internacional de Gestión de la Calidad (NIGC) 1, que requiere que la firma diseñe, implemente y opere un sistema de gestión de la calidad que incluya políticas o procedimientos relativos al cumplimiento de los requerimientos de ética, normas profesionales y requerimientos legales y reglamentarios aplicables.

El equipo de trabajo ha estado formado por profesionales expertos en revisiones de Información No Financiera y, específicamente, en información de desempeño económico, social y medioambiental.

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## INFORME DE VERIFICACIÓN DEL EINF



Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros

### Nuestra responsabilidad

Nuestra responsabilidad es expresar nuestras conclusiones en un informe de verificación independiente de seguridad limitada basándonos en el trabajo realizado. Hemos llevado a cabo nuestro trabajo de acuerdo con los requisitos establecidos en la Norma Internacional de Encargos de Aseguramiento 3000 Revisada en vigor, "Encargos de Aseguramiento distintos de la Auditoría o de la Revisión de Información Financiera Histórica" (NIEA 3000 Revisada) emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB) de la Federación Internacional de Contadores (IFAC) y con la Guía de Actuación sobre encargos de verificación del Estado de Información No Financiera emitida por el Instituto de Censores Jurados de Cuentas de España.

En un trabajo de seguridad limitada los procedimientos llevados a cabo varían en naturaleza y momento de realización, y tienen una menor extensión, que los realizados en un trabajo de seguridad razonable y, por lo tanto, la seguridad proporcionada es también menor.

Nuestro trabajo ha consistido en la formulación de preguntas a la dirección, así como a las diversas unidades de Grupo Línea Directa que han participado en la elaboración del EINF, en la revisión de los procesos para recopilar y validar la información presentada en el EINF y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Reuniones con el personal de Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener la información necesaria para la revisión externa.
- Análisis del alcance, relevancia e integridad de los contenidos incluidos en el EINF del ejercicio 2023 en función del análisis de materialidad realizado por Grupo Línea Directa y descrito en el apartado "Gestión de la sostenibilidad", considerando los contenidos requeridos en la normativa mercantil en vigor.
- Análisis de los procesos para recopilar y validar los datos presentados en el EINF del ejercicio 2023.
- Revisión de la información relativa a los riesgos, las políticas y los enfoques de gestión aplicados en relación a los aspectos materiales presentados en el EINF del ejercicio 2023.
- Comprobación, mediante pruebas, en base a la selección de una muestra, de la información relativa a los contenidos incluidos en el EINF del ejercicio 2023 y su adecuada compilación a partir de los datos suministrados por las fuentes de información.
- Obtención de una carta de manifestaciones de los administradores y la dirección de la Sociedad dominante.

### Conclusión

Basándonos en los procedimientos realizados en nuestra verificación y en las evidencias que hemos obtenido no se ha puesto de manifiesto aspecto alguno que nos haga creer que el EINF de Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros y sociedades dependientes correspondiente al ejercicio anual finalizado el 31 de diciembre de 2023 no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y utilizando como referencia los criterios de los estándares GRI de acuerdo a lo mencionado para cada materia en el apartado Anexo "Requerimientos de la Ley 11/2018 en materia de información no financiera" y en el Anexo "Índice de contenidos GRI" del citado Estado.



Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros

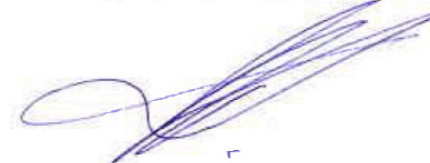
### Párrafo de énfasis

En base al Reglamento (UE) 2020/852 del Parlamento Europeo y del Consejo de 18 de junio de 2020 relativo al establecimiento de un marco para facilitar las inversiones sostenibles, así como en base a los Actos Delegados promulgados de conformidad con lo establecido en dicho Reglamento, se establece la obligación de divulgar información sobre la manera y la medida en que las inversiones de la empresa se asocian a actividades económicas elegibles en relación con los objetivos medioambientales de uso sostenible y protección de los recursos hídricos y marinos, transición a una economía circular, prevención y control de la contaminación y protección y restauración de la biodiversidad y ecosistemas (el resto de objetivos medioambientales), y respecto de determinadas nuevas actividades incluidas en los objetivos de mitigación del cambio climático y de adaptación al cambio climático, por primera vez para el ejercicio 2023. La citada normativa establece también por primera vez para el ejercicio 2023 la obligación de divulgar información sobre la manera y la medida en que las actividades de la empresa se asocian a actividades económicas alineadas en relación con las actividades incluidas en los objetivos de mitigación del cambio climático y de adaptación al cambio climático excluyendo las nuevas actividades mencionadas anteriormente. En consecuencia, en el EINF adjunto no se ha incluido información comparativa sobre alineamiento en relación con los objetivos de mitigación del cambio climático y de adaptación al cambio climático, ni se ha incluido información comparativa sobre elegibilidad en relación con el resto de los objetivos medioambientales, ni con las nuevas actividades incluidas en los objetivos de mitigación del cambio climático y de adaptación al cambio climático. Por otra parte, en la medida en la que la información referida a actividades elegibles en el ejercicio 2022 no se requería con el mismo nivel de detalle que en el ejercicio 2023, en el EINF adjunto la información desglosada en materia de elegibilidad tampoco es estrictamente comparable. Adicionalmente, cabe señalar que los administradores de Línea Directa Aseguradora S.A. Compañía de Seguros y Reaseguros han incorporado información sobre los criterios que, en su opinión, permiten dar mejor cumplimiento a tal obligación y que están definidos en el apartado "Adaptación al cambio climático" del EINF adjunto. Nuestra conclusión no ha sido modificada en relación con esta cuestión.

### Uso y distribución

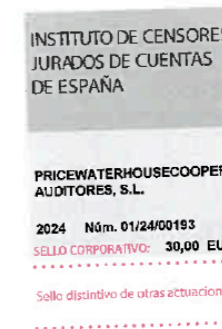
Este informe ha sido preparado en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.

PricewaterhouseCoopers Auditores, S.L.



Ramon Abella Rubio

29 de febrero de 2024





linea directa

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

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