



linea directa

**GHG EMISSIONS
INVENTORY
2023**

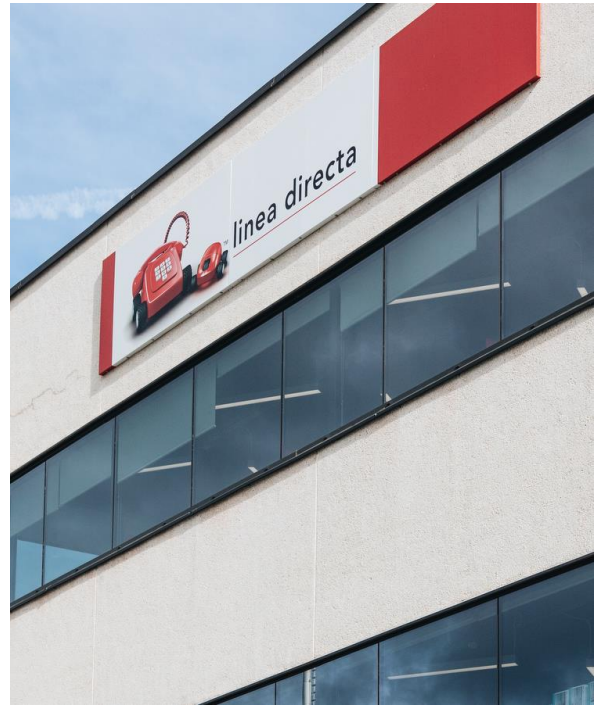
CARBON FOOTPRINT

For more than a decade, Linea Directa has been calculating its carbon footprint in its three scopes.

The calculation of emissions is carried out following the GHG Protocol methodology.

For the calculation of the carbon footprint, emission factors from the annual publication of MITECO (June 2023 version) and from the official source of the UK Department for Environment, Food and Rural Affairs have been used, where necessary.

The emissions derived from the consumption of fossil fuels, from electricity consumption and from other indirect sources derived from the company's activity are shown in this report.



SCOPE 1. DIRECT GHG EMISSIONS

Scope 1 covers emissions from sources that an organization owns or directly controls: for example, the burning of gas and fuel in our offices to ensure an adequate temperature.

DIRECT GHG EMISSIONS (SCOPE 1)

Metric tonnes CO2 equivalents	2020	2021	2022	2023	Target 2022
Total Direct GHG emissions	469.6	602.3	471.0*	464.2	<2.1%**
Data coverage (Percentage of employees)	100	100	100	100	

*In 2022, the methodology for calculating Scope 1 emissions has been modified.

**The objective for 2023 was to reduce scope 1 of the emissions produced in 2022 in accordance with the objective of reducing the energy consumed by 5% from 2022 (which include natural gas and gasoil) in the parent company, which represented a reduction of 2.1%. However, the consolidated emissions generated were only 1.4% lower than in 2022.

SCOPE 2. INDIRECT GHG EMISSIONS

Scope 2 are emissions that Línea Directa causes indirectly when the energy it purchases and uses is produced. For example, the electricity the company use for it centralized operation activity.

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

INDIRECT GHG EMISSIONS (SCOPE 2)

Metric tonnes CO2 equivalents	2020	2021	2022	2023	Target 2023
Total Indirect GHG emissions (Market-based)	431.7	1,178.3	426.2*	346.7	<2022
Data coverage (Percentage of employees)	100	100	100	100	-
Total Indirect GHG emissions (Location-based)	1,190.66	1,178.3	1,239.8	1.084,15	<3,6%**
Data coverage (Percentage of employees)	100	100	100	100	-

*In 2022, the methodology for calculating Scope 2 emissions has been modified.

**The objective for 2023 was to reduce scope 2 of the emissions produced in 2022 in accordance with the objective of reducing the energy consumed by 5% from 2022 (which includes electricity) in the parent company, which represented a reduction of 3.6% and was widely achieved because the consolidated location-based emissions generated were 18.6% lower than in 2022.

EMISSIONS REDUCTION TARGETS SCOPE 1 AND SCOPE 2.

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, gasoil and electricity) by more than 15% in 2025 as compared to 2022.

The emissions reduction target for 2023 was in line with the previous energy efficiency target. In Scope 1 it represented a reduction of 2.1% of emissions. For Scope 2 (location-based) the reduction objective was 3.6% of emissions. The Group also set a first-time target of a reduction of 5% of Scope 3 emissions in 2023 compared to 2022.

In this regard, these targets were part of the sustainability-related metrics linked to the variable remuneration of the CEO and the Management Committee in 2023.

Furthermore, in the third quarter of 2023, the quarterly variable for the 38,14% of the workforce was linked to compliance with the Sustainability Plan, which included the reduction energy consumption target defined together with other actions aimed at combating Climate Change.



SCOPE 3. INDIRECT GHG EMISSIONS

Scope 3 encompasses emissions that are not produced by the company itself, and not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for, up and down its value chain. An example of this is when we buy, use and dispose of products from suppliers. Scope 3 emissions include all sources not within the scope 1 and 2 boundaries.

INDIRECT GHG EMISSIONS (SCOPE 3)

Metric tonnes CO2 equivalents	2020	2021	2022	2023	Target 2023
1. Purchased goods and services	-	-	149,010	92,534	-
2. Emissions from capital goods	-	-	648.2	278	-
3. Emissions from fuel and energy (not included in 1 & 2)	-	-	8,951.8	1,689.7	-
4. Upstream transportation and distribution*	-	-	0	0	-
5. Waste generated in operations	25.7	16.5	17.6	6.6	-
6. Business travel	6.9	7.0	22	19.8	-
7. Employee Commuting	1,305.3	2,296.4	2,653.4	2,451.2	-
8. Upstream leased assets*	-	-	0	0	n.a.
9. Downstream transportation and distribution	-	-	282.8	334.3	-
10. Processing of sold products*	-	-	0	0	n.a.
11. Use of sold products*	-	-	0	0	n.a.
12. End-of-life treatment of sold products*	-	-	0	0	n.a.
13. Downstream leased assets	-	-	283.6	343.4	-
14. Franchises*	-	-	0	0	n.a.
15. Investments	-	-	197,852	217,724	-
Other upstream: Water	3.97	4.58	2.4	2.7	-
TOTAL EMISSIONS SCOPE 3	1,341.9	2,324.5	359,584.1	315,381.5	<5%
Data Coverage (Percentage of employees)	100	100	100	100	-

*These categories are not considered material for Linea Directa.

- In 2022, the Scope 3 emissions calculation methodology has been adapted to following the list of Scope 3 categories of the GHG Protocol guidelines.
- The target for 2023 was established to reduce the scope 3 emissions by 5% over 2022. The result was a reduction of 12%.

SCOPE 3. FINANCED EMISSIONS INTENSITY

The most relevant source of emissions for Línea Directa are emissions from its investments (category 15 of the GHG Protocol).

These emissions are broken down below by type of asset, by country and by sector of activity.

Category 15 - 2022	tnCO ₂	tnCO ₂ /M€
Financed emissions	217,724	253.27
Asset Class	tnCO ₂	tnCO ₂ /M€
Sovereign debt	88,093.06	221.39
Corporate debt	101,326.65	309.30
Equities	11,292.07	671.97
Other financial assets	17,012.22	144.96
Country/Region	tnCO ₂	tnCO ₂ /M€
Spain	118,638.30	303.79
Italy	41,065.35	259.14
Portugal	11,032.04	475.85
Switzerland	8,124.28	154.03
France	6,385.06	399.07
USA	6,781.47	2,260.49
Germany	5,645.61	931.23
United Kingdom	5,148.00	131.79
Other countries	3,427.98	92.38
Sector/Industry*	tnCO ₂	tnCO ₂ /M€
Financial Services	12,035.91	51.95
Utilities (Energy, water, etc)	46,190.90	1,250.12
Automotive	24,579.59	1,330.39
Technology	4,090.75	150.10
Construction	13,607.41	607.06
Real State	5,202.88	379.77
Transportation	4,476.31	559.54
Other sectors	8,330.95	208.59

*Sector breakdown excludes sovereign debt and other financial assets. .

Divestment in 2030 in Oil&Gas and Coal unless:

- **A decarbonization Plan based on (SBTi)**
- **Less than 15% of their total revenue**
- **Importance in investment portfolio less than 8%**

Línea Directa is an insurance company active in Motor, Home and Health insurance. The company is not authorized by the competent bodies in Spain to underwrite facilities for activities of any kind. However, in its commitment to Climate Change, the company has decided to refuse to underwrite any activities related to fossil fuels (Oil&Gas or Coal).

Therefore, the decarbonization strategy is aimed at the investment portfolio, where there is more potential for improvement. To meet this challenge, Línea Directa published its Sustainable Investment Policy in 2023, stipulating specific actions for positions with exposure to carbon-intensive sectors and other controversial sectors (active defense, gambling, alcohol, etc.).

Línea Directa Group undertakes to completely divest its positions in the sectors indicated above by 2030, unless the companies performing these activities have:

- A decarbonisation plan based on a science-based emissions reduction target (SBTi),
- These activities account for less than 15% of their total revenue,
- And their importance in Línea Directa's investment portfolio comes to less than 8%.