

Social Impact and Financial Inclusion Policy of Línea Directa Aseguradora Group



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Important information about this document	
Name of Policy	Social Impact and Financial Inclusion Policy
Related section of the Code of Ethics	11. Relationship with customers 17. Donations and social projects
Related portions of other policies	-
Rules and standards superseded	-
Related rules and standards	Sustainability Policy, Human Rights Policy, Product Control and Governance Policy, Gender Equality Policy, Diversity and Inclusion Policy , Talent Policy
Business unit or function affected	The entire Línea Directa Aseguradora Group
Personnel affected	The entire Línea Directa Aseguradora Group
Main area responsible for monitoring	People, Communication and Sustainability Area
Approved on	27 June 2024
Effective from	27 June 2024
Version	2.0
Created by	People, Communications and Sustainability and General Secretary
Approved by	Board of Directors of Línea Directa Aseguradora S.A.

SOCIAL IMPACT AND FINANCIAL INCLUSION POLICY

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1. INTRODUCTION

Línea Directa is involved in the economic and social development of the areas in which it operates, on the clear understanding that the sustainability of the Company's business model is directly linked to the prosperity of the community or environment in which it operates.

Through this policy, Línea Directa Group expresses its commitment to society on the understanding that it must drive sustainable development by applying responsible practices and commitments that seek progress in the communities in which it operates.

Committed to this task, the Group helps to improve people's quality of life and safety by providing its products and services while creating value within the framework of a social impact strategy that pursues sustainable social and economic development.

To maximise its contribution, the Company seeks to align its social efforts with its knowledge and experience. This means creating a link between business activity and social contribution that is reflected in medium/long-term sustainable projects in the areas in which it is present, focussing on financial inclusion to facilitate access to products or services designed for different groups with particular needs.

This policy is aligned with the *Sustainability Policy* of the Línea Directa Aseguradora Group, pursues the following main objectives:

- Defining the principles of social contribution that will steer the Group in fulfilling its role as a corporate citizen.
- Ensuring orderly management of the social contribution aligned with the business so that we can respond to the challenges of the 2030 Agenda for Sustainable Development and to the local needs of the communities and environments in which Línea Directa operates.
- Maximising the positive impact of the Group, including the Foundation, through its social improvement actions.

- Promoting financial inclusion, both by designing products that promote inclusion and awareness-raising actions, and defining the commitments, principles of action and management model in this regard

2. PRINCIPLES OF ACTION

The actions of the Línea Directa Group and those of the Línea Directa Foundation are aligned with the Sustainable Development Goals (SDGs), a universal initiative of the United Nations (UN) framed within the 2030 Agenda, which seeks to eradicate poverty, protect the planet and achieve peace and prosperity for all people. Their activities go hand in hand with these 17 goals and they are aware of their key role in making this initiative a success.

The principles of this policy, linked to the purpose of Línea Directa Aseguradora — "Innovate, Protect and Approach" — seek to achieve the sustainable development goals through a living and breathing relationship between the Company, the communities in which it operates and its stakeholders.

As with its business activities, the various social contribution and financial inclusion initiatives of the Línea Directa Aseguradora Group are medium- and long-term commitments.

- **Harmony between the business and needs of the community:** The Group's social improvement activities focus on aspects related to its business, knowledge and experience and are, in tandem, essential for the development of society. Therefore, the Company's social contribution focuses on the following core concerns:
 - **Road safety**, as a means of reducing the number and impact of traffic accidents, with the ultimate aim of putting an end to road mortality.
 - Home **safety**, by fostering a culture of prevention at home and protecting customers and society in general.
 - **Promoting healthy habits and well-being** by encouraging physical activity, quality sleep and a good diet, as the cornerstones of a healthy life and overall personal wellness, in accordance with the company's Wellness Program.

- **Social insertion**, through a firm commitment to equal opportunities, non-discrimination, inclusion and respect for diversity in terms of healthy relations in the workplace.
- **Promoting sustainability** by pursuing cultural change for a more responsible and caring society for both people and the environment.
- **Value creation:** Línea Directa Aseguradora and its subsidiaries view their social contribution as making a positive difference to the welfare of people and the protection of the planet and in response to the challenges facing society today. This contribution is neither compensatory nor substitutive, but is entirely voluntary and goes beyond the obligations they assume when carrying on their business activities.
- **Partnerships:** To ensure that its social contribution is effective, the Línea Directa Aseguradora Group cooperates with institutions, non-governmental organisations, private companies and public-private entities that pursue the same goals as those set out in this policy. All this while respecting ethics and transparency and avoiding pursuits that are contrary to current legislation or that could lead to a possible conflict of interest between the parties.
- **Adaptability:** the Company is firmly committed to initiatives that meet the needs, concerns and demands of the communities in which it operates.
- **Employee engagement:** the Company seeks to engage employees in the different initiatives it carries out, as an opportunity for them to act out their desire to help with social issues and concerns.

The Company's values are the pillars on which the above principles are based and constitute a mandatory guide steering business conduct when carrying out the Group's social contribution.

As regards financial inclusion, the company bases its approach on the following principles of action, which serve as a basis for making good on commitments:

- Identification of vulnerable groups (current and potential) that will serve as the target groups of initiatives, products and services related to financial inclusion.
- Employee training to prevent and attempt to avoid aggressive marketing techniques and disrespectful treatment of target groups, , in line with the operating principles of the company's Talent Policy.
- Dialogue and engagement with external institutions to expand the scope or develop the inclusive financial market.

3. SCOPE

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

Thus, the Company shall ensure that its commitments in this realm extend across the entire value chain so as to promote social contribution and to develop actions that promote financial inclusion among its stakeholders.

Meanwhile, the Foundation will undertake its own activities in accordance with its bylaws, though it may lend support to Group companies upon request for certain initiatives if deemed appropriate.

4. MAIN COMMITMENTS AND RESPONSIBLE PRACTICES

While there is freedom within the Línea Directa Aseguradora Group in carrying out different social welfare activities, these must always be linked in some way with the experience gained from running the business and with the principles of action and corporate values. They must also be aligned with the Company's sustainability strategy and contribute to the commitments set out in this policy.

To achieve the desired goals, which embrace and articulate the principles and values described above, the following vehicles or mechanisms may be used:

- **Corporate volunteering:** to help bring about social change through the direct involvement of employees in carrying out the social contribution activities. It also allows employees to channel their talent, time and energy for the benefit of the community through their voluntary involvement in the initiatives proposed by the Company.
- **Philanthropic donations, both one-off and regular:** to support NGOs and other institutions with their social endeavours to help build a more engaged, human and egalitarian society.
- **Contributions to the community:** whether monetary or in kind, to causes chosen by the Company in accordance with the principles enshrined in this Policy, as well as partnerships with NGOs and other community organisations to address a range of social needs identified within the local area.

The Company may also carry out awareness-raising, training and educational activities related to its priority issues among its employees and other stakeholders, in order to aid and promote social development.

Meanwhile, the **Línea Directa Foundation** expresses its commitment to society through road safety, although it may likewise engage in other initiatives envisaged in its bylaws if so decided by its board of trustees. Notable actions here include:

- Organisation, participation, financing and other forms of collaboration in training, social, welfare, educational and teaching activities to promote road safety.
- Studies, investigations, courses and conferences to promote road safety.
- Handing out awards to people and public or private entities alike to recognise their contributions to the Foundation's own pursuits.
- Work meetings, courses, seminars, conferences and so forth on matters relating to the Foundation's objectives and pursuits.
- Investigation and prevention of various risk factors present on the road.
- Taking part in the activities of other entities engaged in the same or similar pursuits to those of the Foundation.
- Other activities aimed at fulfilling the pursuits of the Foundation, in accordance with the Action Plan approved by the Board of Trustees.

In turn, as regards financial inclusion, notwithstanding the development of products and services with these characteristics and pursuant to the principles set out in the internal regulations related to product governance, the company undertakes to:

- Innovating and expanding the range of services and benefits available to vulnerable groups, based on market research and customer feedback.
- Adapting delivery methods to the needs and preferences of the target group.
- Offering non-financial support and promoting the financial well-being of vulnerable groups. In particular, raising awareness and disclosing information about the insurance sector, focussing on current and potential customers.
- Establishing procedures to prevent over-indebtedness in target groups, through different initiatives related to financial education.
- Implementing easily accessible complaint mechanisms for financial inclusion customers.

5. MANAGEMENT MODEL

Línea Directa Aseguradora shall work to ensure the effective disclosure and implementation of this Policy and shall see to it that all employees are made aware of it, especially those directly related to the commitments set out herein.

The Company shall ensure that its social contribution activities are articulated through the different relevant mechanisms or vehicles, respond to the objectives effectively set and are duly documented (recording and control of the resources allocated, both financial and in kind, the time spent by employees —for corporate volunteering activities— and general management expenses, such as temporary assignment of assets).

In addition, in terms of financial inclusion, respect shall be shown for the procedures and internal approval circuits regarding the design of products and services.

As a general rule, and wherever possible, the achievements and impacts of the actions undertaken and the products and services designed to promote the financial inclusion of vulnerable groups will be measured as a means of improving their management, maximising their positive impact and ensuring their transparency.

Contributions, achievements and impacts will be recorded in accordance with a recognised methodology for measuring, managing and communicating corporate social action.

6. GOVERNANCE MODEL AND MONITORING

The Sustainability and Reputation Committee is responsible for knowing, promoting, steering and monitoring the corporate social responsibility strategy and practices, including social impact and financial inclusion activities. It is also tasked with evaluating their degree of compliance and periodically reporting to the Appointments and Remuneration Committee on the actions taken under this Policy.

The People, Communication and Sustainability Area is entrusted with the coordination and registration of social contribution and financial inclusion activities and with the communication of this Policy at Línea Directa Aseguradora, the subsidiaries and the Foundation.

This Policy has been drawn up with the support of an external adviser and will be reviewed periodically and changes or modifications will be made as and when deemed appropriate, in accordance with the internally established deadlines.

The Sustainability Task Force will propose to the Sustainability Committee the actions that will be part of the Sustainability Plan related to issues of social impact and financial inclusion. This Committee will select, supervise and monitor the actions included, and will periodically report to the Appointments, Remuneration and Corporate Governance Committee.

The Board of Directors, which approves the Social Impact and Financial Inclusion Policy of the Línea Directa Aseguradora Group, will be ultimately responsible for the Policy: overseeing compliance with the Policy, ensuring observance of laws and regulations in relations with stakeholders and seeing to it that all contracts and obligations are performed in good faith, along with respect for customs and good practices when carrying on its activity.

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

7. COMMUNICATION OF THE POLICY

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

8. APPROVAL AND REVIEW

The People, Communication and Sustainability Area is responsible for periodically reviewing this Policy and, when there is a change of any kind that requires the Policy to be updated or modified, for assessing whether its content continues to be suitable, in order to enable it to be implemented in accordance with the established guidelines. The proposed updates shall be submitted to the Board of Directors for approval, following a report from the Appointments, Remuneration and Corporate Governance Committee.

This Policy was approved by the Board of Directors of Línea Directa Aseguradora S.A. and will be effective from the date of its approval.