



# **Línea Directa Group Responsible Purchasing Policy**



**linea directa**

---

<b>Important information about this document</b>	
<b>Name of the document</b>	<b>Responsible Purchasing Policy</b>
<b>Related section of the Code of Ethics</b>	12. Relations with business partners 13. Relations with suppliers
<b>Related sections of other policies</b>	1, 3, 4 and 5 of the Outsourcing Policy
<b>Rules and standards superseded</b>	April 2021 Purchasing Policy
<b>Related rules and standards</b>	Outsourcing Policy, Code of Ethics, Code of Conduct for Suppliers, Human Rights Policy and Purchasing Procedure
<b>Business unit or function affected</b>	Línea Directa Group
<b>Personnel affected</b>	Línea Directa Group
<b>Main area responsible for monitoring</b>	Purchasing Department
<b>Approved on</b>	20 October 2022
<b>Effective from</b>	20 October 2022
<b>Version</b>	1.1
<b>Created by</b>	Finance - Purchasing Department
<b>Approved by</b>	Board of directors

## 1. Introduction

This Policy sets down the principles governing the selection of suppliers to ensure the needs of Línea Directa Group for goods and services are met efficiently and with high quality, guided by a commitment to contribute to the sustainability of economic and social development.

Respecting the principles in this policy will contribute to achieving its strategic objectives, in line with the values, principles and guidance for conduct in Línea Directa Group's Code of Ethics and Code of Conduct for Suppliers.

The Group's management has decided to align this policy with the main international standards in this area, continuing Línea Directa's ongoing dynamic evolution since its creation and anticipating future legislation that will require the integration of sustainability due diligence into the company's strategies.

This Policy aims to:

- Put in place appropriate measures to optimise the impact of the Group's purchasing and contracting decisions; and
- Ensure the suitability of the suppliers it works with.

## 2. Framework for action

Línea Directa Group bases its purchasing decisions on compliance with applicable regulations, monitoring the following international agreements and commitments:

- The United Nations Universal Declaration of Human Rights
- The OECD Guidelines for Multinational Enterprises
- The United Nations Guiding Principles on Business and Human Rights

- The fundamental conventions of the International Labour Organization (ILO)
- The United Nations Convention on the Rights of the Child

### 3. Scope

This Policy applies to all Línea Directa Group companies. Everyone in the Group is responsible for complying with this policy and following the defined purchasing process. This, therefore, applies to all significant expenditure and investment by Línea Directa Aseguradora, Línea Directa Asistencia and Línea Directa Foundation, and overhead expenses of CAR, for new procurement and extensions and renewals of existing agreements.

### 4. Principles

This Policy is based on the following principles:

- a) Planning and setting improvement objectives for new purchasing and renewals and extensions of existing agreements, with a ceaseless search for efficiencies in processes involving the acquisition or renewal of agreements for goods or services.
- b) Compliance by everyone involved in the purchasing process with all legal requirements relating to human, employment and environmental rights, and involvement in the Group's efforts to prevent corruption.
- c) Compliance with the Code of Ethics of Linea Directa and its Group companies, and the Code of Conduct for Suppliers, based on developing relationships in a principled and open professional framework, respecting legal requirements, competition, objectivity, transparency and confidentiality. The Group has a whistleblowing channel for reporting any issues.

- d) Continuous searching for new products, services, suppliers and markets, identifying alternative solutions to the Company's current purchasing processes, to identify new opportunities for Línea Directa.
- e) Approval of suppliers involved in the processes and likely to provide services to Línea Directa Group companies to ensure their suitability, including their explicit acceptance of the Code of Conduct for Suppliers.
- f) Partnering with suppliers that have developed socially responsible strategies in the economic, social and environmental fields, in line with the objective of increasing awareness of environmental, social and governance (ESG) issues in the Group's supply chain, provided that the technical, operational and financial requirements of the offers considered permit this.
- g) Separation of functions between the areas requiring the goods or services and the Purchasing department, with identification and assignment of clearly defined responsibilities to all persons involved in purchasing processes (users, technicians, buyers and suppliers), ensuring efficient collaboration to ensure traceability, transparency and optimisation of processes.
- h) Collaboration in application of the insurer's Outsourcing Policy for the outsourcing of activities considered critical from a regulatory perspective.
- i) Favouring the renewal of the usual suppliers when the contract period exceeds five years, or three years in cases where there are commitments that may limit or condition the award, such as:
  - Cooperation in the development of exclusive products.
  - Volumes committed to in previous negotiations.
  - Exclusive designs belonging to the supplier.

- j) All decisions to award contracts will be based on transparency, impartiality and objectivity, ensuring the involvement of all areas involved on equal terms.

## 5. Governance model and monitoring

The Purchasing Department, which is part of the Finance area, is responsible for ensuring this policy is implemented correctly, and for evaluating suppliers and their offers in decisions about purchasing contracts, working with the designated contacts in the subsidiaries.

The Board of Directors of Línea Directa Aseguradora is the highest supervisory body for ensuring compliance with the Purchasing Policy, through its Audit and Compliance Committee.

## 6. Communication of the policy

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

## 7. Approval and review

This Policy will be approved by the Board of Directors of Línea Directa Aseguradora, at the proposal of the Audit and Compliance Committee, informing the Appointments Committee, where appropriate. Remuneration and corporate governance

The Purchasing Department will review this Policy regularly and whenever any changes involve it being updated or amended. Proposals for updating the



Policy will be submitted for approval to the Board of Directors, through the Audit and Compliance Committee.

This Policy was approved by the Board of Directors of Línea Directa Aseguradora S.A. on 20 October 2022 and is effective from that date.