

Environmental Management and Climate Change Policy of Línea Directa Group



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Important information about this document	
Name of the document	Environmental Management and Climate Change Policy
Related section of the Code of Ethics	18. Commitment to respect the environment
Related portions of other policies	n/a
Rules and standards superseded	Environment and Energy Efficiency Policy
Related rules and standards	Manual of Good Environmental Practices
Business unit or function affected	Línea Directa Group
Personnel affected	Línea Directa Group
Main area responsible for monitoring	Department of Space Management and Planning
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Approved by	Board of directors

1. Introduction

Climate change is one of the biggest challenges faced by society and, therefore, companies today. The difficulty of adapting to a low-carbon economy and the scarcity of natural resources will force all players in society to strive to make their business models compatible with the economy's new characteristics.

Línea Directa Group's strategic priorities include the commitment to environmental protection, the responsible use of resources and the fight against climate change. Consequently, it has developed a set of policies that define the general principles of action and are framed in its Sustainability strategy. Its commitment to the environment is aimed at minimising the potential direct impacts from the use of natural resources for the productive activity, and the indirect impacts that could be caused in the insurance and investment activity.

Línea Directa Group therefore drafts this Environmental Management and Climate Change Policy that, in line with the Sustainability Policy, seeks to minimise the potential impact from its activities, products and services, and to adapt to the effects of climate change.

2. Framework for action

Línea Directa Group bases its action on climate change on compliance with applicable regulations and the implementation of best practices or international standards of recognised prestige, such as:

- United Nations Framework Convention on Climate Change (UNFCCC) that aims to stabilise greenhouse gas concentrations to avoid the consequences of climate change.
- Paris Agreement on climate change signed under the UNFCCC in 2015, with the goal of achieving rapid decarbonisation of the global economy to achieve net zero emissions by 2050.
- 2030 Agenda and Sustainable Development Goals (SDGs 7, 12 and 13)
- European Green Deal
- UNE-EN ISO 14001:2015 Environmental Management Systems
- UNE-EN ISO 50001:2018 Energy Management Systems

Línea Directa Group is also a member of the United Nations Global Compact and the Task Force on Climate-related Financial Disclosure (TCFD), actively participating in the search for practical solutions for climate change management.

3. Scope

The principles set out in this document apply to all employees, managers and directors of all companies that make up Línea Directa Group, as well as the Línea Directa Foundation, in accordance with applicable law and regulations. The Group will also expect 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.

Also, the Group is committed to extending its position on the environment and climate change, by raising the awareness of the following stakeholders:

Employees

New social and environmental awareness programmes designed for employees have been added to the training catalogue, including recommendations for action on good environmental management practices in the face of social and environmental risks. Employees are offered environmental volunteer programmes such as recycling or reforestation campaigns.

Every year, employees are informed about the Group's environmental goals and the progress made at that level.

Suppliers

As part of Línea Directa Group's commitment to environmental protection, the Group will foster the implementation of sustainable practices in its supply chain for the promotion and respect of the Principles of the Global Compact. Additionally, its procurement processes will consider the selection of companies with socio-environmental actions aligned with this policy.

4. General principles

This document details the criteria applied by Línea Directa Group in relation to the set of initiatives for environmental protection and the fight against the effects of climate change and the impacts derived from its activities, products and services, and considering the best international practices. The goal is to:

- Establish management mechanisms to measure environmental performance and help decision-making.
- Avoid or minimise the potential environmental impacts generated by the Group's activity.
- Consider and assess the impacts that its products and services could generate on climate change and define measures for the elimination or reduction of polluting emissions.
- Promote environmentally friendly products and services and assist its customers in the transition to a low-carbon economy.
- Foster an environmental culture among its employees, suppliers and partners.
- Promote actions to raise awareness among the general public about environmental protection.
- Engage in international and national initiatives related to the environment and climate change.
- Report transparently and periodically to stakeholders regarding the environmental management of Línea Directa Group.

5. Commitments and obligations

Línea Directa Group is committed to environmental protection and has therefore assumed a series of goals in relation to internal environmental management:

- Comply with legal and other requirements that are applicable to the activities, products and services of Línea Directa Group.
- Establish work guidelines and control mechanisms to guarantee environmental protection and the prevention of pollution in its facilities.
- Promote the continuous improvement of the management system and its progressive extension to the entire Línea Directa Group.
- Identify and manage the environmental risks of Línea Directa Group for their correct elimination or mitigation.
- Positively influence the environmental performance of stakeholders through communication and awareness-raising about the importance of the environment, as an additional variable to business management. Specifically, training its employees in environmental matters is a key aspect for Línea Directa Group.

These goals are common to the following specific environmental management themes:

[Responsible consumption of materials and resources](#)

Línea Directa Group carries out a monthly control of its main consumption items (natural gas, electricity and water), paper use and the management of waste generated in its facilities. Additionally, it calculates the annual emissions of the facilities occupied by its employees, and identifies the areas where a greater environmental impact is generated. This makes it possible to

adopt more effective prevention measures, as well as to establish targets to improve environmental management.

With the aim of controlling consumption, waste, discharges and atmospheric emissions, and mitigating environmental risks, in some of its work centres, Línea Directa Group has implemented an environmental management system certified according to the UNE-EN ISO 14001:2015 standard. The commitment is made to study the feasibility of extending the system to all other Group centres.

Every year, Línea Directa Group sets objectives for the minimisation of consumption through the definition of energy saving measures (ESMs).

[Energy saving and efficiency](#)

Línea Directa Group promotes management systems for its business activities based on internationally accepted regulatory standards and the philosophy of continuous improvement. In the case of the energy efficiency management model, in some of its centres, the Group has based its processes on the UNE-EN ISO 50001:2018 standard, which contributes to improving the energy efficiency of facilities. The commitment is made to study the feasibility of extending the system to all other Group centres.

Also, Línea Directa Group is committed to using energy from renewable sources certified by guarantees of origin, whenever possible.

[Climate change](#)

Línea Directa Group is committed to following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) promoted by the G20 Financial Stability Board.

These risks will be assessed when the business strategy is devised, and taken into account for the definition of new products and services. The assessment will address specific risks produced by weather events as well as transition

risks derived from the migration process towards a low-carbon economy (e.g. regulatory).

In order to comply with these recommendations, Línea Directa undertakes to advance in the analysis of its risks and opportunities derived from climate change, following the structure proposed by the TCFD, based on four pillars:

- the governance model of climate risks and opportunities
- the potential and actual impact of climate risks and opportunities on the Group's financial strategy and planning
- the system for identifying, assessing and managing climate risks
- the metrics and targets used to assess and manage relevant climate risks and opportunities.

Comprehensive waste management

Línea Directa Group promotes correct management of waste with the aim of reducing waste generation and minimising its impact on the environment when it occurs.

The purpose of comprehensive management is the collection, transport and treatment by authorised managers of the waste generated, issuing the corresponding certificates that ensure the recovery and recycling of a high percentage of this waste.

Investments

In order to minimise the indirect negative impact that its investments could generate, both on society and on the environment, Línea Directa Group has approved a sustainable investment policy that defines the ESG criteria (environmental, social and corporate governance) applicable to all decisions to invest in assets likely to be part of the Group's investment portfolio.

6. Governance model and monitoring

The Department of Space Management and Planning (under the Office of the General Secretary), together with the designated contact persons in the subsidiaries, must manage the decisions taken by the Group in relation to the investments to be carried out to improve the energy efficiency of its facilities, and implement the necessary measures to minimise the environmental impact and monitor and control the environmental management systems, under the provisions of this Policy.

The Board of Directors of Línea Directa Aseguradora is the top supervisory body for compliance with the Environmental Management and Climate Change Policy, after analysis by the Appointments, Remuneration and Corporate Governance Committee (CNRGC).

7. 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.

8. Approval and review

This Policy must be approved by the Board of Directors of Línea Directa Aseguradora, on a proposal from the Appointments, Remuneration and Corporate Governance Committee (CNRGC).

The Department of Space Management and Planning will periodically review this Policy and, in any case, when there is a change of any kind that requires that it be updated or amended. The proposals for updating will be submitted for approval to the Board of Directors, after 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. on 20 September 2022 and will be effective from that date.