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# Sustainability Policy

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Grupo Catalana Occidente

## Description of the Document

<b>Title</b>	Sustainability Policy
<b>Description of the Document</b>	<p>The purpose of this document is to describe the Sustainability Policy of Grupo Catalana Occidente, S.A. (hereinafter, indistinctly “Group” or “GCO”).</p> <p>This Policy also aims to respond to an increasingly demanding European and national regulatory framework, which includes, among others, the United Nations 2030 Agenda, the Paris Agreement of the United Nations Framework Convention on Climate Change, the European Green Pact, the European Decarbonisation Strategy for 2050 and Law 7/2021, of 20 May, on climate change and energy transition.</p> <p>Finally, this Policy shall serve to strengthen the Group's commitment materialised in its Sustainability Master Plan and in its voluntary adherence to the main international initiatives such as the Principles of the United Nations Global Compact, the United Nations Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI), the Sustainable Development Goals (SDGs) and the Net-Zero Insurance Alliance (NZIA).</p> <p>This Policy is part of the set of Policies that make up the Group's governance system.</p>
<b>Party responsible</b>	Financial Management
<b>Frequency of review</b>	Annual, unless circumstances arise that make it advisable to carry out such review in a shorter period.

## Version Control

Version	Carried out by	Validated by	Approved by
1.0	Financial Management	Steering Committee	Board of Directors
	Date: December 2020	Date: January 2021	Date: January 2021
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### Disclaimer

This document is a translation of its original version in Spanish. In case of discrepancy between both versions, the Spanish version will prevail.

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## Summary

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## 1. General provisions

The Financial Management of Grupo Catalana Occidente, S.A. (hereinafter, indistinctly, the "Group" or "GCO") is responsible for this Policy and its updating and reviewing. This Policy has been approved by the Board of Directors of Grupo Catalana Occidente, S.A., and subsequently, the Group's Individual Entities have adhered to it, by means of the corresponding agreement by each of the corporate bodies. The content of the Policy should be reviewed annually, unless circumstances arise that make it advisable to review it in a shorter period. The aforementioned review shall be carried out by the person responsible for the Policy and shall include any modifications that should be incorporated. For the purposes of this review, the person responsible for the Policy shall prepare a report that shall be submitted to the Board of Directors to validate the modifications suggested therein, approving the modification of the Policy in the sense established by the Board of Directors.

This policy replaces the previous Corporate Responsibility Policy.

### 1.1. Objectives

The purpose of the Sustainability Policy is to define and establish the Group's general principles and objectives in terms of sustainability.

Grupo Catalana Occidente's sustainability approach is oriented towards the creation of long-term sustainable social value, as well as the management of social, environmental and good governance risks. The Group's social value is the result of focusing its activity not only on obtaining good financial results but also on promoting the well-being of its stakeholders. This value is sustainable when it is integrated not only in the short term but also in the medium and long term.

Grupo Catalana Occidente has voluntarily assumed the commitment to integrate responsible management in economic and environmental aspects into its strategy, to promote ethical behaviour with its stakeholders, rigorously apply the principles of good governance and to contribute to the well-being of society.

This document is aligned with the Group's policies that develop other matters related to sustainability. The Sustainability Policy serves as the framework within which the following Group policies are developed:

- GCO Climate change and environment policy
- GCO Responsible Investment Policy
- GCO Human Resources Policy
- Policy for communication of economic-financial, non-financial and corporate information, and contacts with GCO shareholders, investors and proxy advisers.

### 1.2. Scope of application

This policy is applicable to Grupo Catalana Occidente and its bound entities.

Notwithstanding the foregoing, those Group Entities that, due to their speciality or for any other reason, need to adapt this Policy to their specific circumstances may approve an individual policy with the same purpose as this one, respecting the general framework contained herein.

### **1.3. Policy governance. Responsible departments**

The Board of Directors of Grupo Catalana Occidente, S.A., shall be responsible for this Policy, and must approve any changes or substantial reviews. It shall also monitor the effectiveness of this declaration and the commitments contained therein.

In a complementary manner, the Audit Committee has the function of supervising GCO's performance in relation to Sustainability issues, including the Sustainability Master Plan and its corresponding and pertinent updates. In turn, the Sustainability Committee shall act as coordinator and supervisor of the different issues included in the Policy, ensuring its consistency with the Group's general policies.

The Financial Management of Grupo Catalana Occidente, S.A. is responsible for the preparation of this Policy and its annual update and review.

The content of this Policy shall be reviewed by the GCO Sustainability Committee when circumstances arise that make such a review advisable.

The Board of Directors of Grupo Catalana Occidente, S.A. will approve annually the reviews of this Policy at the proposal of the GCO Sustainability Committee, and the Group's Entities described in the "Scope of application" section must take account of them.

This policy has been approved by the Board of Directors of Grupo Catalana Occidente, S.A.

### **1.4. Communication of this policy**

This Policy shall be communicated internally and externally. The following communication process is defined:

- Once the Board of Directors of Grupo Catalana Occidente, S.A. has approved the policy the area responsible for it shall be in charge of distributing it.
- The Policy shall be published on the Intranet Portals of the Group's Entities so that the entire organisation is aware of it.
- Externally, the Policy shall be published on the corporate website of Grupo Catalana Occidente, under the Sustainability section.

## **2. Action framework**

Grupo Catalana Occidente's position on sustainability is mainly based on the following best practices and international standards:

- Organisation for Economic Co-operation and Development (OECD) Sustainability Guidelines for multi-national companies.
- Core Conventions of the International Labour Organisation (ILO).
- Law 11/2018, of 28 December, on non-financial information and diversity.
- Royal Decree 901/2020 of 13 October, which regulates equality plans and their registration;
- Royal Decree 902/2020, of 13 October, on equal pay for men and women;

- Paris Agreement of the United Nations Framework Convention on Climate Change, which aims to keep the global average temperature rise below 2°C above pre-industrial levels, and to limit the temperature increase to 1.5°C.
- Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to promote company transparency on climate change risks and opportunities.
- European Green Pact and European decarbonisation strategy to 2050.
- Sustainable Development Goals (SDGs) Specifically, the activity carried out by Grupo Catalana Occidente and the work developed from the Fundació Jesús Serra is aimed at contributing to the following SDGs:
  - Goal 1: No poverty
  - Goal 3: Good Health and well-being
  - Goal 4: Quality education
  - Goal 5: Gender equality
  - Goal 8: Decent work and economic growth
  - Goal 10: Reduced inequalities
  - Goal 11: Sustainable cities and communities
  - Goal 16: Peace, justice and strong institutions
  - Goal 17: Partnerships for the Goals.
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the Taxonomy Regulation)
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector (the Sustainability and Non-Financial Disclosures Regulation or SFDR)
- Law 7/2021, of 20 May, on climate change and energy transition.
- GRI global disclosure standards for sustainability and non-financial information statements.
- Good governance code for listed companies of the National Securities Market Commission (CNMV).

The Group is also associated with initiatives and reference organisations that seek solutions aimed at promoting sustainability:

- United Nations Global Compact Principles.
- United Nations Principles of Responsible Investment (PRI).
- Principles for Sustainable Insurance (PSI).
- United Nations Zero Net Emissions Insurance Alliance (NZIA).

### 3. General principles

The Group is committed to the following general principles of sustainability performance:

- To incorporate sustainability into its day-to-day business and activities
- To support customers in their transition to sustainable business models, acting as a lever to promote such behaviours or actions.
- To incorporate the opportunities and risks derived from sustainability.
- To watch over the direct and indirect environmental and social impact generated by its activity.

- To encourage the participation of all stakeholders to collectively promote a greater contribution of the financial industry to sustainable development.

The Group shall also develop its activities in the area of sustainability based on the general principles set out in its Code of Ethics.

## 4. Sustainability objectives

The Group has the following sustainability goals:

- To integrate sustainability risks into its processes; sustainability risk is understood as integrate risks associated with climate change in the Group's management processes.
- To encourage the development of sustainable solutions: to develop, to the extent that may be appropriate, sustainable products that contribute to promoting sustainability.
- To promote sustainability criteria in claims management: to encourage good practices related to efficiency and minimisation of resources and foster the application of new technologies that promote sustainability.
- To integrate sustainability criteria in the supply chain: to include social, environmental and governance aspects among the criteria to select suppliers, as well as ensure that they comply with the Group's sustainability principles, by including clauses in the contracts signed with these suppliers.
- To manage stakeholder relations: to promote transparency, generate collaborative environments and promote the active involvement of all our stakeholders to drive sustainability.
- To develop new skills in the field of sustainability: to leverage the Group's capacities in the fields of innovation and operations to promote the development of the sustainability strategy within the organisation, as well as to promote training on these issues among all employees.
- . To contribute to the protection of the environment and the mitigation of climate change effects, through compliance with the commitments assumed by the Group in the Climate Change and Environment Policy.
- To achieve the Responsible Investment objectives established in the Annual Responsible Investment Plan and in accordance with the Responsible Investment Policy.
- To promote a work environment based on trust and mutual commitment, respecting people and guaranteeing the right to effective equality of opportunity and treatment for all people.
- To adopt best corporate governance practices based on business ethics and transparency.
- To comply with the Group's Corporate Tax Policy, promoting a transparent, clear and responsible communication of its main tax figures, through the transfer of the



information related to the payment of all taxes applicable in each of the jurisdictions in which it is present, to its different stakeholders.

These goals are materialised in the different lines of action included in the Sustainability Master Plan, for each of which they have been appointed responsible for their execution, scope and indicators for their monitoring.

Likewise, the Group's Investor Relations, Rating Agencies and Sustainability Unit is responsible for promoting and coordinating sustainability initiatives and holds regular review meetings with those responsible for the different lines of action of the Sustainability Master Plan, with the aim of accelerating their execution and ensuring alignment and coordination between the different areas involved.

## 5. Main stakeholders

Grupo Catalana Occidente bases its relationship with its stakeholders on ongoing dialogue and transparency.

Through ongoing dialogue, Grupo Catalana Occidente identifies the issues that most interest those who, in one way or another, are related to it or on which its activity has an impact. In this way, the materiality analysis (or identification and prioritisation of relevant issues for the organisation and its stakeholders) helps Grupo Catalana Occidente to ensure that its strategy is aligned with the concerns and expectations of those who relate to it or are affected by its activity, as well as contributing to the definition of the contents of its annual Sustainability Report.

Main stakeholders of Grupo Catalana Occidente:

### 5.1. Customers

Grupo Catalana Occidente's commitment to its customers is present throughout the Group's business model, in all its areas of work and, especially, in the products it markets.

The main goal of Grupo Catalana Occidente's relationship with its customers is to offer them competitive products and a quality service, based on professional, personal, transparent and comprehensive advice.

### 5.2. Employees

Grupo Catalana Occidente's employees are the key to guaranteeing the sustainability of the business. For this reason, Grupo Catalana Occidente works to attract, develop and retain the best professionals, always ensuring that they offer the best service to customers.

The Human Resources Policy includes the commitments assumed by Grupo Catalana Occidente with its employees.

### 5.3. Shareholders, investors, and analysts

Shareholders, investors and analysts are considered by Grupo Catalana Occidente as key groups for the sustainability of the organisation over time.

The Policy on communication of economic-financial, non-financial and corporate information and contacts with shareholders, investors and proxy advisors includes the principles governing the Group's relationship with this stakeholder group.

#### **5.4. Distributors / intermediaries**

Intermediaries are a key factor in the Group's relationship with its surroundings. They reach out to customers, building trust to understand their particular needs and add value through their professionalism and proximity.

The Group is committed to providing them with ongoing support for their professional development and fair compensation.

#### **5.5. Associates and suppliers**

The associates and suppliers are responsible for supplying Grupo Catalana Occidente with goods and services, both of a general nature, not directly related to the main activity, as well as those of an essential nature for carrying out the insurance activity.

All of them must be committed to respecting human and labour rights and are obliged to comply with the principles and values contained in the Group's Code of Ethics.

#### **5.6. Society**

Grupo Catalana Occidente bases its business model on respect for people and on making a positive contribution to the environment and its stakeholders.

For this, it coordinates its social action through the Fundació Jesús Serra and promotes, from the line of sponsorship, patronage and collaborations, the development of activities that have an impact by benefiting society.

It also develops social initiatives or activities that have a positive impact on the community, such as the promotion of insurance culture, health promotion, environmental care and corporate volunteering.