
**Sustainability report -
Non-Financial Information Statement**
Grupo Catalana Occidente, S.A.

2021



Letter from the Chairman
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Letter from the Chairman

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“A year in which the Group has made progress in its firm commitment to generating sustainable value”

I am pleased to present Grupo Catalana Occidente's Sustainability report - NFIS, in which we have included information on our economic, social and environmental performance in 2021 and that also includes, for the very first time, our Non-Financial Information Statement. This document has been prepared in accordance with the Global Reporting Initiative (GRI) standards, using the core option, and corresponds to Grupo Catalana Occidente and the companies that comprise it, leading companies within the Spanish insurance sector and the international credit insurance sector.

Indeed, the strategic purpose of Grupo Catalana Occidente is to be leaders in long-term protection and welfare for the family market and for small and medium-sized companies, and to be international leaders in commercial risk coverage. All of this is based on three strategic pillars: growth, profitability and solvency, respecting the commitments made to the different stakeholders and displaying ethical behaviour in all its actions.

The Group has always had the creation of sustainable value as part of its strategy, focussing its activity not only on obtaining good financial results but also on improving the well-being of each of its stakeholders, contributing social value in the different communities in which it operates. We understand that this value becomes sustainable when it is integrated into the business strategy, not only in the short term but also in the medium and long term, as has been the case during our more than 150-year history.

This commitment and desire to serve have been especially evident in the last two years, due to the emergency situation created by the Covid-19 pandemic. Since the start of the pandemic, we have implemented measures aimed at protecting our employees and intermediaries, helping insured parties and associates and alleviating the effects of the crisis on the most vulnerable groups. Grupo Catalana Occidente also contributed €37 million to the fund created by the insurance sector to protect the lives of those working in health centres and residencies who were on the front line of the Covid-19 response. Throughout 2021, this contribution has been used to alleviate the socio-economic and health effects of the pandemic by promoting research and science, as well as supporting people who are in a situation of economic and social vulnerability.

Thus, this has been a year in which Grupo Catalana Occidente has made progress in its firm commitment to generate sustainable value and has made it explicit through the sustainability policy, the key instrument that lays the foundations on which the 2020 - 2023 Sustainability Master Plan is developed. This policy, renewed and approved by the Board of Directors in January 2021, includes the specific sustainability targets pursued by the Group and responds to the increasingly demanding European and Spanish regulatory framework: the UN's 2030 Agenda, the Paris Agreement of the UN Framework Convention on Climate Change, the European Green Deal, the European Decarbonisation Strategy for 2050 and Law 7/2021 on Climate Change and Energy Transition. In addition, it demonstrates our commitment to the Principles of the United National Global Compact, the United Nations Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI) and the Sustainable Development Goals (SDGs).

Allow me to list some of the relevant aspects on which we have focused our efforts this year in terms of sustainability.



The Group has designed its road map against climate change, adopting in 2021 the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to help generate truthful and objective information on the risks of climate change, and has assumed the commitment to be net zero for emissions by 2050.

It has also complied with the requirements of the new Taxonomy Regulation and the Sustainable Finance Disclosure Regulation, or SFDR, which contributes to a sustainable global financial system.

With regard to customers, sensitive to the changes in the consumption patterns of companies and families, the Group has continued working on the development of innovative and sustainable solutions. In the field of mobility, the transformation of carbon-based economies due to new sustainability paradigms is now one of the great priorities worldwide. That is why we have continued to develop a specific insurance offer for electric and hybrid vehicles, which support sustainability by reducing the carbon footprint. Likewise, as a result of the Group's intrapreneurship programmes, a solution has been devised that insures the new forms of mobility in the large cities, thus reducing the use of private vehicles and helping to alleviate the environmental problems of urban mobility.

Our ageing population is another of the main challenges facing society and the insurance sector has always played an essential role in this by supplementing public pension systems with a wide range of products that encourage long-term saving. With the aim of continuing to make progress with specific products that cover the ever-increasing needs of our elderly people, the

Group has created a health product that covers their protection and care needs, along with the home help required by this group.

In the provision of services, the commitment to digitising the traditional business processes has provided greater convenience and ease in customer service, and has also allowed us to reduce the environmental impact of our activity. Examples of this are the video expert assessment service, valued very highly by those we insure, the digital signature when taking out products, the digital policy and the new payment methods.

In addition, the digital transformation is creating new problems and needs for the companies, which are finding themselves exposed to greater risks and greater needs for data storage and processing in an ethical and secure manner. Through cyber risk solutions, they have been offered protection against the risks involved in operating in an increasingly digital age.

To continue promoting innovation and the analysis of the trends that will determine the future of the insurance sector, we have continued to support the intrapreneurship programmes for Group employees, Xplora and Atradius Evolve +. In turn, recognising the enormous potential for knowledge and ideas to be contributed by the Group's external associates who perform their professional services in repairing insured party claims, in 2021 this intrapreneurship initiative has been expanded to this group of professionals, with great success in participation and ideas.

This brings me to our most fundamental asset, the people. The Group has promoted the development of the hybrid work model which, on the one hand, has allowed it to grow and continue to

provide excellent service to customers throughout the pandemic, and on the other, has provided a better work-life balance. I would also like to highlight the Atradius Games programme, through which online sessions have been held to promote the collective health of the employees and stimulate healthy habits in the areas of healthy eating, physical activity, learning and personal development and sustainability. Likewise, various corporate volunteering initiatives have been developed, generating in the workforce a culture of support for social groups, acting in collaboration with Cheers4You, Junior Achievement and World Clean-Up Day.

As you know, the social action of Grupo Catalana Occidente is implemented through Fundación Jesús Serra, a Foundation which channels its action through projects related to research, teaching, cultural initiatives, sports activities and charitable initiatives, in order to have a positive impact on society. In this year, still dominated by the pandemic, Fundación Jesús Serra has maintained its collaboration with Save the Children, to care for families in a vulnerable situation due to Covid-19.

To finish, I would like to highlight and recognise the efforts of the employees, intermediaries and associates in contributing to the Group's purpose, and I thank the shareholders and customers for their trust.

José M.^a Serra

Sustainability report - Non-Financial Information Statement Grupo Catalana Occidente, S.A. 2021

About this report

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This report reflects the evolution, results and performance of Grupo Catalana Occidente in relation to sustainability in the 2021 financial year, as well as the approach towards its management and the challenges faced.

In 2021, the Sustainability report contains, for the first time, the Non-Financial Information Statement (hereinafter, NFIS), forming part of the Management Report, in accordance with articles 262 of the Capital Companies Law and 49 of the Code of Commerce, meeting the requirements of Law 11/2018. Similarly, this document has been prepared in accordance with the Global Reporting Initiative (GRI) standards, using the “Core” option. Appendices II and III (“GRI content index” and “Non-Financial Information Statement content index”, respectively) contain the list of sustainability indicators that are included throughout this report.

This document has been reviewed, with regard to the information in the NFIS and the GRI content, by an independent external verifier (PricewaterhouseCoopers Auditores, S.L.), in accordance with ISAE Standard 3000, revised and in force, and with the Action Guide on verification engagements of the Non-Financial Information Statement issued by the Spanish Institute of Chartered Accountants.

Likewise, the document is subject to the same approval, filing and publication criteria as the Consolidated Management Report. The verification report is available on page 81 of this document.

The 10 principles of the United Nations Global Compact have been considered when preparing this document.

Scope of information

102-45, 102-49

The scope of the information in this report corresponds to Grupo Catalana Occidente and the companies that comprise it.

The financial information it includes comes from the consolidated annual accounts for the year ending 31 December 2021.

In those cases in which the information reported presents a different scope to that established for this document, this is specified in the corresponding section or table with a footnote.

01

Grupo Catalana Occidente



About the Group

102-4, 102-6, 102-7

Grupo Catalana Occidente is one of the leaders of the insurance sector in Spain and the credit insurance sector worldwide. Over its more than 150 year history it has seen a steady growth, thanks to its ability to adapt to changes and to remain faithful to its true character as an insurer.

The Group has a presence in more than 50 countries through a diversified and balanced business portfolio, serving more than 3.5 million customers.

Its consolidation as one of the largest Spanish capital insurance groups is largely a result of its acquisition model, which has allowed it to gradually integrate the leading companies in their field or geographical area.

Sound financial structure



Listed on the stock market.
Stable and committed shareholders.
Rating A (AM Best) and A2 (Moody's).

Technical rigour



Excellent non-life combined ratio.
Strict expenditure control.
Prudent and diversified investment portfolio.

International dimension

5th Largest insurance group in Spain*



* Ranking of market share ICEA
(Spanish insurance sector studies service)

2nd Largest credit insurance group in the world**

* Ranking of market share ICISA
(International Credit Insurance & Surety Association)



*** Percentage of total annual premiums

Key figures

Turnover and its distribution



€4,882.5 million +7.1%

57.4% Traditional business
42.6% Credit insurance business

Combined ratio



88.9% +0.3 p.p.
Traditional business

64.2% -29.9 p.p.
Credit insurance business

Consolidated earnings

Shareholder remuneration

€468.3 million **€113.56 million**

Permanent resources at market value

€5,191.5 million

Business model





102-2, 102-7, 102-10

The purpose of Grupo Catalana Occidente is to be leaders in the long-term protection and welfare for the family market and for small and medium-sized companies, through the traditional insurance business, and to be international leaders in commercial risk coverage, through the credit insurance business.

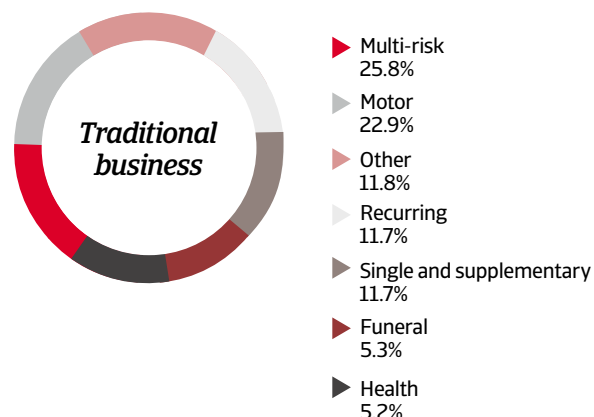
Traditional business

The traditional business provides families and small and medium-sized businesses with a wide range of insurance products to cover any need, at any stage of life, by means of a network of professional intermediaries and more than 1,450 offices.

The lines of business they offer are:

 Multi-risk	 Other
<p>Family-home, businesses, communities, offices and SMEs.</p>	<p>Industrial products, engineering, accidents and civil liability.</p>
 Life	 Motor
<p>Products in life insurance, endowment, pension plans and investment funds, as well as funeral and health expenses.</p>	<p>Coverage related to cars or transport fleets.</p>

The turnover of the traditional business stood at €2,801.0 million and it accounts for 57.4% of the Group's total. It is distributed as indicated below:






Within the traditional business, the Group carries out its activity through different commercial brands:



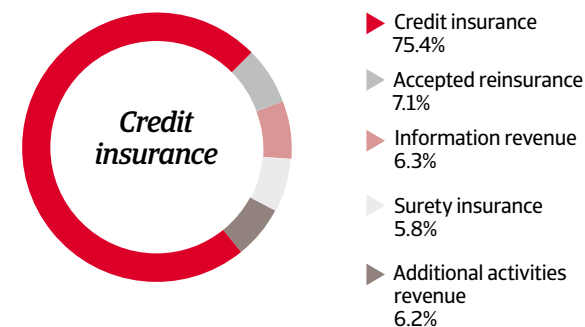
Credit insurance business

Through the credit insurance business the Group offers products and services that contribute to the growth of companies throughout the world, protecting them from the risks of non-payment inherent in the sale of products and services with deferred payment. This business is structurally linked to economic development and, in particular, the evolution of non-payments and the volume of trade at the global level.

The lines of business we offer are:

 Credit insurance	 Surety insurance	 Reinsurance
<p>Protects against financial losses resulting from the inability of a buyer to pay for goods purchased on credit.</p>	<p>Protects the beneficiary if the supplier fails to meet its contractual obligations.</p>	<p>Wide range of reinsurance solutions for insurance companies.</p>

The credit insurance turnover for 2021 represents 42.6% of the total for the Group, this figure growing to €2,081.5 million.



The Group's brand it uses to perform its activity in the credit insurance business are as follows:



Strategy and results

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Grupo Catalana Occidente bases its strategy on three pillars: growth, profitability and solvency, which it implements through the following action areas:



Growth

Definition of the Group's target markets, development of appropriate products and services and establishment of appropriate distribution channels to reach the customer.



Profitability

Recurring and sustained profitability through technical-actuarial rigour, diversification of investments and processes that allow for low cost ratios and a high-quality service.



Solvency

Prioritise the generation and continued growth of own resources in order to finance the expansion of the Group, ensuring a comfortable fulfilment of commitments made and an adequate return to shareholders.

In addition, the Group includes the creation of sustainable value into its strategy, focussing its activity not only on obtaining good financial results but also on improving the well-being of each of its stakeholders, in the economic, environmental and social areas.

Economic, environmental and social results

	2020	2021	VAR. 20-21
Economic performance (amount in millions of euros)			
Turnover	4,559.5	4,882.5	7.1%
Consolidated earnings	270.1	468.3	73.4%
Attributed to the parent company	262.3	427.2	62.9%
Combined ratio traditional business	88.6%	88.9%	+0.3 p.p.
Combined ratio credit insurance business (gross)	94.1%	64.2%	-29.9 p.p.
Permanent resources at market value	4,663.4	5,191.5	11.3%
Funds managed	14,758.9	15,712.2	6.5%
Solvency ratio	216%	220%	
Environmental performance			
Paper consumption (T)	255.5	360.6	41.1%
Energy consumption (GJ)	103,044.2	98,149.8	-4.7%
Emissions generated Scope 1 and 2 (T CO ₂)	2,612.0	2,113.5	-19.1%
Emissions generated Scope 3 (T CO ₂)	Not reported	1,432.6	n.a.
Carbon intensity (T CO ₂ /employees)	0.35	0.47	0.13 p.p.
Social performance			
Employees at close of the financial year	7,587	7,498	-1.2%
Average employees	7,577	7,494	-1.1%
Female managers (% of all managers)	17.7%	18.0%	0.3 p.p.
Hours of training	136,274	166,435	22.1%
Accidents with sick leave (excl. while commuting)	68	44	-35.3%
Social contribution (millions of euros)	4.8	4.0	-17.3%

Main key trends

- **Economic environment of recovery.** After the collapse of the world economy in 2020 (-3.1% GDP), 2021 has been a year of recovery with estimated GDP growth of 5.9%.
- **Continuing focus on innovation.** Innovation plays a key role in achieving objectives, in designing more sustainable products and more efficient processes.
- **Sustainability at the heart of the strategy.** We have been integrating sustainability into the business for years, but without a doubt one of the key trends, and where the focus should be in particular, is on climate change.
- **Digitisation and new consumption trends.** One of the most important transformations as a result of the pandemic. From changing working at the office to the "home office" to the way we enjoy our leisure and family time.

Shareholding structure

102-5

Grupo Catalana Occidente S.A. is the holding company that acts as the parent company of the Group, and whose shares are listed on the Madrid and Barcelona stock exchanges, in the Continuous Market, and it is subject to the supervision of the National Securities Market Commission (CNMV by its acronym in Spanish). Similarly, as an insurance company, the Group is subject to the supervision of the Directorate General for Insurance and Pension Funds (DGSFP by its acronym in Spanish).

The main shareholder of Grupo Catalana Occidente is INOC, S.A., which controls 61.94% of the Group's share capital.

Similarly, in treasury stock, the Group, by means of Sociedad Gestión Catalana Occidente S.A., has 2,018,515 securities, at a total acquisition cost of €23.3 million, representing 1.68% of the share capital.

The Group's free-float is 32.43% and half is in the hands of institutional investors.

The Group does not possess information relating to the existence of agreements between its shareholders for the concerted exercise of voting rights or which limit the transfer of their shares.

Corporate Governance

102-18, 103

The Group's governance structure appropriately differentiates the direction and management functions from the supervision, control and strategic definition functions.



* The Sustainability Committee falls within the corporate committees and is chaired by the Chief Executive Officer of Grupo Catalana Occidente.

General Shareholders' Meeting

The General Meeting is the representative body of the shareholders. Its functioning and activities are governed by the articles of association and the Regulations of the General Shareholders' Meeting. One of its main functions is the approval of the financial statements and the distribution of results. There are no restrictions on voting rights in the Group and each share gives the right to one vote.

To facilitate the participation of all shareholders, the Group places at their disposal an electronic debate forum and electronic means that facilitate remote voting and the delegation of representation. The General Shareholders' Meeting is also streamed through the corporate website.

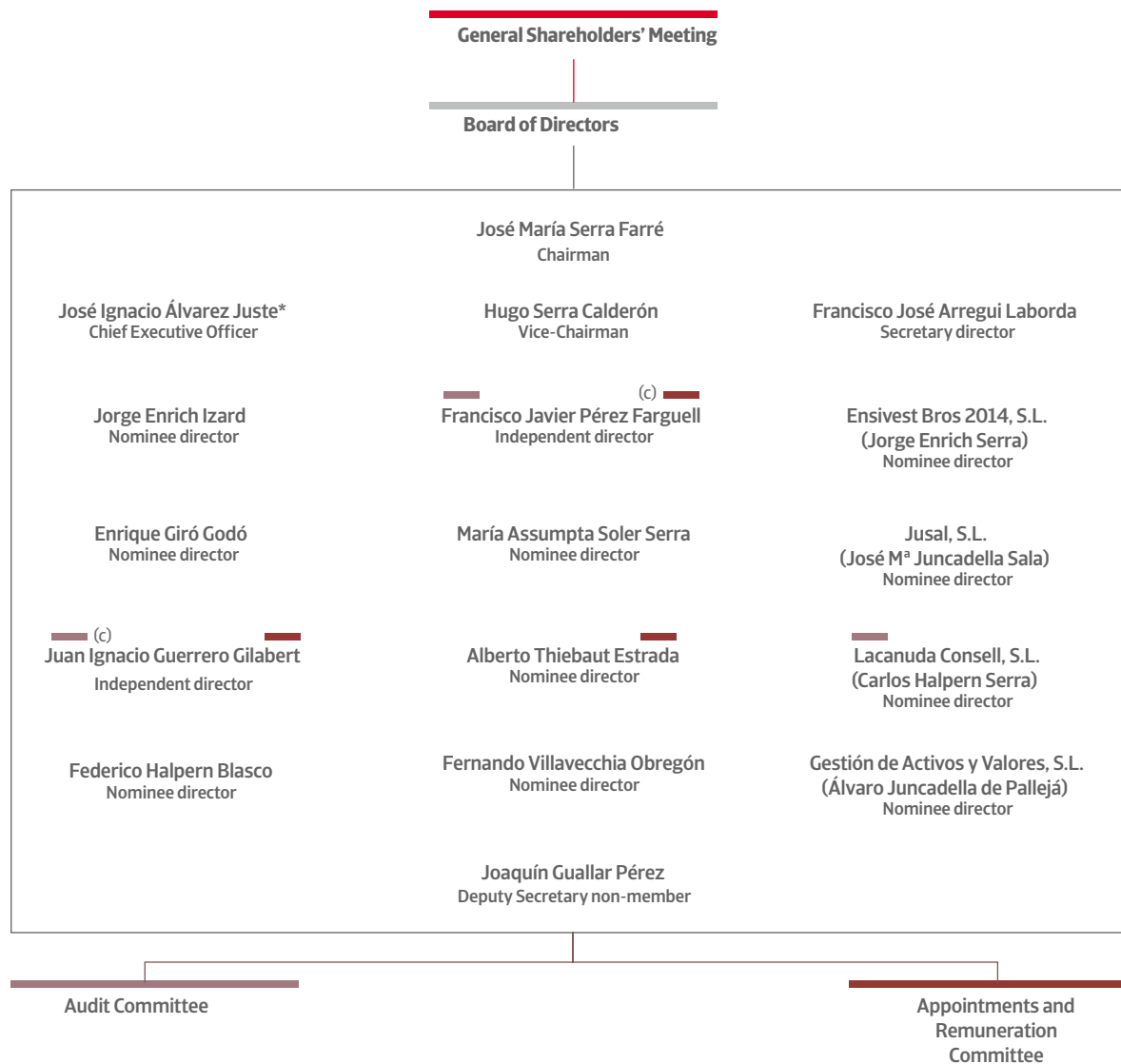
Board of Directors

103, 405-1

The Board of Directors is the highest body responsible for the management and supervision of the Group. The guiding principle of its activities is to delegate the day-to-day management to the management team and focus its activity on oversight, which includes, among others, the following responsibilities:

- Strategic responsibility, to guide policies.
- Monitoring responsibility, to control management.
- Communication responsibility, to serve as a link with the shareholders.

Its functioning and activities are governed by the articles of association and the Regulations of the Board of Directors. During 2021, the Board of Directors has met 11 times, during which it has reviewed, been informed and, where appropriate, taken actions in relation to the financial and non-financial situation and results, strategic plan, acquisition transactions, policies and risk control, among other issues.



Composition of the Board of Directors

Delegate Committees

In order to improve the effectiveness of its exercising of its functions, the Board of Directors has two delegate committees: the Audit Committee and the Appointments and Remuneration Committee.

Audit Committee

The Audit Committee's responsibilities are set out in the Regulations of the Board of Directors. Among others, it is responsible for ensuring that the annual accounts are prepared in accordance with regulations and for reporting to the General Shareholders' Meeting on issues raised by the shareholders in matters of its competence, proposing the appointment of external statutory auditors and reviewing the internal control system.

Appointments and Remuneration Committee

This committee ensures, among other things, that the selection process involving candidates for Board members does not suffer from implicit bias that hinders diversity, raising proposals or informing the Board of Directors, where appropriate, with complete objectivity and respect for the principle of gender equality, as regards their professional conditions, experience and knowledge.

(c) Chairman

* Resigned from his position on 31 December 2021, with Mr Hugo Serra Calderón assuming the role of Chief Executive Officer from 1 January 2022.

Diversity and experience of the Board

405-1

The Group has a Policy on Aptitude and Good Repute that regulates the requirements that must be met by the Group's strategic staff so that the positions are held by the right people. It establishes that, in terms of aptitude, it will be verified that the candidate has the appropriate training and profile to perform the functions entrusted to them, and diversity of knowledge and experience will be favoured. With regard to good repute, honesty and financial solidity will be assessed based on relevant evidence about their reputation and personal and professional conduct.

Similarly, following the recommendations included in the Code of Good Corporate Governance, where it is recommended that an external expert is brought in to assess the operation of the Board of Directors every three years, in 2021, KPMG, acting as an independent expert, performed an external assessment of the operation of the Group's Board of Directors, of its delegate committees and the performance of the chairman. The result was positive, with the external expert highlighting the appropriateness of the procedures and the operation of these bodies.

As of 31 December 2021, the Group's Board of Directors was formed by 16 directors, of which 10 are nominees, 2 are independent and 4 are executive (same distribution as in 2020). The number of women in the Company's Board of Directors represents 6.3% of the total members (same figure as in 2020).

% members of the Board of Directors	2020	2021
< 30 years old	0%	0%
Between 30 and 50 years	19%	19%
> 50 years old	81%	81%

Including all individual members and representatives of legal entities that are members of the Board of Directors.

Directors' remuneration

405-2

Directors' remuneration is determined in accordance with the provisions of the regulations applicable to capital companies, the Articles of Association and Regulations of the Company's Board of Directors and the agreements adopted by the General Shareholders' Meeting.

The General Shareholders' Meeting is responsible for approving the Directors' Remuneration Policy, at least every three years and as a separate item on the agenda.

A new Remuneration Policy was approved at the General Shareholders' Meeting held in April 2021. This policy includes the different components of the remuneration package for directors and is governed by the following general principles:

- (i) Creates long-term value.
- (ii) Rewards the achievement of results based on a prudent and responsible assumption of risks.
- (iii) Attracts and retains the best professionals.
- (iv) Rewards levels of responsibility and professional careers.
- (v) Strives to ensure internal fairness and external competitiveness.

The remuneration policy is aligned with ESG issues, linking variable remuneration to the commitments acquired in relation to sustainability.

Detailed information on the application of the Directors' Remuneration Policy is contained in the Annual Report on Directors' Remuneration, provided to the CNMV and available on www.grupocatalanaoccidente.com.

The total remuneration of the company's directors during the 2021 financial year was as follows:

Total remuneration for directors (Figure in thousands of euros)	2020	2021
Total directors*	6,957.5	7,131.6
Average non-executive directors men	239.2	240.7
Average non-executive directors women	232.4	230.1

* The total includes the remuneration of executive and non-executive directors. The breakdown of remuneration by item and person has been included in the annual report on remuneration of the Board of Directors, available on the Group's website.

Within this concept is fixed remuneration, variable remuneration, allowances, director's fees and others. The average remuneration by gender corresponds solely to individuals who act as directors. Executive directors (exclusively men) have received in 2021 an average of €1,098.8 thousand (€1,065.0 thousand in 2020).

Management Committee

Grupo Catalana Occidente has a Management Committee that governs and coordinates the day-to-day management of the Group, acting through delegation by the Board of Directors.

In addition, the main insurance companies forming part of the Group have their own Management Committees.

Risk management

102-11, 103

Risk management control system

The Group's risk management control system is based on the "three lines of defence" principle.

1st Line – Taking and managing risks.

Made up by the business units, which are responsible for the assumed risk and its management.

2nd Line – Control and monitoring.

Made up by the risk management control function, the regulatory compliance verification function and the actuarial role function. Its aim is to define controls that guarantee compliance with risk management processes and policies.

3rd Line – Internal audit function.

The Internal audit function is responsible for performing independent evaluations on the effectiveness of the governance system, the risk management system and internal control.

The risk management control area deals with all significant aspects related to risk management, setting guidelines and reference criteria that are assumed by the entities with the necessary adaptations.

Risk strategy

Grupo Catalana Occidente defines its risk strategy as the level of risks that the companies that form it are willing to take on and ensures that its integration with the business plan allows it to comply with the risk appetite approved by the Board of Directors.

Grupo Catalana Occidente has defined the following concepts for risk management:

- **Risk profile:** risk assumed in terms of solvency.
- **Risk appetite:** risk in terms of solvency that the entities forming the Group plan to accept in order to achieve their objectives.
- **Risk tolerance:** maximum deviation from the appetite that an entity is willing to assume (tolerate).
- **Risk limits:** operating limits established to comply with the risk strategy.
- **Warning indicators:** the Group also has a series of early warning indicators that are used both to monitor risks and to comply with the risk appetite approved by the Board of Directors.

Information and communication

The governing bodies regularly receive, at least quarterly, information regarding the quantification of the main risks to which the Group is exposed and the capital resources available to deal with them, as well as information regarding the meeting of the limits established in the risk appetite.

Since 2016, and annually, the Group and the insurance companies forming it publish a specific Solvency and Financial Condition Report (SFCR), which details and quantifies the risks to which it is exposed. This report can be found on the corporate website.

Own Risk and Solvency Assessment

ORSA (Own Risk and Solvency Assessment) is the internal risk and solvency assessment process that is the central axis of the risk management system.

Its objective is to identify, assess, monitor, manage and report the short and long-term risks. The ORSA is performed at least once a year and assesses:

- Meeting of the capital requirements.
- Deviation between the risk and solvency profiles.
- Meeting of the capital requirements in stress situations.

The Group conducts a back-testing analysis between the estimates of the capital requirements for the ORSA financial year and its results at the close of the financial year.

Risk management policies

In order to guarantee effective risk management, the Group has a set of risk management policies.

Each of these policies identifies the risks inherent in the area mentioned, establishes measures of risk quantification, determines actions to monitor and control these risks, establishes measures to mitigate their impact and determines the internal information and control systems to manage the risks.

ESG risks

102-15, 103

ESG risks are defined as those environmental, social or governance events or factors that, were they to occur, could cause a negative material impact.

Grupo Catalana Occidente understands, prevents and endeavours to reduce ESG risks, as well as to manage to the best of its ability the opportunities for offering safe, quality protection against these risks to all its stakeholders. The Group's main ESG risks are described below.

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ESG Risk Map 201-2

TYPE	ESG RISK	IMPACT	TIME HORIZON*
Environmental			
Physical	Increased accident rate due to the increased frequency and severity of the physical impacts of adverse weather events	High	Long
	Increased mortality due to exposure to areas with extreme weather events (heatwaves, extreme rainfall, etc.)	Medium	Long
	Increased risk of non-payment of reinsurers due to greater exposure for them, derived from the increased accident rate that could be caused by an increase in the frequency and severity of extreme weather events	Medium	Long
Transition	Increased accident rate in the credit business in buyers with high exposure to the climate transition and/or to climate change	High	Medium
	Decreased credit business in buyers with high exposure to the climate transition and/or to climate change	High	Medium
	Loss of value of shares in sectors with a high exposure to the climate transition	High	Long
	Increased credit spreads in sectors with a high exposure to the climate transition	High	Long
	Increased risk of non-payment of reinsurers due to their exposure to sectors with a higher probability of default caused by the transition towards low-carbon economies	Medium	Medium
	Risk of a fall in the Non-Life portfolio due to exposure to highly polluting sectors that are affected by the transition towards a low-carbon economy	Low	Medium
	Risk of not having our buildings adapted to the legal requirements of zero consumption properties	Low	Medium
Liability	Risks derived from legal or regulatory breaches in environmental matters	Low	Short
Social	Social risk of non-compliance with Human Rights	Low	Short
	Social risk associated with changes in the company's internal management, such as delaying the retirement age, ageing of the workforce, etc.	Low	Medium
	Social risk related to the impact of demographic and social changes derived from an economic loss in the different sections	Low	Medium
	Changes in the longevity trends in the population	Low	Medium
	Changes in the health trends of the various groups of population	Low	Long
Governance	Negative perception of rating agencies with regard to the company's ESG commitment	High	Short
	Governance risk arising from poor protection of personal data	Medium	Short
	Governance risk related to the production of responsible products determined by the applicable legislation	Medium	Medium
	Governance risk related to not adapting to the new trends in innovation and digital transformation	Medium	Medium
	Cyber risks and/or not having our computer systems adapted to new labour and market trends: remote working, computer security, digitisation, online customer service	Medium	Short
	Risk derived from the composition of Corporate Governance, diversity, independence and culture (low level of responsibilities of Senior Management in relation to governance aspects in ESG matters)	Low	Short
	Ethics and integrity risk related to the code of ethics, compliance and corruption	Low	Short
	Risk related to the tax strategy and transparency	Low	Short
	Risks derived from legal or regulatory breaches related to ESG factors (breach of the money laundering regulation, breach of the data protection regulation)	Low	Short
	Reputational risk due to a loss of image in the media or on social media, on not being considered an agent that contributes to ESG factors	Low	Medium
	Risk of negative customer perception derived from transparency (products, company information, etc.)	Low	Medium

* Time horizon of the ESG risks map: less than 5 years (short-term), between 5 and 10 years (medium-term), more than 10 years (long-term)

02

Sustainable business



Sustainability strategy

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For Grupo Catalana Occidente, corporate responsibility is the voluntary commitment to integrate into its strategy responsible management with regards to economic, social and environment factors, promote ethical behaviour towards its stakeholders, rigorously apply the principles of good governance, and contribute to the well-being of society through the creation of sustainable value.

Sustainable value is the result of not only focusing the Group's activity on obtaining good financial results, but also promoting the well-being of the stakeholders that are part of it and to which the Group's companies must be answerable. This value becomes sustainable when it is integrated not only in the short term, but also in the medium and long term.

This commitment is embodied through our Sustainability Policy and the 2020-2023 Sustainability Master Plan.

Sustainability policy

In January 2021, the Board of Directors approved the Sustainability Policy of Grupo Catalana Occidente which replaces the former Corporate Responsibility Policy, in force until this time.

This document establishes the reference framework so that the Group and the companies comprising it can develop and foster socially responsible behaviour. It includes the general working principles in terms of sustainability, and the specific sustainability targets pursued by the Group.

This Sustainability Policy is intended to respond to an increasingly demanding European and national regulatory framework, including the UN's 2030 Agenda, the Paris Agreement of the UN Framework Convention on Climate Change, the European Green Deal, the European Decarbonisation Strategy for 2050 and Law 7/2021 on Climate Change and Energy Transition.

Externally, it strengthens the commitment to the principles of the United National Global Compact, the United Nations Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI) and the Sustainable Development Goals (SDGs).

Internally, it is the key tool for strengthening the Group's commitment to sustainability and lays the foundations on which to develop the Sustainability Master Plan.

External sustainability rating

Exposure to and the management of ESG (Environmental, Social and Governance) risk at Grupo Catalana Occidente is assessed by the sustainability rating agency Sustainalytics.

In December 2021, the Group received an ESG rating of 15.5, which considers the organisation as being at low risk of experiencing material financial impacts related to ESG factors. This rating positions the Group among the leading 15 companies with the best Sustainalytics ESG ranking in the insurance sector, from among more than 300 insurance companies.

Sustainability governance

102-18, 102-20

Sustainability is driven from the highest sphere of the company, with the Grupo Catalana Occidente, S.A. Board of Directors being responsible for establishing and guiding the sustainability strategy, which acts in a cross-cutting manner and involves all business areas.

Additionally, there are three bodies responsible for supervising sustainability within the Group: The Sustainability Committee, the Audit Committee and the Compliance Verification Committee.

Sustainability Committee

This has the delegated function of deciding on and supervising the Group's actions in relation to sustainability issues, including the Sustainability Master Plan and its corresponding regular updates.

This Committee is chaired by the Chief Executive Officer of Grupo Catalana Occidente and is made up of the heads of the various departments that represent the stakeholder groups. In 2021, the Sustainability Committee met on two occasions and discussed, among others, the following issues:

- Monitoring and analysis of the progress made in the Sustainability Master Plan during 2021.
- Supervision of non-financial information 2021: Full and verified Sustainability report and Non-Financial Information Statement.
- Reports from ESG (Environmental, Social and Governance) rating analysts and agencies.
- Analysis and monitoring of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
- Progress in the climate change strategy.
- The Group's ESG performance.

- Analysis of the Group's contribution to the SDGs.
- Review of sustainability-related policies.
- Monitoring and analysis of new European and Spanish sustainability regulations (Taxonomy Regulation, Regulation on sustainability related disclosures and the Law on Climate Change and Energy Transition, among others).
- Proposing and approval of the Sustainability Action Plan 2022.

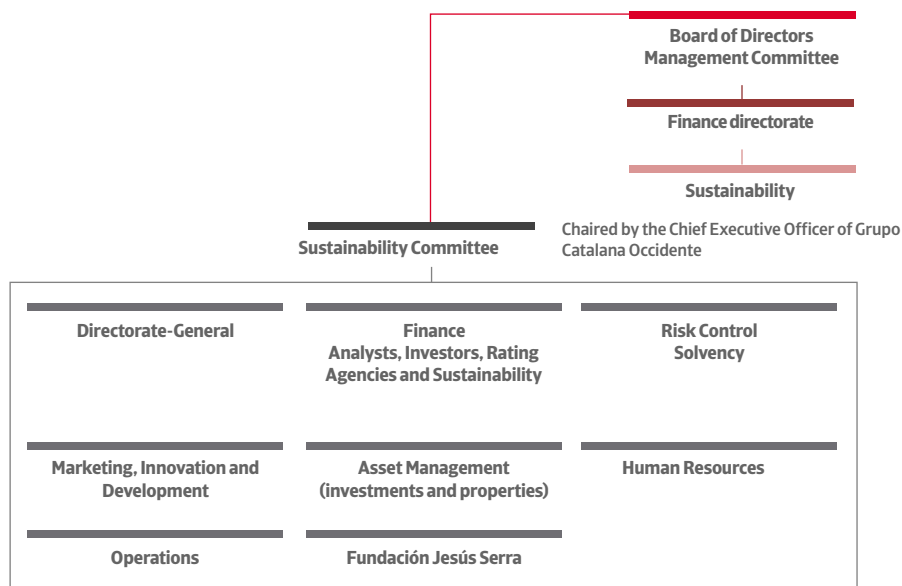
Audit Committee

Aside from the responsibilities assigned and contained in the Regulations of the Board of Directors, the Group has attributed to the Audit Committee responsibility for monitoring the sustainability strategy and practices and assessing its degree of fulfilment.

Compliance Verification Committee

This responsible for assessing, advising and informing on everything related to verifying compliance with the applicable legal obligations, and others that are assumed voluntarily, as well as the impact of any modification of the legal environment and compliance risk, including those related to sustainability.

For its part, the Sustainability function is integrated within the Finance Directorate, in the department for Relations with Analysts and Investors, Rating Agencies and Sustainability.



Materiality and relationship with stakeholders

Materiality

102-43, 102-44, 102-46, 102-47, 103

In 2020, Grupo Catalana Occidente updated its materiality study with the aim of identifying issues that are relevant to the Group and its stakeholders. This materiality analysis was focused on the sustainability issues that were financially important for the Group. However, the methodology used took into account a double approach and considered both the Group's impact on the environment and the impact of the different issues on the Group. The time horizon considered in the analysis was three years, matching the duration of the Sustainability Master Plan 2021-2023, which was updated from this materiality analysis.

The following process was performed to carry out the materiality analysis:

Identification

Firstly, drawing from various external sources and a sector benchmark, an analysis was performed in relation to the issues that concerned the Group's stakeholders with the aim of determining which issues could be deemed as relevant.

Internal sources	Key commitments. Senior management interviews	▶ Different GCO attributes according to the internal vision
	Analysts	▶ Extra-financial issues that ESG analysts value for their indices
External sources	SASB Sustainability Accounting Standards Board (USA)	▶ Material issues in the field of Sustainability Reporting (USA)
	Law 11/2018 and Global Reporting Initiative (GRI)	▶ Material issues in the field of CSR Reporting in Spain
	Media analysis	▶ Review of news with possible relevant reputational issues
	Sector benchmark	▶ Review of the competitors in terms of sustainability

Prioritisation

Once these issues have been identified, they have been prioritised by means of a twofold analysis of information sources:

- External relevance, granted by investors, gatekeepers and other companies within the sector: having performed a press analysis and an evaluation of the sector context through the identification of sustainability aspects that were critical for these stakeholders.
- Internal relevance, based on documents and internal stakeholders: interviews were conducted with senior management in the different business areas to detect the main risks and opportunity in terms of sustainability, as well as the Group's priorities for the future.

Validation

The results obtained were assessed and validated by the Sustainability Committee, linked to the Board of Directors and the Management Committee, which assessed the consistency of the valuations granted in the preceding phase.

Determination of content

Once the previous results had been validated, a materiality matrix was prepared determining the list of aspects that required reporting as material issues due to having acquired sufficient importance.

Below is a list of the issues that were material for the Group. The content of this Sustainability report has been determined on the basis of this list.

Issues identified as material for the Group



Customer experience: responding to customers with speed, honesty, sensitivity and transparency at all times and ensuring that the processing of claims is clear and understandable.



Data protection and cyber-security: mechanisms to protect customer data and resources in a business characterised by the growing use of technology in the processes for purchasing products with data on a large scale.



Innovation: Innovation in products, services and management systems, based on digital transformation and an internal culture of innovation.



Corporate governance: strict compliance with legal obligations, transparency in management and in information and monitoring of recommendations from the CNMV's Code of Good Governance for listed companies.



Ethics, integrity and transparency: ethical behaviour in the management of the organisation and the running of the business.



Management of ESG risks: management of environmental, social and corporate governance risks that could have an impact on fulfilment of the financial obligations and affect the credit rating.



Responsible investment: inclusion of ESG criteria when taking decisions about investments, as well as compliance with the regulations on responsible investment (Taxonomy, SFDR Regulation).



Responsible products: modify and extend the range of insurance products to best meet the needs of society.



Climate change and environmental management: assessment, monitoring and management of the efficient use of energy and the use of materials, as well as the implementation of a corporate strategy to fight climate change that includes the management of these risks in insurance products.



Attraction, development and retention of talent: focus on permanent contracts for staff and the hiring of young employees who can spend their entire professional career in the organisation.



Quality employment: provide stable employment, as well as establish measures to guarantee diversity, equal opportunities and non-discrimination within the organisation.



Health and safety: evolution from a model involving the partial management of health to a concept of holistic health, including physical, mental and social well-being.



Management of service providers: integration of ESG issues into the entire supply chain, and in particular in the repair services and other services related to the claims.



Commitment to society: promote and collaborate with non-profit activities of general interest, such as managing the sustainability commitments made (Principles for Sustainable Insurance (PSI) and Global Compact)



Development of local communities: using local suppliers and fair payment for their claim repair services.



Human rights: management, monitoring and reporting of Human Rights impacts in the Group's operations and suppliers.

Relationship with stakeholders

103, 102-40, 102-42, 102-43

Grupo Catalana Occidente, aware of the repercussions, has identified six stakeholder groups based on the impact that its activity has on them and the relevance of each to the Group.

The Group establishes its commitment to each of them, meaning it maintains a continual and transparent dialogue with them to allow them to be understood and integrated into the company's activity. To do this, there are various communication channels through which a smooth, close and transparent relationship is maintained with the stakeholders. Additionally, the various channels allow the Group to identify the needs and expectations of all of them and by applying the principle of transparency included in the Code of Ethics, this being able to respond to them.

Channels for communication, participation and dialogue

Employees

The Group has channels for communication and dialogue with its employees, both directly and also through their union representatives on the corresponding negotiating boards when dealing with topics of interest and reaching agreements on them.

The main communication channels are the intranet, the bulletin boards and suggestion boxes, the newsletters and the employee satisfaction survey, in-person meetings, events and the whistle-blower channel.

Customers

The Group is in constant dialogue with this stakeholder through its extensive commercial network, the technical support services, the customer services and the network of branches itself.

In addition, there are other communication channels such as the corporate website, the whistle-blower channel, the e-Customer service, the social networks, the customer satisfaction surveys and the corporate magazines.

Shareholders and investors

The group is in constant communication and dialogue with this stakeholder group. The Department for Relationships with Analysts and Investors, Rating Agencies and Sustainability manages and runs investor roadshows, responding to their information requests.

It also has other channels of communication such as the General Shareholders' Meeting, the corporate website, the analysts and investors area, the shareholder service area and the whistle-blower channel.

Distributors/Intermediaries

The Group is in constant communication with the insurance agents and brokers through its internal portal.

In addition, it has other communication channels such as training workshops, the whistle-blower channel, the corporate app and the social networks.

Associates/Suppliers

The Group has a good relationship with this stakeholder group during the entire management process, from the taking out of contracts to the provision of the service.

As a result, the Group makes available to its associates and suppliers various communication channels such as the Intranet, the satisfaction surveys, the Prepersa website and the whistle-blower channel.

Society

This stakeholder group includes the local communities, unions, NGOs, academic sector, civil society and the public in general.

Contact and interaction with this stakeholder group is carried out through various channels such as the Group's corporate website and that of the foundation (Jesús Serra Foundation), the social programmes this runs, the social networks, the whistle-blower channel and also through the media.

Sustainability plan

103

The Sustainability Master Plan is the main tool through which Grupo Catalana Occidente develops and implements its sustainability strategy. A new Sustainability Master Plan for the 2021-2023 period has been updated on the basis of a materiality study carried out in 2020.

This Sustainability Master Plan has been structured so as to identify the three main development areas: excellence in service, positive contribution and trust; and a cross-cutting area of transparency common to all these areas: dissemination and reporting.

For each of these areas, we have established specific lines of action for which the Group aims to create sustainable value, through actions for the development, responsible for their execution, scope and indicators for their monitoring.

Main progress in the SMP in 2021 by line of action

Management of ESG risks (More information on pages 13, 14 and 40-43)

In addition to integrating the ESG risks into the insurance activity along with the tradition risks, including them in the Group's risk map, in 2021 we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to contribute to generating honest and objective information about the risks of climate change.

Sustainable products (More information on pages 23-25)

We have adopted the requirements established by the EU Taxonomy, classifying the activities of the Group as eligible and ineligible, and we have continued to work on the design of insurance products that include the sustainability preferences of the customers.

Responsible investment (More information on pages 21, 22 and 25)

ESG criteria have been included in the decision making on investment, in accordance with the principles established in the Group's Responsible Investment Policy and it has fulfilled the new regulatory requirements about responsible investment (Taxonomy Regulation and Regulation on sustainability related disclosures or SFDR by its acronym in Spanish).

Digitisation and omnichannelisation (More information on page 33)

Bizum has been added as an additional form of payment for the customers of the companies in the traditional business. In addition, we have continued to focus on the digitalisation of the Group's services through the video expert assessment service, the digital signing for taking out our products and the digital policy.

Innovation (More information on pages 53 and 54)

To drive innovation, knowledge and the analysis of the trends that will determine the future of the insurance sector from within the organisation, we have developed new initiatives in the intrapreneurship programmes of the Group, Xplora y Evolve +, for the traditional business and the credit insurance business respectively. Similarly, we have developed new application and innovative processes to improve the service we provide to the customer.

Environmental management (More information on pages 41-46)

The Group's road map for climate change has been designed and it has adopted the commitment to be a zero-net emission Group by 2050. In addition, in order to contribute to protecting the environment, environmental initiatives and campaigns have been developed to minimise the impacts (such as World Clean-up day and Earth Hour) and a pilot project is being developed to construct and environmental management system.

Employee experience (More information on pages 28-29)

A satisfaction survey has been run for the employees of the companies in the traditional business in order to find out their opinion and gauge the environment in the organisation. In addition, the teleworking model has been implemented to enhance workplace flexibility and allow for a better work-life balance for the employees.

Ethics and Integrity (More information on page 40)

ESG clauses are being included in the contracts with the suppliers of the companies in the traditional business, through which the Group ensures that they comply with the same ethical and sustainability principles, with the labour regulations and with their tax obligations.

Communication and relationship with stakeholders (More information on pages 19 and 51)

A communication campaign has been designed around the topic of sustainability in order to encourage the general population to become more aware and knowledgeable about ESG issues and to increase the visibility of the SDGs.

Formalising investment in society and volunteering (More information on pages 50-52)

Various corporate volunteering initiatives have been run, generating among the workforce a culture of cooperation and support for other social groups more in need. Moreover, through the Group's foundation, Fundación Jesús Serra, it has continued to run social action projects that help improve people's lives.

Responsible investment

103, 203-2

As a signatory of the UN Principles of Responsible Investment (PRI), Grupo Catalana Occidente has adhered to the commitment to achieve a global and sustainable financial system through incorporating environmental, social and corporate governance (ESG) factors into its investment decisions and in the active exercise of asset ownership.

In January 2021, the Group's Board of Directors approved the Responsible Investment Policy of Grupo Catalana Occidente. This Policy establishes the ESG principles and criteria to be taken into consideration by the Group in the management of its financial investments and it is complementary to the principles of the Group's investment management, which are based on a principle of prudence in its actions and which are primarily aimed at securing the commitments made to clients over time, with adequate portfolio diversification.

In addition, the Group has an Annual Responsible Investment Plan where it establishes the annual responsible investment objectives to be achieved each year in accordance with the principles set forth in the Responsible Investment Policy.

The SRI (Socially Responsible Investment) Committee, which reports to the Group's Investment Committee, is responsible for assessing and monitoring the application of the Group's Responsible Investment Policy and the Annual Execution Plan. The agreements reached by the SRI Committee, and approved by the Investment Committee, are reported to the Group's Management Committee, subsequently informing the Sustainability Committee of those issues considered to be relevant.

In addition, and in order to comply with the obligations of EU Regulation 2019/2088 on sustainability related disclosures in the financial services sector (SFDR), the Group discloses specific information about how it takes into account the sustainability risks in the process of taking investment decisions and how its investment decisions are affected by the environmental, social and governance factors (main adverse incidents). All of the above information is available on the Group's corporate website, within the Sustainability section.

Responsible investment strategy

The Group incorporates ESG issues into the investment analysis and decision-making processes, based on the following principles of action:

Exclusion principles:

- Negative screening based on sector activity: investment in those companies in which part of their activity is carried out in certain excluded economic sectors (e.g., production or marketing of anti-personnel mines) will be excluded.
- Regulatory screening: investment in those companies whose performance is considered controversial (e.g., child labour, breach of investment agreements, etc.) will be excluded.

Integration principles:

- Sustainable investments: investment in projects aimed at the transition towards a low-carbon economy, which is more resource-efficient and more sustainable, will be progressively increased.
- Investments with impact: investment in projects aimed at achieving the social and environmental objectives, will be gradually increased, all in line with the priorities set out in the Group's Sustainability Master Plan.

For the implementation of these principles, the Group has tools from external suppliers that allow it to establish different criteria for the selection of investments, as well as to track the evolution of the companies in relation to the integration of the ESG criteria in the performance of their activity.

At 31 December 2021, and in accordance with the Group's responsible investment policy, the value of the Group's responsible investments compared to its total investments and funds managed represented 53%.

Eligibility of the asset according to the EU Taxonomy

As part of the EU's Sustainable Finance Plan, the European Commission has introduced Regulation 2020/852 known as the Taxonomy Regulation, a dictionary to determine which economic activities are sustainable and contribute to meeting the EU's environmental targets. For that the TEG (Technical Expert Group) has defined some thresholds (selection criteria) based on strictly technical and scientific characteristics, to standardise the definitions of which economic activities may be considered to be sustainable.

Grupo Catalana Occidente, as a company in the financial sector and insurance group, is subject to the obligations of this Regulation and since 1 January 2022 it has been required to report its exposure to activities eligible according to the Taxonomy for the climate change mitigation and adaptation targets.

Below is a description of the eligibility analysis of consolidated asset items of Grupo Catalana Occidente as of 31 December 2021, taking into account its investment policy, which includes ESG criteria as is set out in its Responsible Investment Policy.

The information on the eligibility of the non-life insurance premiums of the Group is in the “Responsible products” section.

Total assets of the eligible balance sheet

The eligibility of the consolidated asset items of Grupo Catalana Occidente has been calculated using the criteria defined in the delegated act of Article 8 of the Taxonomy. The eligible activities are defined as those economic activities within the Climate Delegated Act (which may make a substantial contribution to the environmental targets for climate change mitigation and/or adaptation).

The scope defined by Grupo Catalana Occidente has been focussed on those assets linked to investment and financing activities, which in turn promote economic activity recognised and included within the delegated acts as eligible due to its substantial contribution to the environmental targets for climate change mitigation and/or adaptation.

The information to analyse the eligibility of the assets of Grupo Catalana Occidente has been obtained from the public information provided by the European Community (eligible activities and NACE codes) and market information about the assets in which Grupo Catalana Occidente has invested (shares, corporate bonds and green bonds, properties, etc.).

In this process of gathering and analysing information, the Group has identified that there is little availability of detailed information in the market to help it determine the contribution to environmental targets.

Given this, the eligibility calculation has been obtained following the process described below:

1. Universe of counterparties: all valid counterparties have been included in the calculation of eligibility, excluding exposures to Central Banks, Central Governments and/or supranational entities; to derivative financial products; to counterparties not subject to NFRD (<500 employees and/or outside the European Union); and, finally, the exclusion of economic activities not eligible under the Taxonomy.

2. Eligibility analysis: from the potentially eligible counterparties, eligibility has been determined through a two-level analysis:

- Counterparty level: identifying the NACE codes of the exposures present in Grupo Catalana Occidente that significantly contribute to at least one of the climate change mitigation or adaptation targets.
- Product level: considering the potentially eligible counterparties, a process has been carried out to check the purpose of the activities of investing in or financing economic activities (Use of Proceeds).

In addition, to determine the eligibility of the bonds, it has been taken into account both the NACE codes and the use of proceeds of the bonds, according to the latest answers of the European Commission.

As a result of this analysis, we have identified that the greatest exposure of assets eligible under the EU Taxonomy in Grupo Catalana Occidente is concentrated in corporate bonds and investment in listed shares.

The analysis also allows us to identify that of the total eligible activities, most are accounted for by those that contribute to climate change adaptation, followed by mitigation activities and finally by activities that could potentially contribute to both targets.

3. Results: the following are the results produced through this calculation process:

	2021		
	Eligible	Ineligible	Exposure over total assets (%)
Total assets	12.7%	78.4%	75.8%
Exposure to derivatives		0.0%	0.0%
Exposure to companies not subject to the NFRD*		8.9%	7.4%
Exposure to issuers of central governments, central banks and supranational companies		-	16.8%

In this process of adapting to the requirements established in the Taxonomy, the Groups is working to adapt its range of financial products in line with the parameters established and to gradually contribute to their fulfilment, as well as streamlining and implementing training plans in the commercial networks.

* Non-Financial Reporting Directive

Responsible products

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Sustainable growth meets the current needs without compromising the abilities of future generations to meet their needs, ensuring the balance between economic growth, social well-being and the environment. The changes seen in consumer patterns, new energy sources, new technologies and innovation are essential to favour sustainable growth.

Grupo Catalana Occidente considers that developing innovative and sustainable solutions, which are sensitive to the changes affecting consumer patterns, and which favour the implementation of new technologies and new energy sources, represent a competitive advantage and an opportunity to better adapt to the ever-changing needs of our customers.

To this end, it continues to work on the design of solutions that incorporate the customers' preferences, thus contributing to foster sustainability.

Personal mobility insurance

In recent years, due to the increased concern about the environment and seeking sustainable solutions, the big cities have promoted changes to reduce the use of private vehicles. These changes, along with the population growth, the high population density in the cities and the increase in journeys has led to a paradigm shift in transport and the appearance of a new mobility.

Personal mobility is a comprehensive mobility insurance product that guarantees the user that they will have all their risks covered in their journeys regardless of the means of transport used (such as rental cars and car sharing, scooters, urban bicycles, taxi, cars with driver or public transport). With that, the Group is helping to mitigate the environmental and social problems associated with urban mobility, focussing on sustainable mobility.

Agricultural insurance

Agrupación Española de Entidades Aseguradoras de los Seguros Agrarios Combinados, S.A. (Combined Agricultural Insurance Group), is responsible for managing combined agricultural insurance policies on behalf of the Group's traditional business insurers who are part of the pool, thus contributing to the economic and social development of the agriculture and livestock sector in the following ways:

- It mitigates the losses arising from the climate emergency in the agricultural sector, contributing stability to farming production and increasing its resilience.
- It minimises the risk of endangering an activity that is essential for society, as is the product of food, ensuring its availability.
- It represents significant support to the income of the producers during critical times.
- It is an additional way of increasing the population in rural areas.
- It is an international benchmark. The European Union has assessed the Spanish Agricultural Insurance System as the best in terms of protection against climate risks in Agriculture (according to the European Commission's 2017 report).

Environmental risk insurance

The Group participates in the environmental risk pool, an effective incentive in the prevent of such risks given that, due to the insufficient development of this type of insurance policy on an individual basis within the Spanish market and the high level of specialisation required, in the absence of the pool formulaitwouldbeimpossibletoprotectagainstenvironmental risks. The coverages given through environmental liability insurances enable to deal with the costs arising from the necessary repair of the environment that has been damaged due to a contamination event. The Group's environmental insurance offer provides these coverages to companies, ships, residential buildings and single-family houses.

Cyber-insurance

The digital transformation poses new problems and needs that affect our customers. Companies are making increasing investments in technology, but find that they are also exposed to greater risks and greater needs for data storage and processing, abiding to ethical and secure principles. Grupo Catalana Occidente responds to these needs by offering companies the protection they need against the risks inherent to operating in an increasingly digital world. In recent times, a large number of cases of cyber attacks have been taking place and cyber crime is one of the criminal areas that has grown the most in Spain.

To this end, the Group has a cyber-insurance for companies that provides, among other aspects, protection against cyber-attacks, preventive services and professional advice. During 2021, and with the aim of facilitating access to cyber insurance, a coverage package has been designed with a more simplified offer adjusted to the needs of our customers.

Insurance for electric vehicles

The transformation of carbon-based economies for new paradigms of sustainability, where energy efficiency and environmental protection play an essential role, is already one of the world's main priorities. Ensuring access to affordable, safe, sustainable and modern energy is part of UN's agenda. Organisations that gradually adapt their offer to cover this energy transition will open new markets and will be better prepared for the future.

The vehicle insurance offer includes a specific insurance offer for electric and hybrid vehicles, which are committed to sustainability and mitigating our carbon footprint.

Insurance for consumer goods

This insurance allows you to insure material and direct damage that may be suffered by goods such as computers, cameras, electronic devices, sports equipment (diving equipment, skis, etc.), electric scooters, bicycles, musical instruments and, in general, all kinds of consumer goods. The coverage granted facilitates insurance solutions that promote the use of personal mobility equipment that reduces the use of private vehicles.

Credit and surety insurance policies

In various European countries, surety insurance offers guarantees that are allowing the installation of renewable energies, wind and photovoltaic farms, the restoration of the natural environment to the situation prior to the start of exploitation or the sustainable management and transportation of waste and its recycling. Additionally, in Spain a specific type of guarantee has recently been created to ensure compliance with energy efficiency improvement contracts, in the context of the European structural investment funds (ESI).

In credit insurance, the Group works to improve the segmentation of its portfolio from a sustainable perspective. In Holland, the DSB unit already applies a green taxonomy to its products, and has developed specific conditions and products for activities and industries that promote the energy transition. In Belgium, the ICP unit applies special conditions to projects aimed at improving facilities to promote energy savings, both for companies and for individuals, and provides coverage to contracts that favour electric vehicle recharging facilities and the inclusion of bicycles into corporate vehicle fleets.

Senior well-being

Our ageing population is one of the main challenges which society must face, and the insurance sector has always played an essential role by supplementing public pension systems with a wide range of products that favour long-term savings.

With a continued advancement in specific products that cover the ever-increasing needs of our elderly people, the Group has a health product that covers the needs of people over the age of 65, the senior well-being product. During 2021, progress has been made in the benefits of this insurance and, with the collaboration of leading providers in the sector, exclusive home care services have been incorporated (for example, a remote assistance device with GPS).

As part of the Sustainability Plan, over the coming years the Group will continue to analyse opportunities and develop new products with the aim of expanding its portfolio of ESG products.

Pricing and underwriting processes

Innovating in the pricing and underwriting processes is part of the Group's strategy and it allows us to carry out digital transformation and, thus promote sustainability through processes that encourage savings, productivity and efficiency.

The Group has implemented an underwriting policy that has been approved by the Board of Directors and is applicable to all of its companies and businesses. This action framework is in continuous development to incorporate the strictest and most innovative subscription mechanisms and processes. To this end, the Group launched the digital policy that not only provides a sustainable solution, but also provides agility in contracting and avoids operating incidents. Additionally, during 2021, the Group has taken a further step in its customer orientation and service strategy hand in hand with digitisation and new technologies, with the launch of a new application for smartphones and tablets that incorporates new

functionalities and services, including, among others, medical video consultation, a service (available 24 hours a day, 365 days a year).

As far as pricing is concerned, the credit insurance business has, through the internal model, sophisticated credit rating systems by sectors, customers and geographical areas; the general insurance business has sophisticated statistical techniques (for example, and among others, the use of generalised linear models or "GLM") and the life business has monitoring that tracks the value of the business and the product profit test.

In this area we have also made progress in prevention measures against natural disasters, not only through the natural protection provided by our reinsurance programme and the protection against abnormal cyclonic storms that is provided in Spain by the Insurance Compensation Consortium, but also by monitoring cumulus and the implementation of an alert system based on the intensity of the adverse weather events for customers with home insurance.

Grupo Catalana Occidente is aware that the most sophisticated data and models, such as artificial intelligence, are gaining momentum. To this end, the Group has an analytical business area that is making progress in generating specific models linked, among others, to the customers' propensity to purchase or abandonment.

Eligibility of premiums according to the EU Taxonomy

Grupo Catalana Occidente, as a financial sector entity and insurance group, is subject to the obligations of Regulation 2020/852 known as the Taxonomy Regulation, and from 1 January 2022, it has the obligation to report its exposure to eligible activities according to the Taxonomy for the objectives of Mitigation and Adaptation to climate change.

The following is an analysis of the eligibility of the Group's non-life insurance premiums. The information on the eligibility of the consolidated asset items for Grupo Catalana Occidente is included in the "Responsible investment" section.

Ineligible non-life insurance premiums

In accordance with the aforementioned Taxonomy Regulation, insurance companies must report its gross non-life reinsurance premiums, which are found exclusively within the lines of: income protection, motor, both for civil liability and other guarantees, maritime and transport, fire and other damage to goods, medical assistance and expenses, which cover risks derived from climate change (eligible non-life insurance premiums).

The eligibility analysis of non-life premiums that cover climate change risks has taken into account all those products that include in their coverage some type of climate risk or damage that is generically related to the temperature, wind, water, floods, storms, snow or other similar events, whether chronic or acute, without identifying and itemising which risks they provide coverage for. Thus, all products that have been considered eligible incorporate coverage that helps to mitigate the adverse effects that climate risks may have on our customers and policyholders, all without forgetting the role played by the Insurance Compensation Consortium in the coverage of extraordinary risks in the Spanish market.

The analysis conducted concludes that the percentage of non-life premiums eligible by the Taxonomy in the 2021 financial year is 39.3%, whereas the non-life premiums not eligible by the Taxonomy amount to 60.7%. It must be taken into account that the regulation leaves highly relevant lines in the Group's business out of the eligible premiums, such as the credit line, which represents over 50% of the general insurance billing (including health).

The eligible lines with the highest volume include fires and other damages to goods and motor, both for civil liability and other guarantees, with the most residual being maritime and transportation. Premiums related to reinsurance activities to third parties have not been considered as they are not material at Group level.

The eligible lines not only provide protection against climate risks to our insured parties, but also a comprehensive coverage for all their needs. Making an estimate of the premiums that the Group allocates exclusively to cover climate risks, these would not exceed 6.7% of the total general insurance premiums for the Group's traditional business (including health and excluding the credit insurance business).

International commitments and alliances

102-12, 102-13

Grupo Catalana Occidente has adhered to the Global Compact Principles and is committed to the Sustainable Development Goals. Additionally, the Group is a signatory the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI).

In 2021, Grupo Catalana Occidente takes another step forward in its sustainability strategy and has joined the Net-Zero Insurance Alliance.



Sustainable Development Goals (SDG)

The business of the Group's companies and the projects of the Fundación Jesús Serra intrinsically impact on the SDGs due to the very nature of their core activities. The contribution to these objectives is in chapter 3 regarding the Group's commitments, within the Social Impact section.



Global Compact

Since 2002, the Group continues to follow the ten principles of the United Nations Global Compact and is committed to aligning its strategies and operations with these universally accepted principles in four areas: human rights, labour standards, environment and corruption.



Principles for Sustainable Insurance

In 2020 the Group signed up to the Principles for Sustainable Insurance (PSI) produced by the United Nations Environment Programme - Finance Initiative, which create a framework of reference for the sector in relation to addressing social, environmental and governance risks and opportunities.



Principles for Responsible Investment

In the awareness of the performance its business responsibility potentially contributing to a comprehensive and stable global economy that could help to protect the world's assets, in 2020 Grupo Catalana Occidente adhered to the Principles for Responsible Investment (PRI) agreed by the United Nations.



Net-Zero Insurance Alliance

In 2021, Grupo Catalana Occidente has joined the Net-Zero Insurance Alliance (NZIA), convened by the UN, assuming the commitment to decarbonise its portfolios to zero net greenhouse gas emissions (GHG) by the year 2050 and thus avoid an increase in global temperature above the Paris target of 1.5°C.

Other sector alliances

In addition to the Group's adhesion to the previous initiatives and benchmark organisations on sustainability, in Spain, the Group's companies are also involved with the main UNESPA sector associations (Association of Insurance Companies, which represents Spanish insurance companies before the public administrations) and ICEA (Spanish insurance sector studies service), which have sustainability working groups and programmes. Through UNESPA, Grupo Catalana Occidente supports the work of Finresp (Spain's Centre of Sustainable and Responsible Finance).

The Group has also joined the EWI (Empower Women in Insurance) network, whose goal is to promote the presence of women in the management of insurance companies.

Finally, internationally through Atradius, the Group participates in ICISA (International Credit Insurance & Surety Association) and Berne Union, also known as the International Union of Credit and Investment Insurers, which provide ideas and information that improve the Group's services.

03

Our commitments



Employees

102-8, 103, 405-1

Significant events 2021

- Grupo Catalana Occidente is among the 50 best companies to work for in Spain in 2021, according to the Forbes ranking.
- Implementation of remote working for the Group's employees.
- Actions against Covid-19 for employee protection: action guidelines and protocols, face-to-face safety and awareness for active prevention.
- Successful transfer of courses and training programmes to online format.
- Conducting of the work environment survey, showing excellent results in the degree of employee satisfaction with the organisation.

Main challenges 2022

- Creating a three-year plan on diversity of inclusion, to reduce the pay gap and increase female representation in positions of responsibility through the setting of objectives and implementation of related good practices.
- Promoting the involvement of employees in physical and emotional well-being plans through training sessions and initiatives related to healthy habits.
- Offering training in sustainability to 100% of employees.

The team is the most important asset when it comes to creating value for the customers and shareholders of the Group's entities. The Group's human resources policy contains the commitments acquired regarding the recruitment, development and retention of talent for an effective management of employees.

Profile of the people working in the Group

At the close of 2021, the Group's global workforce stands at 7,498 employees, of which 48% are women.

	2020	2021
Employees at 31 December 2021*	7,587	7,498
Average employees 2021	7,577	7,494

* Employee data follow the headcount criteria.

* Work contracts in force at 31 December 2021, excluding those for the Management Board of Atradius and commercial contracts in the traditional business.

Diversity, equality and inclusion

103, 405-1, 406-1

Grupo Catalana Occidente is firmly committed to effective equality of opportunities. This commitment promotes diversity as a key competitive advantage for our businesses and a priority strategy in people management and the generation of an inclusive culture that promotes a balance between professional and personal life in all areas.

Gender diversity

In Spain, all entities are covered by Equality Plans in accordance with Organic Law 3/2007 for the effective equality of men and women. All Equality Plans are published and are also available to everyone in the Group on the intranet.

In addition, several of the companies have a Protocol for the prevention and treatment of sexual and psychological harassment. The Equal Opportunities Committee is responsible for ensuring compliance with this.

Outside of Spain, Atradius promotes gender equality and diversity through the Declaration of Human Rights, developed in 2021, the Code of Conduct and the human resources policy.

Additionally, the Group belongs to the EWI (Empower Women in Insurance) Network, a sectoral initiative that advocates real and effective gender equality, whose objective is to promote the presence of women in the insurance management field.

Labour inclusion and non-discrimination

The Group's Code of Ethics promotes real equal opportunities, beyond gender diversity, and does not accept, in any case, any type of discrimination in the professional field for reasons of age, race, gender, religion, political opinion, national origin, sexual orientation or disability.

	2020	2021
Cases of discrimination received through the available channels*	6	4
% of resolved cases**	50%	100%
Human Rights complaints***	0	0

* Due to confidentiality reasons, no reporting is provided regarding actions taken after identifying incidents of discrimination within the organisation.

** Resolved cases are understood as those that have been closed. Of the 3 cases that were pending in 2020 (50%), two of them have been resolved in 2021 and the remaining one is pending court decision.

*** Human rights complaints do not include discrimination.

Similarly, the Group is committed to employing people with disabilities. At the end of the year, 99 people with different abilities formed part of the Group's workforce (85 people in 2020).

In this regard, the companies Seguros Catalana Occidente, GCO Tecnología y Servicios, Plus Ultra Seguros and Seguros Bilbao have the exemption certificate granted by the State Public Employment Service, under the provisions of Royal Decree 364/2005, of 8 April, which regulates alternative compliance, exceptionally, with the reserve quota for workers with disabilities. This certificate of achievement allows the aforementioned Group companies to cover the percentage of the workforce with disabilities established by Law through service provision agreements with authorised Special Employment Centres.

Flexibility and work-life balance

103

In the area of flexibility and reconciliation, the Group is promoting new ways of working that favour self-management of time, focusing on the productivity and efficiency of employees. It also makes these various measures available in order to respond to their personal needs.

Remote working

Remote working has been introduced for the Group's employees in 2021. This model establishes different types of remote working based on job type: hybrid mode, which allows remote working to be combined with time in the office with up to 30-40% of the working hours accounted for by remote working; and remote working mode, when these percentages of remote working are exceeded.

	2021
Employees with hybrid mode	4,340
Employees with remote working mode	864

The hybrid mode allows traditional business employees to work 30% of the working day remotely, this figure being 40% for credit insurance business employees.

Work-life balance

The Group is focussing on the balance between people's personal and professional lives as a lever to encourage real equality and to do this it has specific measures in the different countries in which it operates.

In Spain, some of the main measures available to employees are; flexible start and end times, intensive working days on Fridays and in the summer months, the option of unpaid leave for one year with guaranteed return, as well as service such as the canteen, medical centres, physiotherapy and a sports club, present in some of its offices.

Similarly, these companies offer social benefits such as a parenthood benefit, aid for disabled family members, life insurance in excess of the conditions set forth in the insurance sector collective bargaining agreement and personal loans.

At Atradius, the measures aiming at facilitating and improving people's work-life balance are subject to the regulations in each country. We can highlight, for example, the granting of personal loans in the United Kingdom or a health clinic that allows employees in the Netherlands to consult a doctor when they experience an imbalance between their work and personal life.

In relation to the right to disconnect, in 2019 the Group approved the internal policy on the right to disconnect from work for all employees outside the normal working hours established in the collective bargaining agreement or contract, as well as during periods of holiday, sick leave and unpaid leave. Among other items, this policy includes the right of employees not to answer emails, messages and calls of a professional nature, as well as recommendations to promote the responsible and effective use of digital tools. Throughout the year, the Group's employees receive training and education on the use of electronic devices and digital resources.

Framework for working, health and safety conditions in the workplace

103, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6

Health and safety

The Group's entities in Spain have a health and safety service in accordance with current labour legislation. In addition, there are internal procedures and regulations related to occupational health and safety, including self-protection plans for all buildings, risk assessments and annual action plans.

In turn, there is a joint health and safety service that covers most of the Group's insurance companies, allowing for a more consistent management. Companies that are not covered by this service maintain their own or outsourced service, adhering to the criteria of efficiency and speciality.

The general aim is to achieve the following objectives in occupational health and safety:

- a) Compliance with current legislation for the prevention of occupational risks and the working conditions of employees.
- b) The reduction and elimination of workplace accidents and occupational diseases in all work centres.
- c) Development of a health and safety culture based on the consideration of people as its main asset.

In addition, the companies in the Group's traditional business with more than fifty employees and with employee representation have Health and Safety Committees that are entrusted with the task of protecting the health and safety of the employees. The meetings are annual, although extraordinary meetings can be requested to deal with any urgent topics. There is no general policy for the Atradius countries, as most of these countries have their own policy in accordance with local legislation or collective bargaining agreements.

At a corporate level, there is still no specific generally applicable health and safety policy, the Group's commitment to the health and safety of its employees is implemented through the preparation of disease protocols and the inclusion in collective bargaining agreements of benefits in the event of not being able to do the job for any reason.

Similarly, the Group promotes health through offering its employees medical examinations, with the frequency being established on the basis of the job position. Equally, in different work centres employees have access to services for the care and well-being of the employees (such as social clubs offering healthy eating, gymnasiums, swimming pools, tennis and paddle tennis courts) or agreements with special conditions for employees in work centres that do not provide these services.

The employees also undertake training in topics related to health and safety and there is currently also a course on Covid-19 issues.

Similarly, through the Atradius Games programme online sessions have also been held to promote the collective health of the employees and stimulate healthy habits in five areas: healthy eating, physical activity, learning and personal development and sustainability.

- 1,205 entries.
- 709 participants in the Be Active Challenge.
- 440 participants in the Be Mindful Challenge.
- 498 participants in the Eat Well Challenge.
- 275 participants in the Developing Yourself Challenge.
- 345 participants in the Be Green Challenge.

With all these measures, along with those introduced in relation to flexibility and work-life balance, the Group demonstrates its concern for the well-being of its employees and its desire to reduce the levels of employee absenteeism. During 2021, the number of hours missed was 470,098 (499,341 hours in 2020).

Employee coverage

102-41, 407-1

To improve the regulation of the working conditions of its employees, the Group strives to guarantee that the largest possible proportion of its staff throughout the world are covered by collective bargaining agreements.

The companies in the Group promote participation of the workers' representatives in the collective bargaining processes, notifying those issues that may affect the workers, as well as the situation of the company and changes to its employment.

In the traditional business, all companies are governed by some sort of agreement, which only excludes the funeral business area.

In the credit insurance business, the percentage of employees covered by an agreement is closely linked to the different national laws. In 2021, 87% of the Group's employees are covered by a collective bargaining agreement (87% in 2020)*.

*The 2020 figure has been recalculated to standardise the criteria with 2021.

Training and development

103, 404-1

Grupo Catalana Occidente has always prioritised personal and professional development, investing in ongoing training, giving a preference to internal promotion, strengthening personal motivation, teamwork and an innovative approach.

That is why, in the companies in the traditional business, there is a series of professional development programmes, appropriately structured to accompany the employees through their growth process.

Personal development programmes:

- Polaris Programme: designed for new staff joining the company, this is a welcome programme which explains to the employees all the opportunities offered to them by the Group.
- Delta Programme: for people who have recently joined, this programme is designed to give employees a better understanding of the reality of their company and the functions and challenges of each department.
- Insignia Programme: aimed at people who are developing and taking a multi-company approach, it explains about the corporate areas of the Group and encourages the employee to strengthen their personal brand.
- Apolo Programme: designed for employees who are responsible for managing people and teams, to work on developing management skills and use of the Group's management tools.

These programmes are supplemented by many other training courses that the training units are continually updating. In addition, in 2021 the Goodhabitz platform has been brought in as a supplier of content for training and development of skills.

In the case of the credit insurance business, the “Atradius Academy” is a learning platform available to all employees where they can find a wide selection of online courses. The platform receives regular updates that include the addition of new courses. The aim is to encourage employees to take an active role in their own training development and take advantage of all these opportunities to keep refreshing their knowledge and improving their professional skills.

For that, in 2021 more than 166,435 hours of training have been given to the Group's employees (136,263 hours in 2020), a 22% increase over the previous year. This is equivalent to an average of 22 hours per employee (average of 18 hours per employee in 2020).

In addition, the Group has a job standardisation model that is has produced itself. This management tool is considered essential in establishing professional development pathways.

Work has also been done on a managerial skills model, in which nine key skills have been identified that specify the leadership style that best suits the Group's cultural keys. These patterns define the development of managerial training programmes.

Performance assessment

404-3

Performance assessment allows us to have a full vision of the internal talent in the Group, and to take decisions and design action plans based on the needs detected.

The Group's performance assessment procedures consists of the following phases:

- Self-assessment: the employees assess their own skills, as well as the meeting of the targets set.
- Manager's assessment; the team managers do the same assessment of the employees.
- Face-to-face interview and personalised improvement plan; the manger and the employee meet, share their conclusions and establish targets for the next year.

In 2021, 58% of the professionals undergoing a performance assessment were assessed through this tool (57% in 2020).

Remuneration and benefits

103

The group focusses on a remuneration system based on a meritocracy and rewarding performance, cooperation and teamwork.

The compensation model generally includes annual fixed and variable remuneration, as well as a flexible remuneration system that includes, for example, the annual offer of remuneration in shares for the staff of the insurance activity.

In addition, the Group employees have an extensive programme of social benefits including pension plans, company cafeteria, funding for employee training (university, MBAs, languages), help for disabled family members, personal loans, etc.

The different collective bargaining agreements that apply, depending on the company, establish salary bands to ensure internal equity and attract talent. In these agreements, under no circumstances are there pay gaps on the basis of gender.

Culture and employee experience

The opinions and ideas of the Group's employees are important so that we can create a better working environment. That is why we regularly work environment surveys, which allow the Group to gain a deeper understanding of the experience of the employees and to work on strengthening our best internal practices.

The commitment and satisfaction of people are the main attributes that the Group aims to maintain with its employees. That is why, in 2021, it has for the first time run the work environment survey for the employees in the traditional business. This survey has found that 93% of those surveyed want to continue working in the Group. In addition, the scores for work environment and pride at belonging to the Group were 8.4 and 8.2 out of 10, respectively. We can also highlight the high level of cooperation and teamwork, with comradeship being rated at 8.8 out of 10 within the organisation.

Impact of Covid-19

Given the critical situation created by the Covid-19 virus pandemic, the Group has taken all the measures necessary to protect the health and safety of all its employees while also ensuring the continuity of its business and services that are essential for community life.

The Group has launched various measures, in line with the recommendations of the World Health Organisation (WHO) and the health authorities, to minimise the risk to which the employees could be exposed. These measures include the following:

- **Remote working:** the remote working measures have been implemented in all countries in which the Group operates, limiting the chance of catching the virus.
- **Face-to-face safety:** to ensure the health and safety of the employees in all the active services, the Group has made available to them all the protection and hygiene measures necessary. In addition, the Group has adopted a proactive approach to early detection and effective control of transmission, carrying out active tracking of any cases detected and the contacts identified.
- **Training:** during 2021, training was still dominated by the Covid-19 pandemic and the Group has continued to adapt its learning strategy by providing training in a virtual format during this time.
- **Action guidelines and protocols:** Its aims are to minimise the risks to health, identify the possible impacts of the health crisis on the company's activities, establish the necessary management criteria and implement the measures imposed by the relevant authorities. It also aims to prevent the spreading of the disease and to act appropriately where infection does occur.

Customers

102-6, 103

Significant events 2021

- The companies in the Group's traditional business have added Bizum to their existing payment methods, so customers can make their payments free of charge and instantly using their mobile phones.
- A year after its introduction, 82% of our customers have access to the video expert assessment service which has been very warmly received.
- The new app for customers of the traditional business has been launched, allowing them to access the e-Customer area and carry out all of their tasks from anywhere.
- Development of a WhatsApp channel for customer service in the traditional business.

Main challenges 2022

- Continue develop omnichannelisation, allowing customers to choose the channel they want to use to communicate with the company.
- Provide the customer with an autonomous, immediate and digital management capacity, enabling self-service.

The main objective of the relationship between the Grupo Catalana Occidente companies and their 3.5 million customers (policyholders) is to offer them competitive products and quality services, based on personal and accessible advice and agile management.

The Group also undertakes to provide insured customers clear and simple information, as well as resolving any doubts that may arise about the content of their policies and services, or in the event of a claim.

Traditional business

	2020	2021
Customers	3,451,669	3,475,498
Individuals	90%	90%
Companies	10%	10%
Retention rate	87%	87%



Managing the customer experience

The Group's traditional business companies adhere to the UNESPA guide to good practices on transparency in the marketing of insurance, which include, among others, the following principles:

- Adopting the necessary measures for ensuring the information provided to the customers is complete, sufficiently simple for the customer to clearly understand certain elements such as the contract coverage, price, declaration of risk and guarantees.

- Ensuring the marketing is carried out bearing in mind the needs conveyed by the customer.
- Ensuring that the insurance marketing and advertising is coherent with the guarantees covered by the policy and do not lead to any kind of confusion.

In addition, in 2016 the Customer Experience Project was started, a cross-cutting initiative within the traditional business, the main objective of which was to create a customer-focused culture to understand their needs, measuring opinions during all phases of the so-called "customer journey" and ensuring an optimal, consistent and dependable experience regardless of the channel of contact.

In 2021, this project has continued through the personalisation and digitisation of the communications sent to customers. Similarly, various services flows have been redesigned (such as declaring car claims or authorisations and reimbursements in health insurance) and these allow for a standardised interaction with the customer, regardless of the channel used to contact the company.

Similarly, to guarantee customer satisfaction, both the professionals who provide services to them during a claim and the staff in the Contact Centre have customer experience guidelines. These guidelines establish clear protocols on how they should treat customers and interact with them, therefore standardising the processes in order to offer the highest level of service while performing their activity.

In order to understand the customer experience and degree of satisfaction, the Group conducts satisfaction surveys at different key moments of interaction with them. Based on the results obtained, a series of action plans have been established to improve their perception in terms of satisfaction.

NPS		SSI	
Net Promoter Score (post-claim surveys)		Service Satisfaction Index (satisfied - dissatisfied)	
2021	48.5% (+3.1 p.p.)	2021	71.1% (+2.6 p.p.)
2020	45.4% (+4.8 p.p.)	2020	68.5% (+2.4 p.p.)

Credit insurance business

	2020*	2021
Customers	80,754	76,970
Retention rate		
Spain	90%	90%
Other	94%	94%

* The figures for 2020 have been recalculated to standardise criteria.

Managing the customer experience

An essential pillar for the credit insurance business is the creation of solid relationships with its customers, given that by knowing them and understanding the Group's commercial objectives we can anticipate and respond to their needs.

Atradius has the Customer Service Charter which demonstrates our commitment towards this stakeholder. This charter is based on the following points:

- Facilitating communications.
- Simplifying policy administration processes.
- Working closely with the customer as regards credit limits.
- Providing efficient services for incidents, collections and recovery.
- Establishing a relationship with the customer.

In addition, in 2021 we have implemented innovation initiatives to enhance the customer experience and their satisfaction.

The digital platform Atradius allows companies from around the world to manage their credit insurance policies and request credit limits in real time. In addition, it provides brokers, agents and account management teams with a quick and efficient way to complete claim requests for Atradius customers. In 2021, the performance of this platform has been improved by adding new features based on new technology.

In 2021 we have continued to make progress with rolling out the Arcade system to those countries where Atradius is used. This new central customer system allows Atradius staff to perform the different tasks related to the sales process more efficiently and therefore enhance the customer service and the ability to respond to them.

With regard to surety insurance, Atradius has launched a new application which offers a single system for all Atradius countries. The intention behind it is to create a latest generation customer experience, including new online tools for customers, agents and brokers.

Complaints and claims

Good management of customer complaints and claims is a basic element in the quality of service. The first step in resolving them is to offer the customer immediate attention from whoever is directly in contact with them.

The following sets out the Group's process for dealing with complaints and claims.

Complaints and claims in the Group's business in Spain

In Spain, Grupo Catalana Occidente has regulations governing customer protection adapted to the requirements of Order ECO/734/2004, 11 March, regarding the customer service departments and services of financial institutions and the commitments made by the insurance sector through the guide to good practices of internal resolution of claims, as supported by the Spanish Union of Insurers and Reinsurers (UNESPA).

The process for dealing with complaints and claims in the Group in Spain (Traditional Business and Atradius Spain) is detailed below:



Different accessible channels so that customers can send their complaints, claims or queries through letters, CSD (Customer Service Department) mailbox, contact centre, regulator mailbox, telephone, email or in the specific sections of the website to receive complaints, claims or queries.



Appointment of people in charge (processor) to evaluate the causes of the complaints and claims and coordinate their resolution and identify if it is a requirement of the regulator.



Information to customers and users about the status of claims and their resolution and closure through the GCO Customer Protection Mailbox. They may also be informed by certified mail.



Supervision of complaints and claims by the Coordinator in the Unit and inspection by the Director of Customer Protection.



Annual registration and measurement of the number of claims received for statistical purposes and to meet targets.

In accordance with the preceding paragraph, the figures relating to complaints and claims of the Group's business in Spain are as follows:

	2020	2021
Complaints via customer service channels	5,366	5,838
Admitted for processing	4,033	4,973
Resolved	4,033	3,802
Open	0	1,171

The complaints and claims relating to the Group in Spain are those relating to the Traditional Business and Atradius Spain.

Complaint: those referring to the functioning of the financial services provided to users by the companies and submitted due to a delay, type of service received or any other unsatisfactory type of action.

Claim: those presented by the users of the financial services that, with the purpose of obtaining the restoration of an interest or right, reveals specific facts relating to the actions or omissions of the Company or that mean, for the party making the claim, damage to its interests or rights due to a breach of the contracts, of the rules of transparency and customer protection or of good financial practices and customs.

Complaints and claims in the Group's business outside Spain

Outside of Spain, Atradius, due to the uniqueness of its business, has its own process for dealing with complaints and claims, which is detailed below:



Different accessible channels so that customers can send their complaints and claims through letters, telephone, email or in person.



The person in charge evaluates the causes of the complaints and claims and coordinates their resolution within 48 hours of receiving them.



Information to customers and users about the status of claims and their resolution within 48 hours if the complaint is resolved, if not, it is resolved and the customer is notified of the solution within 10 working days. The solution is reported by phone or in writing.



Supervision of complaints and claims by the Officer in charge of closing the complaint or claim.



Annual registration and measurement of the number of claims received for statistical purposes and to meet targets.

In line with Atradius' regulation affecting its international business, the complaints and claims responding to internal procedures of Atradius and the regulations in force in each country are as follows:

	2020	2021
Complaints via customer service channels	617	615
Admitted for processing	617	615
Resolved	279	606
Open	338	9

Complaints and claims from Atradius outside of Spain are included. Complaint or claim: one that involves an expression of dissatisfaction due to an error or delay in the provision of the service or to a service being provided in an unsatisfactory or deficient manner. Due to differences in criteria, the claims relating to Graydon (company in the credit insurance business) are reported separately. In 2021, 731 claims have been received, 722 of which have been resolved.

Impact of Covid-19

In 2021, Grupo Catalana Occidente has continued to adapt the provision of its services to its customers to the situation caused by Covid-19.

In the traditional business, thanks to remote expert assessment through video, which allows the network of collaborators to be involved without the need for any physical presence or support. In the credit insurance business, Atradius has supported its customers by providing additional flexibility and immediate protection against their default risks.

Shareholders and investors

Significant events 2021

- Successful transfer of the roadshows to an online format.
- Increase in the dividend of 7.3% in 2021.
- Favourable analyst recommendations, with a buy recommendation and suggesting an average target price of €40.30/share.

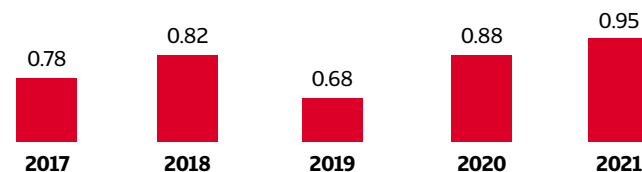
Main challenges 2022

- Maintain a strong and transparent relationship with the Group's shareholders through participation in roadshows and the quarterly broadcasting of results.
- Shareholders' remuneration commitment.

In 2021, Grupo Catalana Occidente has obtained a favourable result and maintains the positive evolution with growth in turnover and an improvement on the pre-Covid result of more than 10%.

In 2021, the Group increased its dividend by 7.3% and paid out €113.57 million.

Dividends, attractive return on investment



All of the information about the evolution of the Group's shares can be found on the Group's corporate website.

Transparency of information

Shareholder confidence is key to our sustainability over the long term. As such, the relationship between the Group and its shareholders and investors is based on providing as much information, transparency and proximity as possible.

Grupo Catalana Occidente carries out its business in accordance with, among others, the principles of good governance and corporate responsibility, which implies a continuous improvement in accessibility, quality, frequency and clarity in its relationship with its main stakeholders.

The communication policy regarding economic/financial information, non-financial and corporate information, and relating to contacts with shareholders, institutional investors and advisers with voting rights, that are published on the corporate website, describes the various tools and communication channels used to ensure the principles of integrity, transparency, accuracy, immediacy and equality of information provided to shareholders, institutional investors and advisers with voting rights and the markets in general, as well the relationships with these parties.

In this regard, the Group has two specific areas within the organisation to respond to queries from shareholders and institutional investors, their proposals and expectations on the management in a close and individualised way.

Relationships with Shareholders Area: +34 935 820 667
accionistas@catalanaoccidente.com

Relationships with Analysts, Investors, Rating Agencies and Sustainability Area: +34 915 661 302
analistas@catalanaoccidente.com

The latter unit covers relationships with financial analysts, stock market analysts and ratings agencies, since all of their reports and opinions influence the decision-making process of institutional investors. As such, they have a key role in the liquidity and price formation of the Grupo Catalana Occidente share.

In 2021, the Group put forward its value proposition to the financial markets through the quarterly relay of the published results (on the website in Spanish and English) and through 24 roadshows, 6 more than in the previous year (18 in 2020) and remote conferences in various European countries.

Through this type of events, the Group brings its business reality to institutional investors and small shareholders.

Impact of Covid-19

Due to the Covid-19 situation, the General Shareholders' Meeting held in 2021 was broadcast online. Similarly, participation in roadshows has been moved to a virtual format, which has facilitated participation and access for a greater number of shareholders and investors.

Lastly, contact with our shareholders has been maintained and the number of calls has increased due to the uncertainty produced in the markets, always with the commitment to transparency in information and communication with this stakeholder.

Intermediaries: agents and brokers

102-8

Significant events 2021

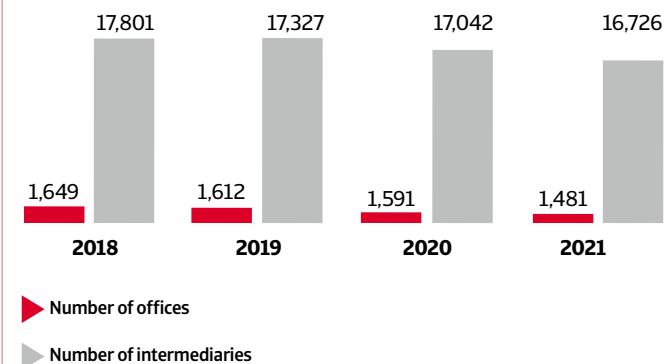
- Advances in connectivity with brokers through the Platform for Connectivity, Innovation and Services for Insurance Mediation and the EIAC standard (Standard for the exchange of information between insurers and brokers, EIAC by its acronym in Spanish).
- Expansion of the Bellesguard Project, extending the Group's two-way communication actions to the sales networks of the companies Seguros Bilbao and Plus Ultra Seguros.
- Implementation of the Google "My Business" tool to find agency offices.

Main challenges 2022

- Promote the use of the CRM by intermediaries and include new features for the tool that allow for an improvement in customer relations.
- Promote the "hybrid seller", through tools and skills that allow the intermediaries to adapt to the digital reality.

Intermediaries are a key part of the Group's relationship with its environment. They come into contact with customers, generate confidence in order to understand their particular needs, and provide value through their professionalism and closeness. That is why, good communication and a trusting relationship with intermediaries are fundamental to providing good customer service.

The commercial networks of the companies comprising Grupo Catalana Occidente is made up by 16,726 traditional business intermediaries, who are mainly exclusive agents and insurance brokers, and by 1,481 offices.



Professional development and training

Training of agents is a fundamental value, allowing the Group to build its business through quality of service and customer satisfaction and trust. That is why the various companies comprising the Group make available to the intermediaries a series of training itineraries and the necessary tool for these professionals to perform their tasks in the most professional manner possible, in a way that is close and adapted to customer needs, thus improving their effectiveness.

Training across the distribution network in the traditional business is focussed on developing the sales force and business growth. A special focus was also given to cross-selling, prevention of cancellations, customer loyalty and the use of new tools and systems.

Trust and security

The Group's companies manifest the values of confidence, peace of mind and security that they wish to provide to

their customers through the broker network. For this, they are provided with support that, in addition to training, includes other tools that have a positive impact on their activity. Among these is the possibility of creating their own website and social network profile within the framework of the brand for which they work and using the corporate material necessary to present their services to the customers in a visual way.

Two-way communication

2020 saw the launch of the Bellesguard Project, which aims to create two-way communication channels with the network of agencies. Through this project, meetings were established with the network of Seguros Catalana Occidente agents to listen to their opinions and needs and implement measures aimed at resolving them.

In 2021, the project has continued to expand, rolling out these actions to the sales networks of the companies Seguros Bilbao and Plus Ultra Seguros.

Broker satisfaction

Each year Grupo Catalana Occidente measures the satisfaction indicators for its brokers in its traditional business companies. Through an opinion survey for exclusive agents carried out by ICE, the Group ascertains the level of general workplace satisfaction of its agents.

Impact of Covid-19

The Group has provided intermediaries with the necessary tools so that they can adapt to the situation caused by Covid-19, giving them digital support and offering them training and content so that they have the tools to run their services on-line.

Supply chain

103, 102-9, 102-10

Significant events 2021

- Inclusion of clauses in contracts with suppliers of the traditional business companies to ensure compliance with the Group's ethical and sustainability principles, the labour regulations affecting them and their tax obligations.
- Creation of the Xplora Ingenia programme for Preperasa, which allows the Group's technical repair service to contribute ideas that improve the services offered.

Main challenges 2022

- Promote sustainable mobility as an efficient tool in the Group's operations and an effective way to combat climate change.
- Increase the number of contracts with suppliers that include clauses on compliance with the Group's ethical and sustainability principles, the labour regulations affecting them and their tax obligations.

The companies in Grupo Catalana Occidente work with two types of service providers:

- Suppliers, who supply products and services of a general nature, not directly related to the insurance business: cleaning, maintenance and IT support, among others.
- Associates, whose service is essential for the performance of the insurance activity: claims adjusters, lawyers, workshops and repairers.

Supplier management*

102-9

During 2021, Grupo Catalana Occidente has worked with over 6,000 suppliers, which has represented an expense of approximately €316 million (in 2020, it worked with over 6,000 suppliers, which represented an expense of €313 million).

In the case of the traditional business, without considering Asistea, the number of suppliers with which the Group has operated was 3,867 (4,217 in 2020) and the expenditure for these suppliers was €133 million (€127 million in 2020).

The credit insurance business has collaborated with 2,577 suppliers** (2,009 in 2020) and the total expense was €182 million (€186 million in 2020).

* For the traditional business, the 2020 figures relating to the number of suppliers and their expense have been recalculated to take into consideration all companies in this business.

** Suppliers of Graydon have not been included.

Responsible supplier selection

The Group's supplier selection is based on the principles of objectivity, impartiality, transparency, equal treatment and quality. The Group also tries to encourage responsible management by the suppliers, including social and environmental aspects among the criteria for their selection.

In the traditional business, these criteria are set out in the internal regulations and, in particular, in the supplier selection manual.

In the credit insurance business, Atradius has an Procurement Policy that governs supplier management.

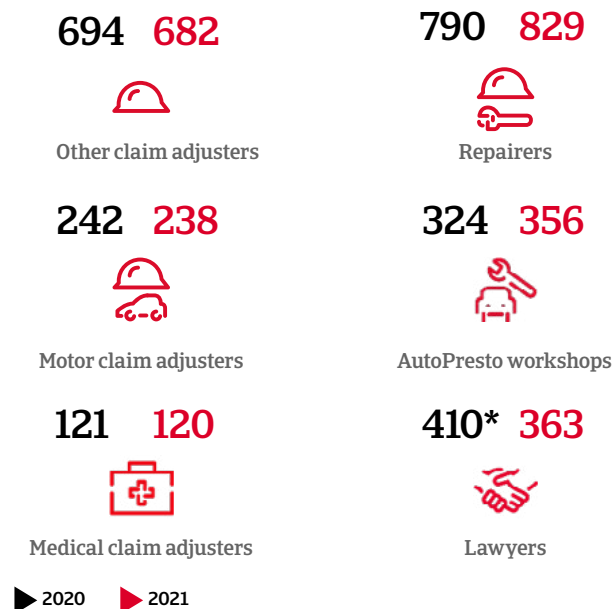
Associate management

102-9

Prepersa is the Grupo Catalana Occidente company that manages associates specialised in resolving claims for the traditional business companies: claim adjusters, workshops, repairers and, from 2021, the network of lawyers. The workshops are part of a network named AutoPresto and the repairers are from the Technical Repairs Service (TRS).

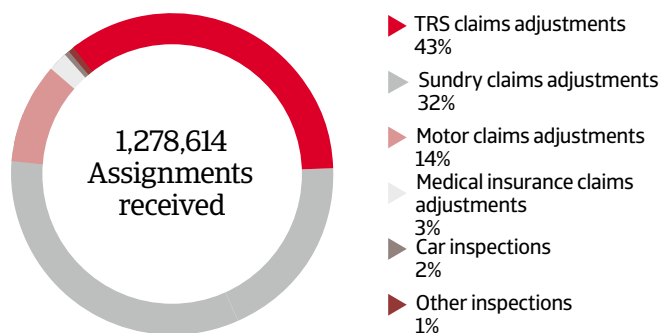
In 2021, it has collaborated with 2,588 associates (2,581 in 2020) and the total expense was €204 million (€180 million in 2020).

Type of associates



* In 2020, the network of lawyers did not belong to Prepersa.

Assignments received



The associates are there to ensure the effectiveness and speed of the service provision when resolving the incidents suffered by customers of the Group's insurance companies, as well as to provide those entities with technical information related to risks, claims and other circumstances. For this reason, Prepersa's actions must always be quality-oriented. To this end, its activity is governed by the UNE-EN ISO 9001-2015 quality certificate, renewed in 2019, which guarantees that its processes are oriented towards continuous improvement and that it has an efficient organisation for planning, control and analysis of results.

Associate satisfaction survey

For the fourth consecutive year, the "Associate satisfaction survey" has been conducted for 2,588 associates, of which 57% have responded. The main objective of the survey is to understand the Group's relationship with its supply chain through their opinions, assessments and experiences.

Some of the findings from the survey are as follows:

- The associates consider Grupo Catalana Occidente's commitment to people to be very good, scoring this question an 8.9.
- They say that the organisation helps them to resolve doubts, incidents or any problems that may arise, scoring this question an 8.4.
- They rate the Group's professional competence as very good (8.8).

Training for associates

During 2021, Grupo Catalana Occidente's associates have received a total of 5,476 hours of training (3,438 hours in 2020). The training courses given have consisted

both of its own courses, given by Prepersa staff, and training sessions given by third parties belonging to specialised centres such as the Association of Insurance Claim Adjusters and Damage Surveyors (APCAS by its acronym in Spanish).

Both types of training have been run using video tools and by webinar, and associates have very positively evaluated the training sessions given.

Integration of ESG issues into the supply chain

103, 308-1, 407-1, 414-1

The Group extends the reach of its principles to its supply chain as a key to consolidating a network of suppliers and associates consistent with the corporate values.

Throughout 2021, clauses have started to be added to the contracts with suppliers to the traditional business, through which the Group ensures that they comply with its ethical and sustainability principles, follow the labour regulations that affect them and are up to date with their tax obligations. Over 250 contracts with suppliers have seen the new clauses added during 2021.

With regard to associates, they must all respect the corporate values in order to be able to maintain a relationship with the Group. To do this, they must sign up to Grupo Catalana Occidente's code of ethics before receiving any commissions.

In addition, from Prepersa, best practices related to efficiency and minimising the use of resources are promoted, including the policies of repair rather than replacement and the use of new technologies that allow water damage to be more efficiently located and repaired.

Finally, in 2021 the Group has launched a new survey of its associates in order to find out their current situation in terms of sustainability. The results will allow it to conduct analyses and identify future lines of action to promote sustainability in the Group's supply chain.

Currently, there are no audits of ESG issues in the supply chain.

Distribution by geographical area

203-2, 204-1

At Grupo Catalana Occidente, working with local suppliers and associates not only has a positive impact on the economic development of the communities in which it operates, but also minimises operational risk by reducing service execution times.

In the traditional business, due to its activity and presence in Spain, the hiring of freelancers or small local businesses as suppliers is favoured. Thus, in 2021 most commissions have been given to suppliers located in Spain, with 99% of spending going to local suppliers (similar figure to 2020).

In the credit insurance business, the Group allocates most of its spending to the development of the business sector in the geographical areas in which it operates, with 98% of spending going to local suppliers (95% in 2020).

With regard to associates, in 2021, 98% of the spending has gone to associates located in Spain (similar figures to 2020).

Average payment period for suppliers and associates

The average payment period for suppliers to the Group's companies is 16 days (18 days in 2020), and there is no balance outstanding payment with a deferral period greater than that legally established (30 days unless there is an agreement between the parties).

In the case of associates, in 2021 the payment system has been improved and the Group's companies pay the amounts to associates on a daily basis, with the average payment period being 1 day (in 2020 the average payment period was 17 days). In addition, associates have at their disposal an application in which they can consult and reconcile payments of assignments and invoices issued to the companies in the Group. This prevents the associate from having to communicate their information requirements to different company departments.

Impact of Covid-19

To facilitate the adaptation of Prepersa's network of associates to the situation caused by the pandemic, in 2020 the Group launched a financial aid plan through loans, which have been repaid throughout 2021. These loans were requested by a total of 272 associates and the total amount requested amounts to €3,773,000. Likewise, if needed (due to health problems, at-risk population, etc.), the Group has made access to the video expert assessment tool available to associates, at no cost to them. Some action areas of the associates have also been reviewed and updated to avoid incompatibilities at times when there have been mobility restrictions between regions and/or provinces.

Climate change

103

Significant events 2021

- Group's commitment to be a carbon neutral organisation by 2050 and signing up to the Net-Zero Insurance Alliance (NZIA).
- Inclusion of Scope 3 emissions in sustainability reporting for the first time.
- Preparation of climate change scenarios.
- Consideration of different time horizons in the risks and opportunities of climate change (short-term, medium-term and long-term).
- Compliance with the EU Taxonomy regulation and publication of the corresponding related indicators (eligible activities by Taxonomy).

Main challenges 2022

- Adopt the requirements established by the EU Taxonomy, through technical criteria for adaptation to climate change, in order to publish the corresponding indicators (activities aligned with the Taxonomy).

In order to form an active part of the transformation towards a low carbon economy, Grupo Catalana Occidente has committed to being a net-zero emissions organisation by 2050, which is why it has joined the Net-Zero Insurance Alliance (NZIA). The Group also follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) on the reporting of financial risks related to the climate and integrates into its reports the information relating to the risks of climate change and its performance in relation to them.

Climate change governance

102-18, 102-20



(1) Approves the climate change strategy and policy.

(2) Proposes the climate change strategy and objectives. Monitors the execution of the strategy and regularly reviews its evolution.

(3) Supervises and regularly monitors the climate change strategy and compliance with the actions and objectives associated with it.

(4) Supervises the Group's risk management control system.

(5) Evaluates, advises and reports on everything related to the verification of compliance with the applicable legal obligations regarding climate change.

(6) Regularly monitors compliance with the climate change objectives.

(7) Responsible for governing and coordinating the process for identifying and assessing risks associated with climate change in the Group.

(8) Coordinates and develops, with all the businesses, the climate change strategy, the proposal of objectives and the monitoring of the actions to take.

(9) Responsible for implementing the climate change strategy.

Climate change strategy

Grupo Catalana Occidente supports the Paris Agreement and is working to be an active part of the climate change solution. To do this, it focuses its strategy on gradually reducing its greenhouse gas emissions.

The Group's climate change and environmental policy constitutes its action framework and defines the commitments assumed in this area. In this regard, it should be noted that in 2021, the Group has joined the Net-Zero Insurance Alliance (NZIA) to achieve zero net emissions by 2050.

Identified below are the Group's risks and opportunities related to climate change and we describe the organisation's resilience to them, taking into account different climate-related scenarios.

Risks and opportunities of climate change

102-11, 102-15, 103, 201-2

Within the framework of the risk management system, the Group undertakes to identify the risks and opportunities related to climate change, including them in its risk map, and to analyse their impact on financial planning. Among the risks included in the risk map, the following have been identified as the main categories:

Physical risks: those derived from climate change and which arise from a series of specific meteorological events. They may entail financial implications for the organisations, both relating to direct damage caused to assets and indirect impacts arising from an interruption that affects the supply chain.

Transition risks: these arise as the company adapts to a low-carbon economy. There are a series of factors that influence the adjustment to a sustainable economy such as, for example, the evolution of the different policies, the regulations, new technologies or business models, change of sensitivities and

social preferences or the evolution of the framework and legal interpretations.

Liability risks: these arise from claims either for civil liability or directly against insurers due to not managing climate risks in a suitable manner.

The disclosure of information on how these climate risks have been incorporated into the Group's risk map, as well as their strategic impact and time horizon, is explained in Chapter 1, within the "Risk Management" section.

In addition to the existing risks described above, there are also a series of associated opportunities that the Group takes into account in order to take advantage of them and position itself correctly:

Market opportunities: access to new markets that have undergone changes due to climate change and therefore need new insurance coverage.

Opportunities in the use of resources: cost reduction and savings thanks to more efficient management of resources and the use of more efficient and sustainable buildings.

Resilience opportunities: participation in renewable energy programmes and adoption of energy efficiency measures.

Product and service opportunities: development of new low-emission products and services in accordance with new customer preferences.

Energy source opportunities: reduced exposure to future increases in the price of fossil fuels and reputational benefits of using less carbon-intensive energy.

Analysis of scenarios

During 2021, Grupo Catalana Occidente has carried out an assessment of the impact that the risks of climate change could have on its activity. To do this, the Group's risk profile has been used as the starting point and the effect that two different climate scenarios could have on it has been estimated: one with an increase in the planet's global temperature of no more than 2°C, and another with an increase of more than 2°C.

To simulate these two scenarios, an analysis has been carried out of the scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC) in its latest report dated August 2021, where potential impacts are defined, considering the environmental and socio-economic factors intrinsically linked to climate change. Based on this information, the scenarios analysed are:

- Scenario with an increase in the planet's global temperature of no more than 2°C: The SSP2-RCP4.5 scenario has been selected in line with the upper limit of achieving the goals of the Paris Agreement and the contributions determined at a national level updated in the COP26.
- Scenario with an increase in the planet's global temperature exceeding 2°C: The information from the SSP5-RCP8.5 scenario has been used, which represents a *no-climate-policy* scenario that allows it to study the most unfavourable conditions for the climate.

The results of the analysis of these scenarios projected over a 5-year time horizon show the following possible impacts on the business:

- First, an increased accident rate in the traditional business of around 1% in the least unfavourable scenario and less than 5% in the worst case scenario.
- Second, a possible negative impact on the valuation of equity, standing at around 5% and 10% for each scenario, respectively.

Climate change management

102-11

As part of its general risk management and control model, the Group performs regular risk identification and assessment processes that allow it, among other things, to identify material risks that could have a negative impact on its risk profile and carry out their active and early management. These processes are updated at least once a year with the aim of identifying the Group's main vulnerabilities and opportunities using a forward-looking approach, and covering all types of risks faced by the Group in its daily operations, including climate change risks. The Group's risk appetite level, approved by the Board of Directors, determines the levels of risk that the Group is willing to assume to achieve its objectives.

Taking into account that these risks may directly or indirectly affect the Group as a whole and, therefore, must be integrated in a cross-cutting way into the GCO risk policies, the objectives of the Sustainability Committee are to:

- Design a Sustainability Master Plan to include, in an annual action plan, the actions needed to be performed by the areas so that the Group and all its companies adopt the ESG-related principles, criteria and commitments.
- Incorporate the ESG risks into the risk management strategy through the Group's governance policies and, in particular, through the climate change and environmental policy, so that they serve as a reference framework for the different action plans in this area.
- Define the criteria for the content, methodology and presentation of the information to be disclosed on ESG matters, including that related to climate change.

Manage, measure and monitor these risks defined in the climate change and environmental policy, as well as in the rest of the

Group's governance policies, according to which:

- The impacts of these risks, to the extent that they are relevant, are analysed in the financial planning in order to adapt the strategic planning, if necessary, taking into account the risks identified.
- It implements the metrics necessary that help to measure and manage risks and opportunities derived from climate change.
- Regular reporting is carried out to the highest level on the quantification of the main risks to which the Group is exposed and the capital resources available to deal with them, as well as information regarding the fulfilment of the limits established in the risk appetite.

Metrics and goals

305-1, 305-2, 305-3

Grupo Catalana Occidente calculates Scope 1 and 2 emissions and, in 2021 it has included some categories of Scope 3 emissions for the first time.

The conversion factors used for the calculation are those indicated by:

- Department for Environment, Food and Rural Affairs (DEFRA).
- International Energy Agency (IEA).

Emissions*	2020	2021
Scope 1 (T CO ₂)	134.57	119.10
Scope 2 (T CO ₂)	2,477.41	1,994.39
Total Scope 1 + Scope 2 (T CO₂)	2,611.98	2,113.49
Scope 3 (T CO ₂)**	Not calculated	1,432.61

* Emissions calculated from the reported energy consumption. Natural gas emission factor 0.20297 kgCO₂/kWh (Source: DEFRA). Electricity emission factors sourced from CO₂ emissions from Fuel Combustion IEA 2020. Source of emission factors used to calculate the different categories of Scope 3 Department for Environment, Food & Rural Affairs (DEFRA), 2021.

The Group's emissions from its insurance activity are included, thus excluding non-core activities (such as the funeral business).

** Includes the categories of activities related to fuel and electricity (not included in Scope 1 and 2), goods and services purchased and business trips (by train and by plane).

Since 31 December 2021, the Group has also calculated its exposure to eligible activities according to the Taxonomy for the objectives of Mitigation and Adaptation to climate change. The eligibility indicators, for both Assets and for non-life insurance premiums, are included in Chapter 2, in the "Responsible investment" and "Responsible products" sections, respectively.

Objectives for the transition

In 2021, the Group has joined the Net-Zero Insurance Alliance (NZIA), which aims to achieve neutral greenhouse gas emissions by 2050 and thus contribute to limiting the global temperature increase to 1.5°C above pre-industrial levels, in the year 2100.

To achieve this commitment, Grupo Catalana Occidente will establish gradual, science-based intermediate targets that will allow it to contribute to climate neutrality and balance scientific ambition, risk profiles and the world economy's decarbonisation trends as well as possible. It will also report annually on the progress achieved in relation to the targets adopted.

In line with this commitment, the Group is working on the development of an environmental management system in its main buildings, in order to achieve and maintain an operation in accordance with the goals established by the Group in terms of climate change and the environment.

Similarly, in 2021, the Group has performed a survey on its associates to find out their situation in terms of sustainability. The results of the survey will allow the Group to conduct analyses and set future lines of action to promote sustainability in its supply chain (for example, promoting the replacement of vehicles used by the network of claims adjusters for alternatives with lower fuel consumption, such as *car-sharing* or the use of electric cars).

Environment

103

Significant events 2021

- Participation in the “Earth Hour” initiative, by switching off the lights at the Group's most representative buildings to raise awareness about the need to take measures against climate change and save energy.
- Promotion of World Clean-up Day, in which Atradius volunteers from different countries participated in clean-up drives both on land and in the sea.
- Promotion of sustainable mobility, installing new recharging points for electric vehicles in the car parks of the buildings.
- Installation of photovoltaic panels on the Group's main buildings.

Main challenges 2022

- Working on the development of an environmental management system for the Group's main buildings.

The environmental impact of the day-to-day activity of Grupo Catalana Occidente is limited. Even so, the Group recognises the effects of its activity, mainly derived from the consumption of raw materials and energy consumption. Given the type of business it performs, water consumption is considered to be insignificant, as is the figure relating to waste management, but the Group does encourage an efficient use of these.

The Climate change and environmental policy was approved in January 2021, whereby the Group undertakes to continuously improve its environmental performance and the prevention of pollution. In this, the Group aims to address the impact of its operations on the environment by adopting the following lines of action:

- Developing an environmental management system.
- Actively promoting a culture that encourages the efficient and responsible use of resources, as well as behaviour that supports this responsible use, involving all its stakeholders.
- Making the Group's employees aware of environmental issues through training and awareness campaigns and encouraging suppliers and contractors to adopt policies consistent with those of the Group on this matter.

In addition, the companies in the credit insurance business have demonstrated their commitment by preparing their own environmental policy, which sets out their commitment to continuous improvement in relation to environmental performance and pollution prevention.

The Group does not currently have a certified environmental management system. However, its development has been established as an objective in the Sustainability Master Plan and work will continue on this development in 2022.

Additionally, the Asistea funeral group, a subsidiary of Grupo Catalana Occidente, has environmental certifications, and in 2021 it has obtained the following:

- ISO 14001:2015 (Environmental Management Systems).
- ISO 15017:2006 (Quality in Funeral Services).
- ISO 9001:2015 (Quality Management Systems).

In relation to ISO 14001, actions are performed to protect the environment, among which the following stand out:

- Ecological and biodegradable funeral products.
- Elimination of any polluting material before incineration and its subsequent recycling, as well as the reuse of these materials in developing countries.
- Promotion of tree planting.
- Prioritisation of local suppliers, which allows for reduced emissions.

The following initiatives are also being launched:

- Study on the possible use of energy from the cremation furnaces and its use as an energy source for climate control systems.
- Study on the possible installation of solar panels in the centre with the highest energy consumption.
- Construction of a new facility with LEED certification in 2022.

Lastly, the Group does not have any liabilities, expenses, assets, provisions nor contingencies of an environmental nature that may be of any significance in relation to its assets, financial position and results.

Sustainable use of resources

Below are the main indicators on the sustainable use of resources of the Group's main companies, excluding the funeral business (Asistea).

Materials

301-1, 301-2

In an effort to achieve efficient document management and reduce paper consumption, the implementation of electronic documentation has been promoted in business processes, including those involving the customer. Remote working has accelerated this process.

Consumption of materials	2020**	2021
Paper consumption (kg)*	255,489	360,554
% recycled paper	2%	2%

* Consumption of paper within the credit insurance business has been calculated by extrapolating on the basis of the consumption recorded until November, extrapolating to December.

** The 2020 figure has been recalculated to standardise the criteria and be comparable with 2021.

Energy

302-1

Grupo Catalana Occidente promotes good energy practices among its companies, encouraging the consumption of renewable energies. So, for example, 79% of electricity consumption in 2021 came from renewable sources (73% in 2020).

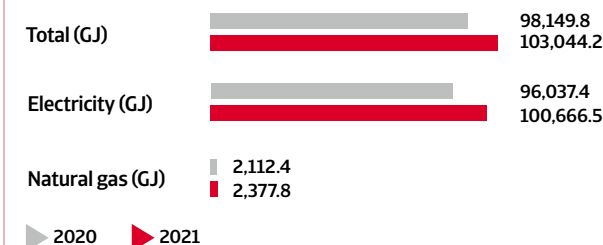
The maintenance and refitting of Group buildings are governed by principles of energy efficiency, with the aim of reducing their consumption and CO₂ emissions. At present, a total of eight of the buildings owned by companies in the traditional business have obtained sustainable building certificates (A+, Leed or BREEAM) and the certification of the Outstanding Buildings has been planned for 2022.

The new works and renovations include motion detectors, automatic light intensity control and replacement of air conditioning facilities with other more energy-efficient units.

Moreover, in the credit insurance business, the DC Tower, where Atradius has its offices in Austria, has Leed Platinum certification and work is being done to obtain the BREEAM certification in 2022. The Atradius buildings in Namur (Belgium), Levallois-Perret (France) and Poland also have the BREEAM certification. In 2021, the Barcelona building owned by Atradius was refurbished, obtaining the Leed Gold certification.

These actions have helped to reduce energy consumption in the Group's buildings.

Energy consumption*



* The consumption of natural gas and electricity within the credit insurance business and traditional business has been calculated by extrapolating the consumption recorded until November, extrapolating to December.

The commitment to the environment is also linked to the daily activities of the employees in the Group's companies. For this reason, charging stations for electric vehicles have been installed in some of its most emblematic buildings.

Key reduction measures

103

With the aim of contributing to reducing consumption, the Group has launched different initiatives, among which the following stand out:

- In Spain, it has implemented the installation of photovoltaic plates for self-consumption.
- In Austria, replacement of conventional bulbs with LED bulbs.
- In Belgium, the *Zero Waste* initiative launched in 2019 continues, focusing actions on the dimensions with the greatest impact (waste, mobility, energy and consumables).
- In France, information has been provided on the correct use of electronic devices, which allows for reduced energy consumption.
- In Italy, the decision has been made to use electricity based on renewable sources.
- In Amsterdam, the building has a new heating system that allows it to be more efficient by reducing energy consumption.
- In Norway, the energy for heating is produced through a reprocessing energy source that comes from heat from the fjord.

Impact of Covid-19

The pandemic caused by Covid-19 has reduced the Group's impact on the environment. The promotion of remote working has resulted in a fall in energy consumption at the Group's offices, causing a decrease in greenhouse gas emissions. The decrease in business trips has also allowed it to reduce atmospheric pollution.

Ethics and compliance

102-16, 102-17, 103

Significant events 2021

- Defence of human rights through their incorporation into the Group's code of ethics and through developing Atradius' own policy on them.

Main challenges 2022

- Implementation of initiatives aimed at strengthening the Group's cultural values and keys, especially in matters of anti-corruption and business ethics.

Grupo Catalana Occidente has procedures and an action framework aimed at ensuring the suitability and observance of its obligations, both internal and external. The verification of compliance role has contributed to strengthening the compliance culture and to improving the identification and monitoring of ethics and compliance risks, particularly in matters of anti-corruption, money laundering and the financing of terrorism, personal data protection and cyber security.

Code of Ethics

The Group's Code of Ethics, drawn up and approved by the Board of Directors, is the document that establishes the guidelines that must govern the ethical behaviour of the directors, employees, agents and associates of Grupo Catalana Occidente in their daily work, with regard to their relationships and interactions with all stakeholders.

The code of ethics is communicated to the entire workforce through the intranet of each of the Group's companies, and it must be read and accepted by everyone working at the Group. This code can be found on the Group's corporate website www.grupocatalanaoccidente.com.

In January 2021, the Code of Ethics was revised to adapt it to the new realities that affect the Group and it includes the commitments assumed as regards human rights, sustainability, good governance, professional development, regulatory compliance and equal opportunities, among others.

Both Atradius and Asistea, due to the unique nature of their structure and its business, have their own code of conduct in keeping with the guidelines defined in the Group's Code of Ethics.

Respect for human rights

103, 408-1, 409-1

As established in the code of ethics and the Human Resources Policy approved by the Board of Directors, the Group supports, respects and contributes to protecting the fundamental human rights recognised internationally.

The Group makes every effort not to be an accomplice in any form of abuse or violation of human rights among its stakeholders and undertakes to defend their compliance in all its activities and in the geographical areas where it operates.

Respecting human rights is the responsibility of all the people and companies to which the Group's code of ethics is applicable. Among other basic behavioural guidelines, the Group observes the Universal Declaration of Human Rights, as well as the United Nations Guiding Principles on Business and Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization and the OECD Guidelines for Multinational Enterprises.

In this regard, all of the Group's traditional and funeral business is carried out in Spain and the Principality of Andorra, where child labour and forced labour are subject to intense scrutiny by the labour authorities. The Group's insurance and funeral companies comply with current legislation and it has not been necessary to include special mechanisms for preventing these violations. Similarly, in the value chain of the insurance companies, practically all of its suppliers are from the same country or from jurisdictions in which the same standards are applied, so it has not been necessary to take additional measures.

With regard to the credit insurance business, Atradius also has its own Declaration of Human Rights with the aim of adapting it to the provisions of the United Nations' Universal Declaration of Human Rights and in accordance with the principles of the Group's code of ethics.

During 2021, as in the previous year, there has not been a single substantiated complaint recorded within the Group for issues relating to the infringement of human rights. Complaints involving discrimination are included in the subsection "Diversity, equality and inclusion" in the "Employees" section.

Whistle-blower channel

102-17, 205-3, 406-1

The Group has a confidential whistle-blower channel, accessible through the Group's website 24 hours a day, 7 days a week. This allows employees and any interested third parties to confidentially and anonymously communicate queries and/or possible breaches of the code of ethics, of any other of the Group's internal regulations or policies, as well as actions or omissions that result in a criminally punishable offence or the manipulation and/or falsification of financial data.

Once the notification has been received, it is managed by Corporate Internal Auditing as established in the action protocol in cases of irregularities and fraud.

During 2021, the Group has received 48 notifications through the existing whistle-blower channels, 46 of which have been resolved throughout 2021 and the remaining 2 at the beginning of January 2022 (in 2020, 28 notifications were received through the existing whistle-blower channels). The Group has also received 2 further notifications through Atradius' Human Resources department and these have been resolved throughout 2021.

Verification of compliance

103

Operating in a highly regulated sector makes the verification of compliance role essential. This role is responsible for ensuring compliance with the obligations affecting the organisation, including both those rules of mandatory application and those assumed voluntarily, assessing the possible repercussions of any change to the legal environment for the Group's operations and determining and evaluating the compliance risk. It also includes advising the Group's Board of Directors and all other individual companies forming it about compliance with the legal, regulatory and administrative provisions affecting the Group, as well as compliance with internal regulations.

The verification of compliance role is coordinated through Grupo Catalana Occidente's Compliance Verification Committee, whose main function is to coordinate, supervise and establish common criteria for all regulated companies in the Group in relation to the application of the mandatory and voluntary regulations.

It is also responsible for ensuring compliance with the internal regulations developed in relation to the system for the prevention and detection of crimes which could be committed by the Group's legal entities. Atradius has its own structure which includes both the function of compliance at the company level and those of local compliance and support for the company in its compliance with the applicable laws, rules and regulations.

Prevention of money laundering and terrorist financing

The Group has a manual for the prevention of money laundering and terrorist financing which sets out, among other issues, all the measures implemented by the Group's companies subject to the regulations on the Prevention of Money Laundering and Terrorist Financing. These measures are subject to annual analysis by an external expert who prepares a report and has concluded that the Group has a satisfactory money laundering prevention system. The Board of Directors examines this report together with proposals for necessary measures to resolve the deficiencies identified. In 2021, no complaints have been received in relation to money laundering. As part of the prevention system, the Group has implemented a training plan in the prevention of money laundering and terrorist financing.

The Group also has a corporate governance framework on the prevention of money laundering and terrorist financing to promote transparency and contribute to the trust of its stakeholders, enabling them to interact with the Group without fear that a misuse of the financial system or other sectors of economic activity poses a risk of money laundering or terrorist financing. This Framework is available on the Group's website.

Data protection and cyber-security

103, 418-1

The Group is committed to guaranteeing the confidence of its stakeholders with regard to the protection, processing and privacy of personal data. In this regard, the Personal Data Protection Policy aims to establish the Group's objectives in terms of personal data protection and define a framework that allows this protection to be guaranteed and improved, respecting the principles and rights established by the applicable regulations.

In addition, the Group has a Corporate governance framework on the protection of personal data and information security which details the commitments and principles promoted in this area and specifies the organisational structure and policies available in relation to the protection of personal data and information security. This Framework is available on the Group's website.

As a result of the foregoing, Grupo Catalana Occidente has undertaken to process the personal data of the individuals that relate to the Group in accordance with the following principles:

- **Lawfulness, loyalty and transparency** in the processing of the personal data of the data subjects, obtaining such data by lawful and transparent means, clearly informing them of its subsequent processing and seeking the explicit consent of the data subject when necessary.
- **Limitation of the purpose:** the personal data will be collected and processed for specific, explicit and legitimate purposes, in accordance with the purpose informed to the data subject when obtaining them.
- **Data minimisation:** the processing of the personal data will be limited to that strictly necessary in relation to the purposes for which they were collected.
- **Accuracy:** the personal data subject to processing must be accurate and kept up to date.

- **Limitation of the retention period:** the personal data subject to processing shall be retained for the time required for the purposes for which they were collected.
- **Integrity and confidentiality:** the personal data will be processed guaranteeing their security and protecting them against any unauthorised or illegal processing, and from their loss or destruction.
- **Proactive liability and accountability:** not only should compliance with the above principles relating to the processing of their personal data be ensured, but this must also be susceptible to being proven.

To ensure compliance with the applicable data protection regulations, the Group has a Data Protection Officer. The Group also has a Data Protection Committee, as the executive body responsible for the application of the regulations concerning the protection of personal data and the use of the resources of the information and communications technologies.

In the case of the credit business, it also has a Data Protection Advisory Committee, that includes its data protection officer and the directors of various business units, and in each of the countries in which it operates there is a representative to ensure compliance with applicable personal data protection regulations in those territories.

In addition, given that potential cyber-attacks are considered one of the main risks of the sector, the Group also has the a Chief Information Security Officer, with the functions of coordinating and controlling the technical and organisational security measures of the Group's information systems required by the General Data Protection Regulation. Similarly, the Group's companies operating within the credit insurance business have their own Chief Information Security Officer.

During the 2021 financial year, the Group has not received any claims relating to breaches of customer privacy received from third parties (0 claims in 2020, after confirming the lack of claims presented) nor claims relating to breaches of customer privacy received from regulatory authorities (1 claim in 2020). There have been no identified cases of breaches, theft or loss of customer data. Likewise, there was one cyber security incident in 2021 (none in 2020) and no security breaches (no breaches in 2020) at Grupo Catalana Occidente.

Fight against fraud, corruption and bribery

205-2, 205-3

In order to prevent corruption and bribery, the Group undertakes to perform all its activities in accordance with the legislation in force in all scopes of action and in all countries in which it operates. To do this, it has a Crime Prevention Model that includes the measures taken to prevent corruption and bribery. As part of this model, the Group has a map of criminal risks and with controls to reduce compliance risks. This map includes all current criminal risks and the incidental consequences for legal entities at each of the Group's companies.

The Group also has regulations ("Protocol for the Criminal Compliance Manager", "Action Protocol in the event of irregularities and fraud" and "Protocol for detecting conflicts of interest with public bodies") that it uses to structure the Prevention Model and the response mechanisms for events that could constitute breaches of the Code of Ethics or data or indications of the possible committing of crimes reached in the Group's Crime Prevention Model.

To improve the understanding of the criminal risks and the actions and conduct expected from employees, the Group has a training plan on anti-corruption policies and procedures, which in 2021 included online courses on the prevention of

criminal liability of legal entities and on market abuse and insider information, and 2,979 employees have received training on these matters (3,213 employees in 2020). In this way, the Group uses training as a lever for communicating issues related to corruption. Associates receive anti-corruption training through the Prepersa platform and must pass it in order to be able to collaborate with the Group.

During 2021, as in the previous financial year, no cases of corruption have been detected in the Group. Similarly, no public legal cases related to corruption have been recorded. In addition, the Group has procedures to combat fraud that contribute to identifying potential malicious actions or omissions in taking out insurance, in the declaration of claims or the accreditation of damages and losses, with the aim of obtaining improper benefits, money laundering or unjust enrichment. In this regard, 46 incidents of internal fraud have been detected in 2021, with an operational cost* of €130,224 in terms of taking out policies, claims and others, representing 0.003% of billing (in 2020, 66 internal fraud incidents were detected for a value of €55,233).

*Operational Cost is understood as the real financial damage that fraudulent practices constituting internal fraud have caused to the organisation.

Fiscal transparency

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In November 2015, the Group's Corporate Tax Policy was approved. The objective of this policy is to describe the strategy to meet its fiscal obligations in all the countries and territories in which it operates, as well as maintaining an appropriate relationship with the tax administrations concerned.

This policy is reviewed each year by the Company's Board of Directors and its last update took place in January 2021.

Prior to the drawing up of the annual accounts and the filing of the corporation tax return, the person responsible for tax matters in the Group informs the Board of Directors about the tax-related strategies deployed during the financial year and the degree of compliance with the policy.

The Group promotes transparent, clear and responsible communication of its main financial figures, by providing its different stakeholders with information concerning the payment of all taxes that are applicable in each of the jurisdictions in which it is present.

In 2021, the amount accrued for corporation tax is €139.1 million (€95.1 million in 2020).

Social impact

103, 203-2, 413-1

Significant events 2021

- First year of implementation of corporate volunteering initiatives.
- Fundación Jesús Serra has strengthened its social action in response to the pandemic.

Main challenges 2022

- Inclusion of environmental initiatives among the projects with which Fundación Jesús Serra collaborates.

Grupo Catalana Occidente bases its business model on respect for people and contributing positively to the environment and its stakeholders. The commitment made to the societies in which it operates has been linked to economic development, well-being and quality employment for more than a century.

In parallel, its social action is coordinated through its foundation, Fundación Jesús Serra. The Foundation's articles of association contain a declaration and definition of both its lines of action and its commitment to adhering to and complying with all the policies established at Group level.

Fundación Jesús Serra

Fundación Jesús Serra is a private non-profit entity created in memory of Jesus Serra Santamans, founder of Grupo Catalana Occidente, which aims to support and promote initiatives in research, business and education, social action, sport and promotion of the arts.

The Foundation undertakes projects in order to make a better society for all, always guided by values such as solidarity, effort and teamwork.

Fundación Jesús Serra approves its action plan on an annual basis, detailing the set of activities it intends to undertake, their potential beneficiaries and the necessary human and material resources. In order to ensure objectivity, there is a formal protocol which specifies the selection criteria for the proposed programmes and initiatives. The Project Valuation Committee is the responsible body. Through bi-monthly meetings, they select the set of new projects and assess the status of ongoing projects, among other duties.

In addition, Fundación Jesús Serra is involved in initiatives for the benefit of certain groups and conducts impact assessments and specific development programmes. Most of these projects and initiatives have participation programmes, impact assessments and development programmes.

A good example is the start, in 2021, of the collaboration with UNHCR, supporting its Aiming Higher Education programme by paying for 12 scholarships so that refugees can continue with the higher education that they had to stop due to being displaced people.

It has also started a collaboration with Fundación Exit to promote the corporate volunteering programme through mentors for young people at risk of exclusion. The mentors support them and encourage them to continue with their academic or professional training. Fundación Jesús Serra also collaborates with other entities such as the Spanish Oncology Research Centre (Centro Nacional de Investigaciones Oncológicas - CNIO), Spanish National Centre for Cardiovascular Research (Centro Nacional

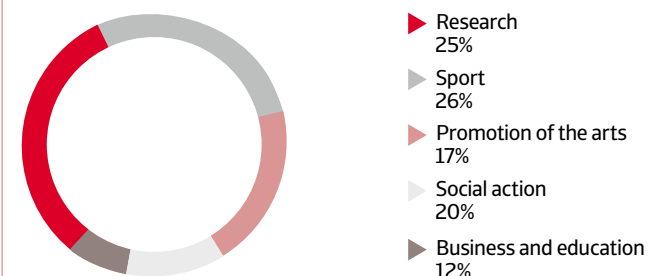
de Investigaciones Cardiovasculares - CNIC), the Canary Islands Astrophysics Research Institute (Instituto de Astrofísica de Canarias - IAC), the Spanish National Research Council (Consejo Superior de Investigaciones Científicas - CSIC), the Spanish Interhospital Foundation for Cardiovascular Research (Fundación Interhospitalaria de Investigación Cardiovascular - FIC), the Spanish Foundation for Science and Technology (Fundación Española para la Ciencia y la Tecnología - FECYT), Save the Children, Doctors Without Borders, Manos Unidas and Save the Med Foundation.

The annual increase in the Foundation's budget is an example of the commitment that Grupo Catalana Occidente has to society and its positive impact on it. In 2021, a total of 44 social projects have been carried out (49 projects in 2020).

Fundación Jesús Serra's contribution to social projects 2021



Distribution of the contribution made by the Fundación Jesús Serra to the various action lines 2021



Commitments of the Group's companies

102-12, 102-13

Grupo Catalana Occidente is committed to a sponsorship strategy that promotes sport, social integration and sustainability in general. Thus, in 2021, the Group's companies have carried out different collaboration agreements in this regard, among which the following stand out:

- Plus Ultra Seguros, in support of adapted sport, has sponsored the King's Cup for wheelchair basketball and the European Championship for wheelchair basketball, organised by the Spanish Sports Federation for People with Physical Disabilities (Federación Española de Deportes con Discapacidad Física - FEDDF).
- For the tenth consecutive edition, Seguros Catalana Occidente has sponsored Expoelectric, an event related to electric vehicles and renewable energy, in its commitment to the environment and sustainable mobility.
- For the third consecutive year, Seguros Bilbao has supported the Fair Saturday Foundation's "Stories to Make You Think" initiative, to promote awareness of the problem of racism among young people through writing, art and creativity.
- Seguros Bilbao, in its commitment to sustainable mobility, has sponsored the Bridgestone Charity Popular Bike Ride, thus strengthening the Group's commitment to sport and caring for the environment.
- Seguros Bilbao sponsored the 8th Getxo Charity Family Race. By supporting this initiative, the Grupo Catalana Occidente company reaffirms its commitment to promoting a healthy lifestyle and the values that sport represents, such as commitment, self-improvement and teamwork.
- Lastly, since 2018 Atradius has sponsored two bee hives in Vexin (France) for the sustainable production of honey. The funds obtained from the sale of jars of honey have been given to the "Un chemin pour les enfants" association, to help educate children in poor neighbourhoods in Manila (Philippines).

The Group has also continued to commit to sponsorship agreements linked to music and culture to strengthen its position in the Spanish market, and has renewed its collaboration agreements with the Starlite festival and the El Regreso music programme. Music makes it possible to connect with a wide range of audiences of all ages and increase the bond between people and the brand in moments that are experienced with enthusiasm. Under the "music, like confidence, makes your life better" slogan, the Group is committed to music as another way to give people confidence.

In total, the amount destined to sponsorship projects in 2021 amounted to €4.4 million (€4.4 million in 2020).

The Group also participates in association actions with UNESPA, ICEA and the Valle de Arán Ski School. In 2021, the amount of these association actions is €1.29 million.

Social action and corporate volunteering

Through corporate volunteering, Grupo Catalana Occidente channels the desire of its employees to become involved in charitable work and generates among its workforce a culture of collaboration and support to other needy social groups. 2021 is the first year in which it has implemented corporate volunteering initiatives in the Group's companies and we can highlight the following initiatives:

- CHEERS4U: fun training in which Group employees participated with the aim of learning to relate and teach new skills to people with intellectual disabilities.
- Junior Achievement: working with Unespa, the Group participated in this initiative by giving training sessions in schools to promote the financial education of pupils.
- World Clean-up Day: volunteers from Atradius in different countries participated in clean-up drives collecting rubbish both on land and in the sea.
- Fundación Prevent: mentoring for entrepreneurs with disabilities who are studying at ESADE to evaluate and improve their business plan, or scholarships for higher education for students with disabilities for their inclusion in the workplace.

Also in 2021, the credit insurance business has developed a total of 16 initiatives to contribute to the social action locally (34 initiatives in 2020), with a contribution of over €45,000. Among these, it is worth highlighting the one aimed at supporting entrepreneurs in developing countries.

In addition, Atradius' employees coordinate various campaigns throughout the year in order to maximise their social contribution. Among the actions promoted are the collection of donations for various causes.

Atradius has also supported non-profit organisations such as Oxfam Novib to support the training of entrepreneurs in third world countries and Youth Of the Streets which, through its services and programmes, provides young people with security, support and opportunities to build a positive future.

Impact of Covid-19

Grupo Catalana Occidente bases its business model on the well-being of people and on contributing positively to their health and safety, a value that, in given the crisis caused by Covid-19, has made more sense than ever.

Therefore, during 2021 the Group has committed to virtual volunteering programmes that have allowed it to continue helping groups in need in difficult times.

Through Fundación Jesús Serra, the Group has also strengthened its social action in response to the pandemic. Fundación Jesús Serra has continued its collaboration with Save the Children, which started last year, to look after families in vulnerable situations due to Covid-19 through the "A tu lado" (By your side) project. Moreover, and in order to support the work of Spanish healthcare workers, scientists and researchers in the fight against Covid-19, Fundación Jesús Serra collaborates with the Spanish National Research Council (CSIC), which leads various projects to learn about the structure of coronavirus in detail and protect the population against this infection.

Contribution to the SDGs

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The approval by the UN's General Assembly of the 2030 Agenda for Sustainable Development and with this the Sustainable Development Goals (SDG) entails the commitment of governments as well as civil society and companies to contribute to their achievement. The activity of Grupo Catalana Occidente and that of Fundación Jesús Serra allows us to contribute to several of the United Nations Sustainable Development Goals.

 <ul style="list-style-type: none"> - Over €58,000 donated to educational accompaniment, emotional support and nutrition programmes with Save the Children, Fundación Balía and Fundación Educo - €71,074 donated to food banks 	 <ul style="list-style-type: none"> - 1,069 days lost No occupational illness - €30,000 donated to the Doctors Without Borders (Médicos Sin Fronteras) child vaccination programme against malaria in the Central African Republic - Training 1,293 pupils in healthy habits with the Raising Awareness (Tomando Conciencia) Schools programme - Over €500,000 destined to R&D+i projects related to oncological diseases, cardiovascular diseases and against Covid-19 	 <ul style="list-style-type: none"> - 22 hours of training per employee - Of the €2.1 million contributed by Fundación Jesús Serra, 11.59% is allocated to teaching - 51 scholarships for young people with a low family income at leading secondary and higher education centres - 808 students and 17 teachers benefited from the construction of a school in Uganda, in collaboration with Manos Unidas
 <ul style="list-style-type: none"> - 52% of employees are male and 48% female. - Member of the EWI Network, which promotes the presence of women in the management of insurance companies 	 <ul style="list-style-type: none"> - More than 7,000 employees - 99 disabled employees - 5,204 employees with remote working - 97% permanent contracts - 441 new staff - Turnover rate of 9% - €139.1 million accrued in corporate tax 	 <ul style="list-style-type: none"> - Scholarships for entrepreneurship training programmes and higher education for people with a physical, intellectual or sensory disability - Sports programmes adapted for young people with a disability: 110 athletes taking part - Organisation of the Spanish inclusive alpine skiing cup for athletes with a disability: 141 participants
 <ul style="list-style-type: none"> - Range of products and services with environmental coverage - Offices with LEED energy rating - Photovoltaic plate installation project at the main buildings 	 <ul style="list-style-type: none"> - No confirmed case of corruption - €4.0 million allocated to contributions and non-profit organisations 	 <ul style="list-style-type: none"> - Principles for Sustainable Insurance (PSI) - Principles for Responsible Investment (PRI) - United Nations Global Compact - Net Zero Insurance Alliance

Innovation

103

Significant events 2021

- Development and implementation of new innovative applications and systems that have improved the Group's processes and the quality of customer service (payment with Bizum, WhatsApp channel for customers, CIBTWave2 platform, among others).
- Development of new innovative solutions in cyber security, urban mobility and for the elderly.

Main challenges 2022

- Increase investment in innovation aligned with projects related to sustainability.
- Reduce business trips by promoting the use of digital tools that allow these to be replaced.
- Continue developing innovative and more sustainable products, which meet the needs of the Group's customers.

The Group considers that a culture that embraces change and at the same time encourages and motivates its employees to innovate is the fundamental pillar to be able to adapt the offer of products and services to the needs of all types of customer. In 2021 the Group has invested €86.1 million in innovation* (€67.9 million in 2020) and in 43 R&D&i projects (66 projects in 2020).

* In 2021, the Group's investment in innovation reporting criterion has been standardised, now including R&D+i items both in the traditional business and in the credit insurance business.

Xplora Programme

Xplora is the intrapreneurship programme for the Group's traditional business companies, which helps the organisation to understand, adopt and enthusiastically promote an innovative corporate culture.

This programme brings together training on innovation and has a platform designed so that the employees can propose ideas that allow Grupo Catalana Occidente to improve its products and services.

Xplora Space Platform

Through the Xplora Space platform, the Group's employees can see the latest news about new trends in innovation and contribute ideas to challenges launched by the organisation.

In the last year, employees have contributed more than 41 ideas to the four challenges proposed. Of these, nine ideas have been supported; three of which are in project phase. It is also worth highlighting that one of these ideas, in addition to being designed and made ready for operation, is now in the pilot phase, being tested with certain users.

Training in innovation with Xplora Academy and Xplora Inspira

Xplora Academy is the Group's training programme in innovation and digital transformation. Through it, workshops are held for employees and advanced training is provided on Agile and innovation methodologies.

Moreover, through Xplora Inspira, the Group has continued to organise inspiration days that have been attended by 830 employees, over two editions, in order to share the latest trends in large corporations.

Xplora Stars for the development of new products

Xplora Stars was created in 2020 and is designed to develop new products and services in the areas of cyber security, urban mobility and the elderly, counting on the collaboration and ideas of the Group's employees and insurance agents for its development. In 2021, three new products have been defined under this new initiative, and two of them are now in the pilot phase.

- 1) Xplora Stars Cyber Security: cyber security insurance focused on families for the prevention, detection and resolution of incidents related to digital risks.
- 2) Xplora Stars Mobility: comprehensive mobility insurance that insures a person regardless of the means of transport they use (excluding any cars or motorcycles they own).
- 3) Xplora Stars Elderly: personalised customer helpline for the elderly offering them a special service and the option to purchase many different services they need.

Xplora Ingenia

In 2021, the new Xplora Inspira programme has been launched, through which Prepersa's technical repair service (TRS) contributes ideas to challenges launched by the organisation.

Over the year, more than 98 ideas have been contributed to the three challenges proposed. Of these, 18 ideas have been supported.

According to the satisfaction survey, the TRS is satisfied with the programme and highly values the chance to contribute innovative ideas that can improve the Group's services.

Atradius Business Transformation Programme

In 2019, the credit insurance business started the “Shaping Tomorrow Together” initiative in order to promote a culture of growth and development in the employees, as well as the adoption of new technologies, which would turn them into engines of change and transformation. In a year as challenging in 2021, Atradius has continued demonstrating its flexible adaptation to a completely new situation and the rapid adoption of technologies that have allowed it to continue offering excellent customer service.

Similarly, with the Evolve+ programme, the innovative culture at Atradius has been enhanced through the organisation of webinars in which many employees have participated, including Atradius’ senior management, and meetings have been held in collaboration with other managers from the sector.

In parallel, Atradius Academy has represented key support for employee development through digital media such as e-learning platforms, newsletters and social media. By addressing issues such as vitality, working from home and well-being in complicated times, we have fostered the creation of an environment in which learning and development are part of our everyday work dynamics. Well-being improvement programmes have also been launched, with practical webinars and sessions where ways of managing stress in the new work dynamics have been analysed.

Innovation for the customer

Despite being a year in which Covid-19 is still having an impact, innovation initiatives have continued in 2021, among which the following stand out:

- Rolling out of Arcade, Atradius’ main application, to different countries, which has made it possible to carry out administrative tasks more efficiently.
- At the beginning of the year, the replacement of the risks and underwriting platform began, creating a single underwriting solution with harmonised and efficient processes.
- Development and implementation of the Bonding application, which allows customers, brokers and insurance agents to have a state-of-the-art experience through online tools.
- Redesign of the Atrium service through a new and comprehensive system with additional functionalities and a new more intuitive look. All of this is supported by new technology that has increased performance and maintenance capacity.
- Launch of CIBTWave2, an underwriting platform that provides a service to all the risk teams at Atradius Crédito y Caución worldwide.
- Partnership with the start-up Cuideo to improve the quality of life of the elderly customers of the traditional business companies, allowing them to have dependency advice, ongoing home care and an innovative personal remote care device.

- Launch of a new app for traditional business customers, allowing them to access the e-customer area, consult policies and bills, track claims, report car claims, access the chat to resolve queries at any time, manage savings and medical acts and find the nearest vehicle garage, among others.
- New WhatsApp channel for traditional business customers, run by the Contact Centre.

04

Appendix I - Additional information



Employees

Profile of the people working in the Group

102-8, 405-1

Employees by age and gender:

	2020	2021
Over 50	2,958	3,004
% Women	41.7%	42.5%
From 40 to 49	2,526	2,430
% Women	52.7%	52.8%
From 30 to 39	1,528	1,501
% Women	52.2%	51.8%
Under 30	575	563
% Women	54.1%	51.5%
Total	7,587	7,498

Employees according to professional category and gender:

	2020	2021
Senior management	133	141
% Women	18.0%	17.7%
Middle management and technical supervision	1,617	1,590
% Women	31.9%	33.4%
Qualified admin. and sales staff	4,990	4,861
% Women	50.4%	50.0%
Administrative support	847	906
% Women	72.5%	70.6%
Total	7,587	7,498

Employees by country:

	2020			2021		
	Men	Women	Total	Men	Women	Total
Spain	2,311	2,113	4,424	2,266	2,078	4,344
Netherlands	374	208	582	360	199	559
Germany	216	264	480	213	257	470
United Kingdom	220	169	389	211	165	376
Belgium	118	182	300	114	177	291
France	103	122	225	106	122	228
Italy	94	106	200	94	106	200
United States	64	63	127	64	59	123
Portugal	45	44	89	36	58	94
Mexico	44	32	76	62	55	117
Denmark	38	36	74	42	32	74
Australia	27	33	60	28	34	62
Poland	24	25	49	24	26	50
Hong Kong	26	22	48	24	22	46
Ireland	23	16	39	25	14	39
Singapore	14	25	39	15	23	38
China	8	29	37	11	24	35
Rest of the world	167	182	349	178	174	352
Total employees	3,916	3,671	7,587	3,873	3,625	7,498

Employees by type of contract, work schedule and age*:

	2020				2021			
	< 30 years old	30-39 years old	40-49 years old	> 50 years old	<30 years old	30-39 years old	40-49 years old	> 50 years old
Permanent Full time	416	1,272	2,061	2,628	437	1,260	2,019	2,670
Permanent Part time	22	169	405	311	19	164	369	311
Temporary Full time	111	73	42	16	99	67	33	18
Temporary Part time	26	14	14	7	8	10	9	5
Total	575	1,528	2,522	2,962	563	1,501	2,430	3,004

Employees by type of contract, work schedule and job category*:

	2020				2021			
	Admin. support	Qualified admin. and sales staff	Middle management and technical supervision	Senior management	Admin. support	Qualified admin. and sales staff	Middle management and technical supervision	Senior management
Permanent Full time	489	4,228	1,535	126	561	4,175	1,512	138
Permanent Part time	235	587	77	7	239	546	75	3
Temporary Full time	84	154	4	0	87	127	3	0
Temporary Part time	39	20	2	0	19	13	0	0
Total	847	4,989	1,618	133	906	4,861	1,590	141

Employees by type of contract and gender*:

		2020	2021
Permanent contract	Men	3,786	3,754
	Women	3,498	3,495
Temporary contract	Men	130	119
	Women	173	130
Total		7,587	7,498

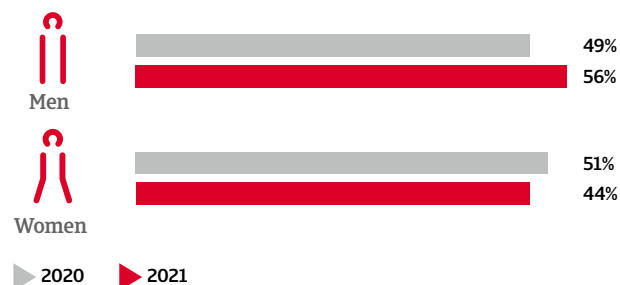
Employees by type of work schedule and gender*:

		2020	2021
Full time	Men	3,756	3,730
	Women	2,863	2,873
Part time	Men	160	143
	Women	808	752
Total		7,587	7,498

* The employee figures included are from the close of 2021 and not the average, due to being more representative since, as can be seen from the table on page 28 (Profile of the people working in the Group), the variation between the two is insignificant.

New recruitment and leavers

401-1

New recruitments:**New recruitment by age and gender:**

	2020			2021		
	Men	Women	Total	Men	Women	Total
< 30 years old	68	64	132	80	70	150
30-39 years old	61	71	132	84	60	144
40-49 years old	44	57	101	49	48	97
> 50 years old	31	24	55	34	16	50
Total	204	216	420	247	194	441

Redundancies by age and gender:

	2020			2021		
	Men	Women	Total	Men	Women	Total
< 30 years old	8	4	12	4	0	4
30-39 years old	17	9	26	15	13	28
40-49 years old	10	19	29	14	12	26
> 50 years old	17	5	22	16	9	25
Total	52	37	89	49	34	83

Redundancies by professional category and gender:

	2020			2021		
	Men	Women	Total	Men	Women	Total
Admin. support	16	12	28	0	2	2
Qualified admin. and sales staff	27	24	51	42	30	72
Middle management and technical supervision	9	1	10	7	2	9
Senior management	0	0	0	0	0	0
Total	52	37	89	49	34	83

Turnover percentage by age and gender

% Turnover	2020			2021		
	Men	Women	Total	Men	Women	Total
< 30 years old	13%	14%	13%	22%	22%	22%
30-39 years old	10%	9%	9%	11%	11%	11%
40-49 years old	5%	4%	5%	4%	5%	4%
> 50 years old	8%	7%	19%	10%	8%	9%
Total	8%	7%	7%	9%	9%	9%

*The turnover is calculated as total leavers as a percentage of total employees (excluding movements among Group companies).

Total leavers by age and gender

	2020			2021		
	Men	Women	Total	Men	Women	Total
< 30 years old	35	42	77	59	64	123
30-39 years old	73	68	141	83	83	166
40-49 years old	61	59	120	44	59	103
> 50 years old	138	91	229	165	105	270
Total	307	260	567	351	311	662

Framework for working, health and safety conditions in the workplace

Accident rate indicators

403-9, 403-10

	2020		2021	
	Men	Women	Men	Women
No. of accidents with leave (excl. commuting)	35	33	24	20
No. of days lost due to accident with leave (excl. commuting)	1,079	964	840	229
No. hours worked according to the collective agreement*	6,315,822	5,821,066	6,323,149	5,970,637
Frequency index**	5.54	5.67	3.80	3.35
Severity index***	0.17	0.17	0.13	0.04
No. of deaths (as a result of a work accident)	0	0	0	0
Death rate****	0.00	0.00	0.00	0.00
No. of professional illnesses detected	1	3	0	0

* The hours worked have been reported according to the collective agreement to standardise the criteria between the traditional business and the credit insurance business.

** Frequency index = (No. of accidents with leave excl. commuting/No. of hours worked according to the collective agreement)*1,000,000.

*** Severity index = (No. days lost due to accidents with leave/No. of hours worked according to the collective agreement)*1,000.

**** Death index = (No. deaths due to occupational accidents/No. of hours worked according to the collective agreement)*1,000,000.

Covered by collective bargaining

102-41, 407-1

	2020	2021
Spain	95%	97%
Netherlands	98%	95%
Germany	99%	100%
United Kingdom	100%	96%
Belgium	100%	100%
France	95%	100%
Italy	100%	100%
United States	0%	0%
Denmark	100%	100%
Mexico	0%	7%
Australia	0%	0%
Portugal	83%	83%
Poland	0%	0%
Hong Kong	0%	0%
China	0%	0%
Singapore	0%	0%
Ireland	28%	28%
Rest of the world	28%	27%
Total	87%	87%

Compensation and benefits

Group total

405-2

Average remuneration by category and gender and wage gap:

		2020	2021
Administrative support	Men	26,851	24,435
	Women	30,137	28,840
	Average remuneration ratio women/men	112%	118%
Qualified ad-min. and sales staff	Men	49,235	48,556
	Women	42,774	42,578
	Average remuneration ratio women/men	87%	88%
Middle management and technical supervision	Men	81,343	80,762
	Women	68,615	67,085
	Average remuneration ratio women/men	84%	83%
Senior management	Men	178,142	169,474
	Women	164,321	153,284
	Average remuneration ratio women/men	92%	90%

Average remuneration by age and gender and wage gap

		2020	2021
Under 30	Men	32,179	30,972
	Women	28,128	29,304
	Average remuneration ratio women/men	87%	95%
From 30 to 39	Men	44,566	43,565
	Women	37,971	36,948
	Average remuneration ratio women/men	85%	85%
From 40 to 49	Men	60,593	58,890
	Women	46,820	45,411
	Average remuneration ratio women/men	77%	77%
Over 50	Men	72,940	70,626
	Women	52,041	51,705
	Average remuneration ratio women/men	71%	73%

Traditional business (Spain)

405-2

Average remuneration by category and gender and wage gap:

		2020	2021
Administrative support	Men	19,146	18,547
	Women	18,262	18,478
	Average remuneration ratio women/men	95%	100%
Qualified ad-min. and sales staff	Men	35,489	36,584
	Women	31,992	32,899
	Average remuneration ratio women/men	90%	90%
Middle management and technical supervision	Men	59,782	61,194
	Women	52,745	53,391
	Average remuneration ratio women/men	88%	87%
Senior management	Men	153,554	149,744
	Women	137,626	138,005
	Average remuneration ratio women/men	90%	92%

Average remuneration by age and gender and wage gap

		2020	2021
Under 30	Men	23,314	23,515
	Women	19,671	21,876
	Average remuneration ratio women/men	84%	93%
From 30 to 39	Men	32,437	33,000
	Women	29,382	29,646
	Average remuneration ratio women/men	91%	90%
From 40 to 49	Men	43,042	43,926
	Women	33,860	34,464
	Average remuneration ratio women/men	79%	78%
Over 50	Men	54,134	54,692
	Women	38,664	38,759
	Average remuneration ratio women/men	71%	71%

Grupo Catalana Occidente has analysed the wage gap based on age and professional category and has reached the conclusion that it is insignificant. The wage gap based on age originates from the larger number of men who in previous years were appointed to jobs with high responsibility. This difference is gradually being eliminated since there is currently greater balance between the number of women and men who access these types of positions.

Training and development

Hours of training

404-1

	2020			2021		
	Men	Women	Total	Men	Women	Total
Administrative support	4,963	9,202	14,166	5,341	10,093	15,435
Qualified admin. and sales staff	39,386	36,908	76,294	50,830	45,738	96,568
Middle management and technical supervision	26,370	15,092	41,462	30,370	18,362	48,732
Senior management	3,384	958	4,342	4,795	906	5,700

For most training hours in the credit insurance business, the distribution by professional category has been estimated. The training hours of Graydon (credit insurance business company) have not been considered since they are not considered material (the number of employees of this company is not significant compared to the total for the Group).

Total training hours

404-1

	2020		2021	
	Men	Women	Men	Women
Administrative support	21.3	15.0	20.1	15.8
Qualified admin. and sales staff	15.9	14.7	20.9	18.8
Middle management and technical supervision	23.9	29.3	28.7	34.6
Senior management	31.0	40.0	41.3	36.2

Percentage of employees receiving regular evaluations on their performance and professional development

404-3

	2020			2021		
	Men	Women	Total	Men	Women	Total
Administrative support	31%	38%	36%	32%	39%	37%
Qualified admin. and sales staff	54%	54%	54%	55%	56%	55%
Middle management and technical supervision	75%	73%	75%	76%	72%	74%
Senior management	64%	75%	66%	82%	88%	83%

Ethics and compliance

The Group's compliance policies

103

Indicated below are the Group's main policies, whose description and results are set out throughout this Report.

Group policies	Location
Code of Ethics	Corporate website
Responsible Investment Policy	Corporate website
Climate Change and Environmental Policy	Corporate website
Human Resources Policy	Corporate website
Corporate Tax Policy	Corporate website
Sustainability Policy	Corporate website
Business Continuity Policy	Internal
Risk Management System Policy	Internal
Investment Policy	Internal
Reinsurance Policy	Internal
Underwriting Risk, Provisioning Risk and Claims Management Policy	Internal
Policy Concerning the Partial Internal Model For Underwriting Credit Insurance Risk	Internal
Policy on the Disclosure of Economic-Financial, Non-Financial and Corporate Information and on Contact With Shareholders, Investors and Voting Advisers	Corporate website
Reputational Risk Management Protocol	Internal
ORSA Policy	Internal
Capital Management Policy	Internal
Policy on Fitness and Good Repute	Internal
Internal Supervision Policy	Internal
Risk Management System Policy	Internal
Internal Auditing Policy	Internal
Verification of Compliance Policy	Internal
Remuneration policy	Internal
Right to Disconnect From Work Policy	Corporate website

Fight against fraud, corruption and bribery

205-2

Anti-corruption training by professional category:

	2020		2021	
	No. employees	%	No. employees	%
Administrative support	Not reported	Not reported	344	38%
Qualified admin. and sales staff	Not reported	Not reported	1,840	38%
Middle management and technical supervision	Not reported	Not reported	709	45%
Senior management	Not reported	Not reported	86	61%
Total	3,213	42%	2,979	40%

Additionally, 12 directors have received anti-corruption training in 2021 (75% of the total number of directors).

Anti-corruption training by country*:

	2020		2021	
	No. employees	%	No. employees	%
Spain*	Not reported	Not reported	2,945	68%
Netherlands	Not reported	Not reported	1	0%
Germany	Not reported	Not reported	2	0%
United Kingdom	Not reported	Not reported	1	0%
Belgium	Not reported	Not reported	2	1%
France	Not reported	Not reported	0	0%
Italy	Not reported	Not reported	0	0%
United States	Not reported	Not reported	0	0%
Denmark	Not reported	Not reported	0	0%
Mexico	Not reported	Not reported	0	0%
Australia	Not reported	Not reported	0	0%
Portugal	Not reported	Not reported	17	18%
Poland	Not reported	Not reported	0	0%
Hong Kong	Not reported	Not reported	0	0%
China	Not reported	Not reported	0	0%
Singapore	Not reported	Not reported	0	0%
Ireland	Not reported	Not reported	2	5%
Rest of the world	Not reported	Not reported	9	3%
Total	3,213	42%	2,979	40%

*In addition to the employees reported in Spain, there are 12 directors who have received anti-corruption training in 2021 (75% of the total number of directors).

Fiscal transparency

Tax information. Profit and taxes obtained by geographical area

103

	(Amount in millions of euros)					
	2020			2021		
	Profit	Tax accrued	Tax paid	Profit	Tax accrued	Tax paid
Spain	358.1	75.8	60.7	347.8	74.8	66.2
Belgium	13.8	3.6	3.4	16.9	4.8	4.8
Denmark	-1.7	-0.4	0.4	7.3	1.6	1.6
France	18.7	5.2	0.8	16.0	4.1	4.1
Germany	10.0	3.1	2.4	18.6	6.0	6.0
Greece	2.6	0.5	2.5	4.7	1.0	-1.1
Ireland	-61.6	-7.7	0.2	79.4	10.0	0.3
Italy	4.7	2.1	3.4	8.6	2.6	0.9
Norway	3.0	0.8	0.8	3.5	0.9	0.8
Russia	5.2	1.0	0.6	9.9	2.0	2.2
Switzerland	1.0	0.2	-0.1	5.0	1.0	0.7
United Kingdom	-6.9	0.6	0.2	21.2	10.4	0.2
Netherlands	-4.8	-0.6	12.4	-8.2	-1.6	2.4
Rest of Europe	4.3	2.7	1.6	23.6	4.9	1.0
Australia	9.8	3.1	1.7	19.4	5.9	4.1
United States	8.2	1.8	1.9	21.8	4.8	4.9
Rest of OECD	5.6	1.7	0.4	17.2	5.2	0.8
Hong Kong	-1.4	0.7	0.9	-9.9	0.3	-0.2
Rest of the world	-4.1	0.0	0.9	4.5	0.4	0.8
Total	364.6	94.4	95.1	607.3	139.1	100.5
Consolidation adjustments foreign business	0.0	0.0	0.0	0.0	0.0	0.0
Total	364.6	94.4	95.1	607.3	139.1	100.5

Paid tax corresponds to the amounts actually paid or received in concept of corporation tax during the financial period and includes payments on account and withholdings on the current year, as well as final settlements and returns from previous periods. For its part, accrued tax corresponds to the tax expenses recorded at the close of the financial period in relation to the profit obtained for that period. Lastly, Profit corresponds to pre-tax profit. Adjustments for foreign business have been recorded under their corresponding country. The variation in profit in 2021 is due to the impact of the Covid-19 crisis in 2020.

Social impact

Economic performance

Economic value generated and distributed

201-1

(Amount in millions of euros)		2020	2021
Direct economic value generated		4,330.8	3,905.5
Economic value distributed		3,933.5	3,883.3
Customers	Payment of insured benefits due to the occurrence of the damage or eventuality set forth in the insurance contracts	2,385.9	2,183.8
Public administrations	Payment of taxes (social security contributions, corporation tax, surcharges collected and VAT paid)	452.5	541.1
Intermediaries	Payment of commission to agents and brokers for their services rendered	512.2	542.0
Employees	Staff expenses (salaries, employee benefits, training, etc.).	496.6	504.8
Shareholders	Dividends paid by the Group to shareholders	81.5	107.8
Foundations and non-profit organisations	Contributions made to foundations and non-profit organisations by the Group's companies	4.8	4.0
Economic value retained		397.3	22.2

The direct economic value generated by the Group responds to the sum of the distributed value and the value retained. Contributions to foundations include donations to different associations and research centres (CSIC, Unicef, Cáritas, Red Cross, among others) for the fight against Covid-19 and contributions from the Group's companies to Fundación Jesús Serra.

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Appendix II - GRI content index



GRI content index

102-55

GRI standard	Content	Page or direct response	Omission	
GRI 101: Foundations				
General Disclosures				
GRI 102: General Disclosures	Organisational profile			
	102-1	Name of the organisation	Grupo Catalana Occidente, S.A.	
	102-2	Activities, brands, products and services	Page 8	
	102-3	Location of headquarters	Paseo de la Castellana n.º 4 - 28046 (Madrid)	
	102-4	Location of operations	Page 7	
	102-5	Ownership and legal form	Page 10	
	102-6	Markets served	Page 7	
	102-7	Scale of the organisation	Pages, 7, 8 and 9	
	102-8	Information on employees and other workers	Pages 28, 37, 56 and 57	No information is provided on the breakdown of the total number of employees based on employment contract (permanent or temporary) and by region (due to considering the breakdown by contract and gender, by contract and type of working hours and by contract, working hours and professional category to be sufficient).
	102-9	Supply chain	Pages 38, 39 and 40	
	102-10	Significant changes to the organisation and its supply chain	Pages 8, 38, 39 and 40	
	102-11	Precautionary principle or approach	Pages 13, 14, 42 and 43	
	102-12	External initiatives	Pages 26, 51 and 52	
	102-13	Membership of associations	Pages 26, 51 and 52	
Strategy				
102-14	Statement from senior decision-makers	Pages 3 and 4		
102-15	Key impacts, risks, and opportunities	Pages 13, 14 and 42		
Ethics and Integrity				
102-16	Values, principles, standards and norms of behaviour	Page 46, 47, 48 and 49		
102-17	Advisory mechanisms and ethical concerns	Page 46, 47, 48 and 49		
Governance				
102-18	Governance structure	Pages 10, 11, 16, 17 and 41		
102-20	Executive-level responsibility for economic, environmental, and social topics	Pages 16, 17 and 41		
Stakeholder engagement				
102-40	List of stakeholder groups	Page 19		
102-41	Collective bargaining agreements	Pages 30 and 59		
102-42	Identifying and selecting stakeholders	Page 19		
102-43	Approach to stakeholder engagement	Page 19		
102-44	Key topics and concerns raised	Pages 17 and 18		

GRI standard	Content	Page or direct response	Omission
General Disclosures			
GRI 102: General Disclosures	Reporting practice		
	102-45	Entities included in the consolidated financial statements	Page 5 Also see Appendix I and Appendix II of the Grupo Catalana Occidente Annual Report 2021 (Consolidated annual accounts section).
	102-46	Defining report content and topic boundaries	Pages 17 and 18
	102-47	List of material topics	Pages 17 and 18
	102-48	Restatements of information	No material restatements in the period. Indicated on the document in the event of restatements of information.
	102-49	Changes in reporting	Page 5
	102-50	Reporting period	Financial year 2021
	102-51	Date of most recent report	2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	analistas@catalanaoccidente.com
	102-54	Claims of reporting in accordance with the GRI Standards	Page 5
	102-55	GRI content index	Page 64
102-56	External assurance	Page 81	
Material issues			
Responsible investment			
GRI 103: Management approach*	103	Responsible investment management approach	Pages 21 and 22
GRI 203: Indirect economic impacts 2016	203-2	Significant indirect economic impacts	Pages 21, 22, 40, 50 and 51
Responsible products			
GRI 103: Management approach*	103	Responsible product management approach	Pages 23, 24 and 25

GRI standard	Content	Page or direct response	Omission
Material issues			
Responsible products			
GRI 417: Marketing and labelling	417-2 Cases and non-compliances related to information and labelling of products and services	No cases of non-compliance with regulations or voluntary codes regarding information have been recorded in 2020 or 2021.	
Management of ESG risks			
GRI 103: Management approach*	103 Management approach on ESG risk management	Pages 13, 14 and 42	
GRI 201: Economic performance	201-2 Financial implications and other risks and opportunities due to climate change	Pages 14 and 42	
GRI 307: Environmental compliance	307-1 Non-compliance with environmental laws and regulations	Grupo Catalana Occidente has not received any fines or sanctions due to non-compliance with environmental laws or regulations in 2020 or 2021	
GRI 419: Socio-economic compliance	419-1 Non-compliance with laws and regulations in the social and economic areas	During 2021, a total of 23 fines have been received, amounting to €76,994 (16 fines for a value of €1.3 million in 2020)	
Corporate Governance			
GRI 103: Management approach*	103 Corporate governance management approach	Pages 10, 11 and 12	
GRI 405: Diversity and equal opportunities	405-1 Diversity of governance bodies and employees	Pages 10, 11, 12, 28, 29, 56 and 57	The percentage of employees broken down by professional category and age group is not reported (only absolute figures are reported).
Ethics, integrity and transparency			
GRI 103: Management approach*	103 Ethics, integrity and transparency management approach	Pages 46 and 49	
GRI 201: Economic performance	201-4 Financial assistance received from the government	In 2021, as a public subsidy, Grupo Catalana Occidente S.A. has only received €107,000 for the Catalana Occidente Actuarial Tool project (€154,000 in 2020 for FUNDAE)	
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Pages 49 and 62	
	205-3 Number of case involving corruption and bribery	Pages 47 and 49	

GRI standard	Content	Page or direct response	Omission
Material issues			
Ethics and transparency			
GRI 206: Anti-competitive behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	During 2020 and 2021, no cases have been recorded concerning any legal actions relating to anti-competitive behaviour or infringements regarding anti-trust or monopoly practices	
GRI 415: Public policy	415-1 Contribution to political parties and/or representatives	As in 2020, no contributions to political parties have been made during 2021	
Customer experience			
GRI 103: Management approach*	103 Customer experience management approach	Pages 33 and 36	
Data protection and cyber-security			
GRI 103: Management approach*	103 Data protection and cyber-security management approach	Page 48	
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 48 and 49	
Innovation			
GRI 103: Management approach*	103 Innovation management approach	Pages 53 and 54	
Management of service providers			
GRI 103: Management approach*	103 Management approach to service provider management	Pages 38 and 40	
GRI 204: Acquisition practices	204-1 Proportion of spending on local suppliers	Page 40	
GRI 308: Environmental evaluation of suppliers	308-1 New suppliers who have passed the selection process in accordance with environmental criteria	Page 40	
GRI 414: Social evaluation of suppliers	414-1 New suppliers who have passed the selection process in accordance with social criteria	Page 40	

GRI standard	Content	Page or direct response	Omission
Material issues			
Climate change and environmental management			
GRI 103: Management approach*	103 Management approach on climate change and environmental management	Pages 41 and 46	
GRI 301: Materials	301-1 Materials used by weight or volume	Page 45	
	301-2 Consumables recycled	Page 45	
GRI 302: Energy	302-1 Energy consumption within the organisation	Page 45	
GRI 305: Emissions	305-1 Direct GHG emissions (Scope 1)	Page 43	
	305-2 Indirect GHG emissions when generating energy (Scope 2)	Page 43	
	305-3 Other indirect emissions of GHG (Scope 3)	Page 43	
Quality employment			
GRI 103: Management approach*	103 Management approach to quality employment	Pages 28 and 29	
GRI 401: Employment	401-1 New employee hires and employee turnover	Page 58	No figures are reported in relation to the total number of new employee hires broken down by region, nor new recruitment by age range, gender and region. No figures are reported in relation to the total leavers nor the turnover by region.
GRI 402: Labour/Management Relations	402-1 Minimum notice periods regarding operational changes	The minimum notice periods are established in the different collective agreements of the Organisation's employees. In countries that do not have a collective bargaining agreement, the applicable local laws are applied.	
GRI 405: Diversity and equal opportunities	405-1 Diversity of governance bodies and employees	Pages 10, 11, 12, 28, 29, 56 and 57	The percentage of employees broken down by professional category and age group is not reported.
	405-2 Ratio of basic salary and remuneration of women compared to men	Pages 12 and 60	

GRI standard	Content	Page or direct response	Omission
Material issues			
Quality employment			
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Pages 28, 29 and 47	
GRI 407: Freedom of association and collective bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 30, 40 and 59 No operations or suppliers with significant risk of cases of freedom of association and collective bargaining have been identified.	
Recruitment, development and retention of talent			
GRI 103: Management approach*	103 Recruitment, development and retention of talent management approach	Page 31	
GRI 404: Training and education	404-1 Average annual number of hours of training per employee	Pages 31 and 61	
	404-3 Percentage of employees receiving regular performance and professional development reviews	Page 31 and 61	
Health and safety			
GRI 103: Management approach*	103 Health and safety management approach	Page 30	
GRI 403: Occupational health and safety	403-1 Occupational safety and health management systems	Page 30	
	403-2 Identification of hazards, risk assessment and investigation of incidents	Page 30	
	403-3 Health services at work	Page 30	
	403-4 Workers' participation, consultations and communication on health and safety at work	Page 30	
	403-5 Educating employees on occupational health and safety	Page 30	
	403-6 Encouraging health among employees	Page 30	
	403-9 Injuries due to occupational accidents	Page 59	No information is available regarding the main types of injuries due to occupational accidents. No information is available regarding workers who are not employees, but whose jobs or workplaces are controlled by the organisation (intermediaries, associates, etc.).
	403-10 Occupational ailments and illnesses	Page 59	No information is available regarding the main types of occupational ailments and illnesses. No information is available regarding workers who are not employees, but whose jobs or workplaces are controlled by the organisation (intermediaries, associates, etc.).

GRI standard	Content	Page or direct response	Omission
Material issues			
Commitment to society			
GRI 103: Management approach*	103 Commitment to society management approach	Pages 21, 40, 49, 50, 51 and 52	
GRI 201: Economic performance	201-1 Direct economic value generated and distributed, in particular relating to the creation of economic value	Page 63	
GRI 203: Indirect economic impacts	203-2 Significant indirect economic impacts	Pages 21, 22, 40, 50 and 51	
Development of local communities			
GRI 103: Management approach*	103 Development of local communities management approach	Pages 50, 51 and 52	
GRI 413: Local communities	413-1 Operations with local community engagement, impact assessments, and development programmes	Pages 50, 51 and 52	
Human Rights			
GRI 103: Management approach*	103 Human rights management approach	Page 47	
GRI 408: Child labour	408-1 Operations and suppliers with significant risk of being involved in child labour	Page 47 No operations or suppliers with significant risk of being involved in child labour have been identified.	
GRI 409: Forced or compulsory labour	409-1 Operations and suppliers with significant risk of being involved in forced or compulsory labour	Page 47 No operations or suppliers with significant risk of being involved in forced or compulsory labour have been identified.	
GRI 412: Human rights evaluation	412-1 Operations subject to reviews or evaluations regarding impact on human rights	No operations have been identified that should be subject to review or evaluation regarding impact on human rights.	
	412-3 Significant investment agreements and contracts with human rights clauses or subject to human rights evaluation (HR)	There are no significant investment agreements in place, these being understood as investment management mandates, since Grupo Catalana Occidente directly manages nearly all of its investments.	

* GRI 103: Management approach: includes information regarding the explanation of the material topic and its coverage (103-1), the management approach and its components (103-2) and the evaluation of the management approach (103-3).

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Appendix III - Non-Financial Information Statement (NFIS) content index



Non-Financial Information Statement (NFIS) content index

The following table contains the pages of this Report in which the information required by Spanish Law 11/2018, of 28 December, on non-financial information and diversity, can be found.

Information requested by Law 11/2018	Related GRI standards	Page or direct response	
	General information		
Business model	Brief description of the group's business model (business environment and organisation)	102-2 Activities, brands, products and services 102-7 Organisation's size 102-9 Supply chain	Page 8 Pages 7, 8 and 9 Pages 38, 39 and 40
	Geographical presence	102-3 Location of headquarters	Paseo de la Castellana n°4, 28046 (Madrid)
		102-4 Location of operations	Page 7
		102-6 Markets served	Pages 7 and 8
	Objectives and strategies of the organisation	102-14 Statement from senior decision-makers	Pages 3 and 4
	Main factors and trends that could affect its future performance	102-15 Key impacts, risks, and opportunities	Pages 13, 14 and 42
Policies	Description of the policies applied by the group regarding these issues, which will include the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts and for verification and control, including the measures that have been taken	103 Management approach	Pages 13, 16, 21, 22, 23, 24, 28, 30, 31, 32, 33, 36, 38, 39, 40, 41, 42, 43, 44, 46, 47, 48, 52, 53 and 61
Results of the policies	The results of those policies, which must include key indicators of relevant non-financial results that allow the monitoring and evaluation of any progress and that help create comparability between companies and sectors, in accordance with the national, European or international reference frameworks used	103 Management approach	Pages 13, 16, 21, 22, 23, 24, 28, 30, 31, 32, 33, 36, 38, 39, 40, 41, 42, 43, 44, 46, 47, 48, 52, 53 and 61
Risks	The main risks related to those issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these fields and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with the national, European or international reference frameworks for each area. Information must be included on the impacts that have been detected, offering a breakdown of these, particularly on the main risks in the short, medium and long-term	102-15 Key impacts, risks, and opportunities	Pages 13, 14 and 42
Reporting framework	Mention in the report of the national, European or international reporting framework used for the selection of key indicators of non-financial results included in each section	102-54 Claims of reporting in accordance with the GRI Standards	Page 5

Information requested by Law 11/2018	Related GRI standards	Page or direct response	
	Information on environmental matters		
Environmental management	Current and forecast effects of the company's activities on the environment and, where appropriate, health and safety	102-15 Key impacts, risks, and opportunities 307-1 Non-compliance with environmental laws and regulations	Pages 13, 14 and 42 Grupo Catalana Occidente has not received any fines or sanctions due to non-compliance with environmental laws or regulations in 2020 or 2021.
	Environmental assessment or certification procedures	103 Management approach	Pages 44 and 45
	Resources assigned to the prevention of environmental risks	103 Management approach	Pages 44 and 45
	Precautionary Principle or approach	102-11 Precautionary principle or approach	Pages 13, 14, 42 and 43
	Amount of provisions and guarantees for environmental risks	103 Management approach	Page 45
	Pollution	Measures to prevent, reduce or repair emissions that seriously affect the environment; taking into account any form of atmospheric pollution specific to an activity, including noise and light pollution	103 Management approach
The circular economy and waste prevention and management	Circular Economy and measures for the prevention, recycling, reuse, other forms of recovery and disposal of waste	Immaterial	
	Actions to combat food waste	Immaterial	
Sustainable use of resources	Consumption and supply of water according to local restrictions	Immaterial	
	Consumption of raw materials and measures taken to improve the efficiency of their use	301-1 Materials used by weight or volume 301-2 Consumables recycled	Page 45 Page 45
	Direct and indirect energy consumption	302-1 Energy consumption within the organisation	Page 45
	Measures taken to improve energy efficiency	103 Management approach	Pages 45 and 46
	Use of renewable energies	302-1 Energy consumption within the organisation	Page 45
Climate Change	Significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	305-1 Direct (Scope 1) GHG emissions	Page 43
		305-2 Indirect (Scope 2) GHG emissions	Page 43
		305-3 Other indirect (Scope 3) GHG emissions	Page 43
	Measures adopted to adapt to the consequences of climate change	103 Management approach	Pages 14, 42 and 43
		201-2 Financial implications and other risks and opportunities due to climate change	Pages 14, 42 and 43
Reduction targets voluntarily established in the medium and long-term to reduce greenhouse gas emissions and the measures implemented for this purpose	103 Management approach	Pages 43, 44, 45 and 46	
Protection of Biodiversity	Measures taken to preserve or restore biodiversity	Immaterial	
	Impacts caused by activities or operations in protected areas	Immaterial	

Information requested by Law 11/2018	Related GRI standards	Page or direct response	
Information on social and staff-related matters			
Employment	Total number and distribution of employees by gender, age, country and professional classification	102-8 Information on employees and other workers 405-1 Diversity of governance bodies and employees	Pages 28, 37, 56 and 57 Pages 10, 11, 12, 28, 29, 56 and 57
	Total number and distribution of employment contract types, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification	102-8 Information on employees and other workers	Pages 28, 37, 56 and 57
	No. of dismissals by gender, age and professional classification	401-1 New employee hires and employee turnover	Page 58
	Average remuneration and its evolution broken down by gender, age and professional classification or equal value	405-2 Ratio of basic salary and remuneration of women compared to men	Pages 12 and 60
	Pay gap, the remuneration of equal or average jobs in the company		
	Average remuneration of directors and executives, including variable remuneration, allowances, compensation and payment into long-term savings benefit systems and any other payment broken down by gender	405-2 Ratio of basic salary and remuneration of women compared to men	Pages 12 and 60
	Implementation of policies on the right to disconnect	103 Management approach	Page 29
	Employees with a disability	405-1 Diversity of governance bodies and employees	Page 29
	Organisation of the work	Organisation of the working time	103 Management approach
Number of hours of absenteeism		103 Management approach	Page 30
Measures aimed at promoting a work-life balance and encouraging shared responsibility by both parents		103 Management approach	Page 29
Health and safety	Health and safety conditions in the workplace	103 Management approach	Page 30
		403-1 Occupational health and safety management system	Page 30
		403-2 Identification of hazards, risk assessment and investigation of incidents	Page 30
		403-3 Health services at work	Page 30
		403-4 Workers' participation, consultations and communication on health and safety at work	Page 30
		403-5 Educating employees on occupational health and safety	Page 30
		403-6 Encouraging health among employees	Page 30
	Occupational accidents, in particular their frequency and severity, as well as occupational diseases; broken down by gender	403-9 Injuries due to occupational accidents 403-10 Occupational ailments and illnesses	Page 59 Page 59

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Information requested by Law 11/2018	Related GRI standards	Page or direct response
	Information on social and staff-related matters	
Social relations	Organisation of the social dialogue, including procedures for informing and consulting staff and negotiating with them	103 Management approach Page 19
	Percentage of employees covered by collective agreements by country	102-41 Collective bargaining agreements Pages 30 and 59
	Position in collective bargaining agreements, particularly in the field of occupational health and safety	103 Management approach Pages 30 and 59
	Mechanisms and procedures the company has to promote the involvement of workers in the company's management, in terms of information, consultation and participation	103 Management approach Pages 19 and 30
Training	Policies implemented in the field of training	103 Management approach Page 31
	Total number of training hours by professional classification	404-1 Average annual number of hours of training per employee Pages 31 and 61
Universal access for disabled people	Universal access for disabled people	103 Management approach Page 29
Equality	Measures adopted to promote equal treatment and opportunities for men and women	103 Management approach Pages 28 and 29
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for effective gender equality), measures taken to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities	103 Management approach Pages 28 and 29
	Policy against any type of discrimination and, where necessary, management of diversity	103 Management approach Pages 28 and 29

Information requested by Law 11/2018	Related GRI standards	Page or direct response	
	Information on respecting human rights		
Application of due diligence procedures	102-16 Values, principles, standards and codes of conduct	Pages 46, 47, 48 and 49	
	102-17 Advisory mechanisms and ethical concerns	Pages 46, 47, 48 and 49	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 30, 40 and 59 No operations or suppliers with significant risk of cases of freedom of association and collective bargaining have been identified.	
	408-1 Operations and suppliers with significant risk of being involved in child labour	Page 47 No operations or suppliers with significant risk of being involved in child labour have been identified.	
	409-1 Operations and suppliers with significant risk of being involved in forced or compulsory labour	Page 47 No operations or suppliers with significant risk of being involved in forced or compulsory labour have been identified.	
	412-1 Operations subject to reviews or evaluations regarding impact on human rights	No operations have been identified that should be subject to review or evaluation regarding impact on human rights.	
	412-3 Significant investment agreements and contracts with human rights clauses or subject to human rights evaluation	There are no significant investment agreements in place, these being understood as investment management mandates, since Grupo Catalana Occidente directly manages nearly all of its investments.	
	Complaints relating to cases of human rights violations	406-1 Incidents of discrimination and corrective actions taken	Pages 28, 29 and 47
		419-1 Non-compliance with laws and regulations in the social and economic area	During 2021, a total of 23 fines have been received, amounting to €76,994 (16 fines amounting to €1.3 million in 2020).
	Promotion and compliance with the provisions of the fundamental agreements of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	103 Management approach	Page 46 and 47
		406-1 Incidents of discrimination and corrective actions taken	Pages 28, 29 and 47
		407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 30, 40 and 59 No operations or suppliers with significant risk of cases of freedom of association and collective bargaining have been identified.
		408-1 Operations and suppliers with significant risk of being involved in child labour	Page 47 No operations or suppliers with significant risk of being involved in child labour have been identified.
		409-1 Operations and suppliers with significant risk of being involved in forced or compulsory labour	Page 47 No operations or suppliers with significant risk of being involved in forced or compulsory labour have been identified.

Information requested by Law 11/2018		Related GRI standards	Page or direct response
	Information on the fight against corruption and bribery		
Information on the fight against corruption and bribery	Measures adopted to prevent corruption and bribery	103 Management approach	Pages 46, 47, 48 and 49
		102-16 Values, principles, standards and codes of conduct	Pages 46, 47, 48 and 49
		102-17 Advisory mechanisms and ethical concerns	Pages 46, 47, 48 and 49
		205-3 Confirmed incidents of corruption and actions taken	Pages 47 and 49
	Measures to combat money laundering	103 Management approach	Page 46
		102-16 Values, principles, standards and codes of conduct	Pages 46, 47, 48 and 49
		102-17 Advisory mechanisms and ethical concerns	Pages 46, 47, 48 and 49
		205-2 Communication and training about anti-corruption policies and procedures	Pages 49 and 62
	Contributions made to foundations and non-profit organisations	201-1 Direct economic value generated and distributed	Page 63
		413-1 Operations with local community engagement, impact assessments, and development programmes	Pages 50, 51 and 52
	Company information		
Company's commitments to sustainable development	The impact of the company's activity on local employment and development	103 Management approach	Pages 21, 39, 40, 49, 50, 51 and 52
		203-2: Significant indirect economic impacts	Pages 21, 22, 40, 50 and 51
		204-1 Proportion of spending on local suppliers	Page 40
	The impact of the company's activity on local populations and the region	103 Management approach	Pages 50, 51 and 52
		413-1 Operations with local community engagement, impact assessments, and development programmes	Pages 50, 51 and 52
	Relationships with members of the local communities and the types of dialogue with them	102-43 Approach to stakeholder engagement	Page 19
	Association and sponsorship actions	102-12 External initiatives	Pages 26, 51 and 52
		102-13 Membership of associations	Pages 26, 51 and 52

Information requested by Law 11/2018	Related GRI standards	Page or direct response	
Company information			
Subcontracting and suppliers	Inclusion of social, gender equality and environmental matters in procurement policies	103 Management approach	Pages 38, 39 and 40
	Consideration of their social and environmental responsibility in relationships with suppliers and subcontractors	103 Management approach	Pages 38, 39 and 40
		102-9 Supply chain	Pages 38, 39 and 40
		308-1 New suppliers who have passed the selection process in accordance with environmental criteria	Page 40
		414-1 New suppliers who have passed the selection process in accordance with social criteria	Page 40
	Supervision and audit systems, and their results	103 Management approach	Page 40
102-9 Supply chain		Pages 38, 39 and 40	
Consumers	Measures for the health and safety of consumers	103 Management approach	Pages 46, 47, 48 and 49
	Systems for claims, complaints received and their resolution	103 Management approach	Pages 34, 35 and 36
		418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 48 and 49
Tax information	Profits obtained country by country	103 Management approach	Page 63
	Corporation tax paid	103 Management approach	Page 63
	Information on public subsidies received	201-4 Financial assistance received from the government	In 2021, as a public subsidy, Grupo Catalana Occidente S.A. has only received €107,000 for the Catalana Occidente Actuarial Tool project (€154,000 in 2020 for FUNDAE).
Other material information			
Other information about the Company's profile	102-1 Organisation's name	Grupo Catalana Occidente, S.A.	
	102-5 Ownership and legal form	Page 10	
	102-10 Significant changes to the organisation and its supply chain	Pages 8, 38, 39 and 40	
Information on Corporate Governance	102-18 Governance structure	Pages 10, 11, 16, 17 and 41	
	102-20 Executive-level responsibility for economic, environmental and social topics	Pages 16, 17 and 41	
Information on the involvement of stakeholders	102-40 List of stakeholder groups	Page 19	
	102-42 Identifying and selecting stakeholders	Page 19	
	102-44 Key topics and concerns raised	Pages 17 and 18	

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Information requested by Law 11/2018		Related GRI standards	Page or direct response
	Other material information		
Other useful information		102-48 Restatements of information	No material restatements in the period. Indicated on the document in the event of restatements of information.
		102-49 Changes in reporting	Page 5
		102-50 Reporting period	Financial year 2021
		102-51 Date of most recent report	2020
		102-52 Reporting Cycle	Annual
		102-53 Contact point for questions regarding the report	analistas@catalanaoccidente.com
		102-55 GRI disclosure index	Page 64
		102-56 External verification	Page 81
		206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	During 2020 and 2021, no cases have been recorded concerning any legal actions relating to anti-competitive behaviour or infringements regarding anti-trust or monopoly practices.
		402-1 Minimum notice periods regarding operational changes	The minimum notice periods are established in the different collective agreements of the Organisation's employees. In countries that do not have a collective bargaining agreement, the applicable local laws are applied.
		404-3 Percentage of employees receiving regular evaluations on their performance and professional development	Pages 31 and 61
	415-1 Contributions to political parties and/or representatives	As in 2020, no contributions to political parties have been made during 2021.	
	417-2 Cases and non-compliances related to information and labelling of products and services	No cases concerning cases of regulatory non-compliance or voluntary codes regarding information and labelling of products or services have been recorded in 2020 or 2021.	
Information requested by (EU) Regulation 2020/852, on Taxonomy		References use	Page
Asset indicators	Proportion of total assets on the balance sheet accounted for by financial activities considered ineligible or eligible under the Taxonomy	Regulation (EU) 2020/852, on Taxonomy Delegated Regulation (EU) 2021/2178, of the Commission, supplementing Regulation (EU) 2020/852, on Taxonomy	Page 22
	Proportion of total assets accounted for by central governments, central banks and supranational issuers		Page 22
	Proportion of total assets accounted for by derivatives		Page 22
	Proportion of total assets accounted for by companies not obliged to publish non-financial information in accordance with articles 19 bis or 29 bis of Directive 2013/34/EU		Page 22
Indicators for non-life insurance premiums	Proportion of non-life insurance premiums accounted for by economic activities considered ineligible or eligible under the Taxonomy		Page 25
Qualitative information	Qualitative information for the understanding by the markets of the asset and non-life insurance premium indicators	Delegated Regulation (EU) 2021/2178, of the Commission, supplementing Regulation (EU) 2020/852, on Taxonomy - APPENDIX XI	Page 21, 22 and 25

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**Grupo Catalana Occidente, S.A.
and subsidiaries**

Independent Verification Report,
Consolidated Non-Financial Information Statement
31st December 2021



A free translation from the original in Spanish

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders of Grupo Catalana Occidente, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, the accompanying Consolidated Non-Financial Information Statement (NFIS) for the year ended 31st December 2021 of Grupo Catalana Occidente, S.A. (Parent company) and subsidiaries (hereinafter "Grupo Catalana Occidente") included in the "Sustainability report - Non-Financial Information Statement" which forms part of the Grupo Catalana Occidente's consolidated management report.

The content of the NFIS includes additional information to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in the tables "Appendix III - Non-Financial information Statement (NFIS) content index" and "Appendix II - GRI content index" included in the NFIS.

Responsibility of the Board of Directors of the Parent Company

The preparation of the NFIS included in Grupo Catalana Occidente's consolidated management report and the content thereof, are the responsibility of the Board of Directors of Grupo Catalana Occidente, S.A. The NFIS has been drawn up in accordance with the provisions of current mercantile legislation and with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), Core option, in line with the details provided for each matter identified in the tables "Appendix III - Non-Financial Information Statement (NFIS) content index" and "Appendix II - GRI content index" included in the NFIS.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the NFIS to be free of material misstatement due to fraud or error.

The Board of Directors of Grupo Catalana Occidente, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.



Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Non-Financial Information Statement issued by the Spanish Institute of Auditors (“Instituto de Censores Jurados de Cuentas de España”).

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of Grupo Catalana Occidente that were involved in the preparation of the NFIS, of the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the Grupo Catalana Occidente personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the content of the NFIS for the year 2021, based on the materiality analysis carried out by Grupo Catalana Occidente and described in section “Materiality and relationship with stakeholders”, taking into account the content required by current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the NFIS for the year 2021.



- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the NFIS for the year 2021.
- Verification, by means of sample testing, of the information relating to the content of the NFIS for the year 2021 and that it was adequately compiled using data provided by the sources of the information.
- Obtaining a management representation letter from the Directors and management of Parent company.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that NFIS of Grupo Catalana Occidente, for the year ended 31st December 2021 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and in accordance with the criteria of the GRI Standards Core option in accordance with the details provided for each matter in the tables “Appendix III - Non-Financial Information Statement (NFIS) content index” and “Appendix II - GRI content index” included in the aforementioned NFIS.

Emphasis of matter

The Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments, establishes the obligation to disclose information on the manner and extent to which the assets of the company are associated with economic activities eligible according to Taxonomy for the first time for the year 2021, provided that the NFIS is published as of 1 January 2022. Consequently, comparative information on this matter has not been included in the accompanying NFIS. In addition, information has been included in respect of the criteria that the Board of Directors of Grupo Catalana Occidente have chosen to apply the criteria that, in their opinion, best allow compliance with the new obligation and that are defined in sections “Responsible investment - Eligibility of the asset according to the EU Taxonomy” and “Responsible products - Eligibility of premiums according to the EU Taxonomy” included in the NFIS. Our conclusion has not been modified in relation to this matter

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Juan Ignacio Marull Guasch

February 25th, 2022

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