
Climate change and environmental Policy

Grupo Catalana Occidente

Description of the document

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

Version Control

Version	Carried out by	Validated by	Approved by
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Disclaimer

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

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1. General provisions

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

1.1. Objectives

The purpose of this Policy is to establish the principles, criteria and commitments to be taken into account by Grupo Catalana Occidente in its management in order to contribute to the protection of the environment and the mitigation of the effects of climate change in the exercise of its activity.

This document is based on the Sustainability Policy that develops GCO's commitment to the creation of sustainable social value for stakeholders, with the prevention and mitigation of the effects of climate change and the possible environmental impacts of its activity.

This Policy is elaborated with the firm purpose of setting out the commitments in terms of climate change and environment of Grupo Catalana Occidente and shall constitute the framework of action for its management, consideration in the processes of risk management and product design as well as in the accountability to respond to the obligations arising from Law 11/2018 on non-financial information and Diversity and Law 7/2021, of 20 May, on climate change and energy transition and in compliance with the current Sustainability Master Plan of Grupo Catalana Occidente.

1.2. Scope of application

This Policy applies to Grupo Catalana Occidente, as well as to the Entities that comprise it.

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

1.3. Policy governance. Responsible departments

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

In a complementary manner, the Audit Committee has the function of supervising GCO's performance in relation to Sustainability issues, including the Sustainability Master Plan and

its corresponding and pertinent updates. In turn, the Sustainability Committee shall act as coordinator and supervisor of the different issues included in the Policy, ensuring consistency with the Group's general policies.

The Financial Management of Grupo Catalana Occidente, S.A. is responsible for the elaboration of this Policy and its annual update and review. In this task it will rely on the cooperation of the Actuarial Role and Risk Control Directorate, the Investment Directorate, the Operations Directorate and the Legal Advice Directorate.

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

The reviews to this Policy shall be approved annually by the Board of Directors of Grupo Catalana Occidente, S.A. at the proposal of the GCO Sustainability Committee, and the other Group's Entities described in the "Scope of application" section shall be informed of such reviews.

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

1.4. Communication of this policy

This policy will be subject to internal and external communication. The following communication process is defined:

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

2. Action framework

Grupo Catalana Occidente's position in the fight against climate change and mitigating the environmental impact of its activity is mainly based on the following good practices and international standards:

- Sustainable Development Goals (SDGs) and the United Nations Agenda 2030. Specifically, the activity carried out by Grupo Catalana Occidente and the work developed from the Fundación Jesús Serra is aimed at contributing to the following SDGs:
 - Goal 1: No poverty
 - Goal 3: Good health and well-being
 - Goal 4: Quality education
 - Goal 5: Gender equality
 - Goal 8: Decent work and economic growth
 - Goal 10: Reduced inequalities
 - Goal 11: Sustainable cities and communities
 - Goal 16: Peace, justice and strong institutions
 - Goal 17: Partnerships for the Goals

- Paris Agreement of the United Nations Framework Convention on Climate Change, which aims to keep the global average global temperature increase below 2°C above pre-industrial levels, and to limit the temperature increase to 1.5°C.
- Directive 2004/35/EC of the European Parliament and of the Council on environmental liability with regard to the prevention and remedying of environmental damage.
- Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) to promote company transparency on climate change risks and opportunities.
- European Green Pact and European decarbonisation strategy to 2050.
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (the Taxonomy Regulation)
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector (the Sustainability and Non-Financial Disclosures Regulation or SFDR)
- Law 7/2021, of 20 May, on climate change and energy transition.
- Organisation for Economic Co-operation and Development (OECD) Sustainability Guidelines for multinational companies.

The Group is also a member of leading initiatives and organisations that seek solutions aimed at promoting sustainability:

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

3. Commitments

In order to contribute to the protection of the environment and the reduction of the effects of climate change, Grupo Catalana Occidente assumes the following commitments:

3.1. Environmental management

Grupo Catalana Occidente recognises the effects of its activity on the local, national, and global environment. Therefore, it is committed to a process of continuous improvement in environmental performance and pollution prevention and aims to address the impact of its operations on the environment and climate change by adopting the following lines of action:

- To have an environmental management system in place.
- To ensure compliance with the environmental and energy regulations applicable to its activities, as well as other commitments that the Group voluntarily subscribes to.
- To apply good environmental principles and practices in its actions.
- To encourage as far as possible the development and diffusion of environmentally friendly technologies.
- To set targets to minimise and offset its calculated CO2 emissions, in accordance with the guidelines, criteria and recommendations of the Zero Net Emissions Insurance Alliance (NZIA), of which Grupo Catalana Occidente is a member.

- To actively promote a culture that encourages the efficient and responsible use of resources, as well as behaviours that favour such responsible use, involving all the stakeholders.
- To raise awareness of climate change and environmental issues among the Group's employees through training and awareness campaigns and encourage suppliers and contractors to adopt policies consistent with those of the Group in this area.

3.2. Products and services

The challenge of climate change and the new regulatory requirements allow Grupo Catalana Occidente to identify business opportunities in its activities and products. To this end, Grupo Catalana Occidente undertakes to:

- Identify the different products and services that contribute to an adequate adaptation for a sustainable economy.
- Promote the development of sustainable products and services that contribute to environmental protection.
- Integrate environmental criteria into its product and service offerings, and continue to extend these criteria to other areas of its activity (investments, supply chain, etc.).
- Incorporate the physical risk arising from climate change in the risk analyses of products and services that could be materially affected by climate change, and review them regularly and incorporate them in the forward-looking risk assessment in accordance with the recommendations of national and/or European supervisors and regulators.

3.3. Risk management

Aware of the growing importance of extra-financial risk management, Grupo Catalana Occidente is committed, within its Risk Management System, to give special relevance to the identification of risks and opportunities related to climate change and in particular:

- Identify risks and opportunities related to climate change and include them in the Group's Risk Map.
- Analyse, to the extent these may be relevant, the impact of such risks on financial planning and adapt, if necessary, strategic planning in light of the risks identified.
- Promote the progressive implementation of metrics that help to measure and manage climate change risks and opportunities. These metrics shall be disclosed in the Group's Sustainability Report - Statement of Non-Financial Information.
- Promote, to the extent that may be appropriate, the incorporation of environmental criteria in the underwriting Policy.

- Report periodically to the highest level on the identification of risks and opportunities arising from climate change, as well as their impact on the organisation's business and financial planning.

3.4. Transparency

GCO is committed to promoting transparency of all the above commitments and of the various actions related to the environment and climate change. Specifically:

- It shall provide public information on its adherence to the different standards and principles issued by international reference organisations.
- It shall provide public information on its environmental management, including qualitative and quantitative information on energy consumption and greenhouse gas emissions. This information shall be included in the Sustainability Report.
- It shall provide information on its various sustainable products and services that contribute to the protection of the environment, as they are developed and in accordance with applicable regulations.
- In terms of risk management, GCO shall provide information on the identification and management of climate change-related risks and opportunities, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The Master Plan defined by the Sustainability Committee shall detail the different actions to be carried out in accordance with the aforementioned principles, criteria and commitments approved in this Policy. When developing the Master Plan each of the departments involved shall prepare an annual plan.