

NON-FINANCIAL INFORMATION STATEMENT



2019 Sustainability Report



20
19



NON-FINANCIAL
INFORMATION
STATEMENT.
SUSTAINABILITY
REPORT



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INTRODUCTION

GRI 102-50



The Royal Decree-Law 18/2017, of November 24th, and Law 11/2018, of December 28th, by which the Commercial Code, the consolidated text of the Capital Companies Law approved by the Royal Legislative Decree 1/2010, of July 2nd, and Law 22/2015, of July 20th, on Auditing of Accounts are amended, in matters of non-financial information and diversity, has transposed Directive 2014/95/EU of October 22nd of the European Council and Parliament into the Spanish legal system, amending Directive 2013/34 EU with regard to the disclosure of non-financial information and information on diversity by certain large companies and certain groups.



“ For Solunion, to explore is to be excited to innovate, to improve what already exists, and to look for new opportunities to grow ”

The Directive object is to identify risks to improve sustainability and increase the confidence of investors, consumers and society in general, and for this, it increase the disclosure of non-financial information, such as social and environmental factors, as well as on staff, respect for human rights and the fight against corruption and bribery; it also expanded the content required in the annual corporate governance report to be published by listed companies, to promote transparency and understanding of the business organization and business of the company concerned.


After Directive 2014/95/EU entered into force, in 2017 it was transposed to the Spanish legal order by Royal Decree Law 18/2017, of 24th November. In 2018, Act 11/2018, of 28th December, non-financial information and diversity, was enacted. This new Act increases the obligations of publication of non-financial information, which includes environmental and social aspects, relating to management of people; diversity; respect of Human Rights and the fight against corruption and bribery; identifying risks; policies; and the consequences associated with these matters. The present paper covers the demands derived from the entry into force of the new provisions, forming an integral part of the Company's Management Report.

At Solunion, we present for the first time our **Non-Financial Information Statement. 2019 Sustainability Report**, approved by our Board of Directors by written procedure without a meeting, according to the Royal Decree-Law 8/2020 regarding extraordinary urgent measures to face the economic and social impact of the COVID-19, which allows approving resolutions this way during the state of alarm which was declared through the Royal Decree 463/2020, with the aim of providing our stakeholders with a true and fair view of our non-financial performance in the 2019 Financial Year, and to familiarise themselves with the commitments that we have taken on these issues.

In this way, we meet the growing demand from society in general, as well as from our two shareholders, for enterprises to explain their performance in non-financial aspects : in the Environmental, Social and Corporate Governance areas (ESG), in the understanding that good performance in these areas is an essential factor for the success of companies.

This Report has been prepared following the reporting requirements and recommendations of the Global Reporting Initiative's (GRI) consolidated set of standards.

For ease of reading, the report has been structured by topic rather than following the order of the GRI indicators. References to the GRI indicators covered in each section have been added in the texts (e.g. 102-7).

Finally, with the aim of facilitating access to all available information, throughout this report we have included direct links both to the corporate website (www.solunion.com) and to other group websites, as well as to the official documents published there in PDF format. 



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ESSAGE FROM THE CEO

GRI 102-14



I am pleased to write to you from these lines to present our 2019 **Non-Financial Information Statement. 2019 Sustainability Report**, a document that constitutes our memory of non-financial activity and that we are preparing to offer a complete, transparent and deep vision of our business. Our commitment to corporate social responsibility and the support we provide to the sustainable development of our environment and society are the pillars of this report.

As Solunioners, we want to accompany our clients so that they achieve everything they propose in the development of their business. It is our desire to accompany them in their development, analyzing and responding to their needs, and adapting to each market situation in which they carry out their business.

All of this, in an environment of continuous transformation and volatility, which changes at great speed and which requires a deep adaptation capacity by organizations to maintain competitiveness. For all this, **we focus our operations on creating an environment in which the development of our business and our growth is sustainable** and that responds to the needs and concerns of our stakeholders: shareholders, employees, customers, collaborators, the insurance sector, and, in general, society as a whole.

Since our origins, in 2013, Solunion has shown profitable and sustainable growth; over the years, we have expanded our presence in Latin America and have consolidated our position in our domestic market, Spain.

“ Our commitment to sustainability and social action also gives meaning to our operations ”

In 2019 we launched our 2020-2021 strategic plan, which, under the name of Atenea, pursues the transformation of our entity through four pillars: Profitable and Sustainable Growth, Innovation, Efficiency and Commitment, each with specific lines of action and supported by our values: bold by nature, team strength and real commitment.

Atenea's purpose is "to accompany our clients to achieve their objectives and drive them to grow, providing them with risk management solutions tailored to their needs."

It is precisely our commitment, the commitment of our Solunioners, which is going to drive us to look for new solutions, that is going to allow us to constantly adapt ourselves by offering versatile products and services; and the one that will allow us to carry out a multi-channel distribution strategy in all the countries in which we operate.


We do all this within a legal regulatory framework that is one more support on which to build a healthy, ethical and transparent operation with all our stakeholders.

Our commitment to sustainability and social action also gives meaning to our operations. We act under an Equality and Diversity Plan and People and Sustainability Policies; in 2019, we adhered to the United Nations Global Compact, and we incorporate the Sustainable Development Goals (SDGs) into our daily lives. This certifies us as a company that strives for equality, diversity, talent, social responsibility, well-being and sustainable development in all aspects in which we operate.

With our Solunioners, in 2019 we carried out 37 volunteer activities, in which family members also participated, related to education, health and well-being, and to emergency aid. We can proudly say that these activities affected the well-being of more than 1,300 people.

It is precisely our Solunioners to whom I want to express my deep gratitude for their daily effort, commitment and dedication. They represent not only the fundamental pillar of our Atenea strategic plan, but they also project Solunion's real commitment to its environment and to its different stakeholders.

I am convinced that our strategic plan Atenea, which has profitable and sustainable growth, the commitment of our Solunioners, efficiency and innovation as its basic pillars, will be our guide during these next two years 2020 and 2021.

On behalf of the Board of Directors and on my own, I want to express my deepest gratitude for the trust shown to all our stakeholders and at the same time reiterate the commitment of all Solunioners to continue working with the sole objective of contributing to economic and social development. 

Alberto Berges
Solunion CEO



ET TO KNOW SOLUNION

1 | PRESENCE & AREAS OF ACTIVITY

GRI 102-4



Solunion is a company whose sole corporate purpose is the practice of insurance and reinsurance operations in the Credit and Surety branches, as well as other complementary, accessory or related activities, as permitted by insurance legislation. With more than 6,800 clients, we have presence in 16 countries, more than 500 employees; we manage risk in more than 50 countries, collections capacity in more than 130 countries, and a premium volume of more than €189 million.

We seek to grow profitably, with a completely client-focused approach, to whom we offer technical and operational excellence, innovative products and services adapted to client's needs, taking the better of our two shareholders, the risk management of the world leader, Euler Hermes, and the distribution network of one of the leading insurance companies in Spain and Latin America, MAPFRE.



“ We want to go hand-in-hand with our clients so that they achieve everything they set out to do ”

SPAIN

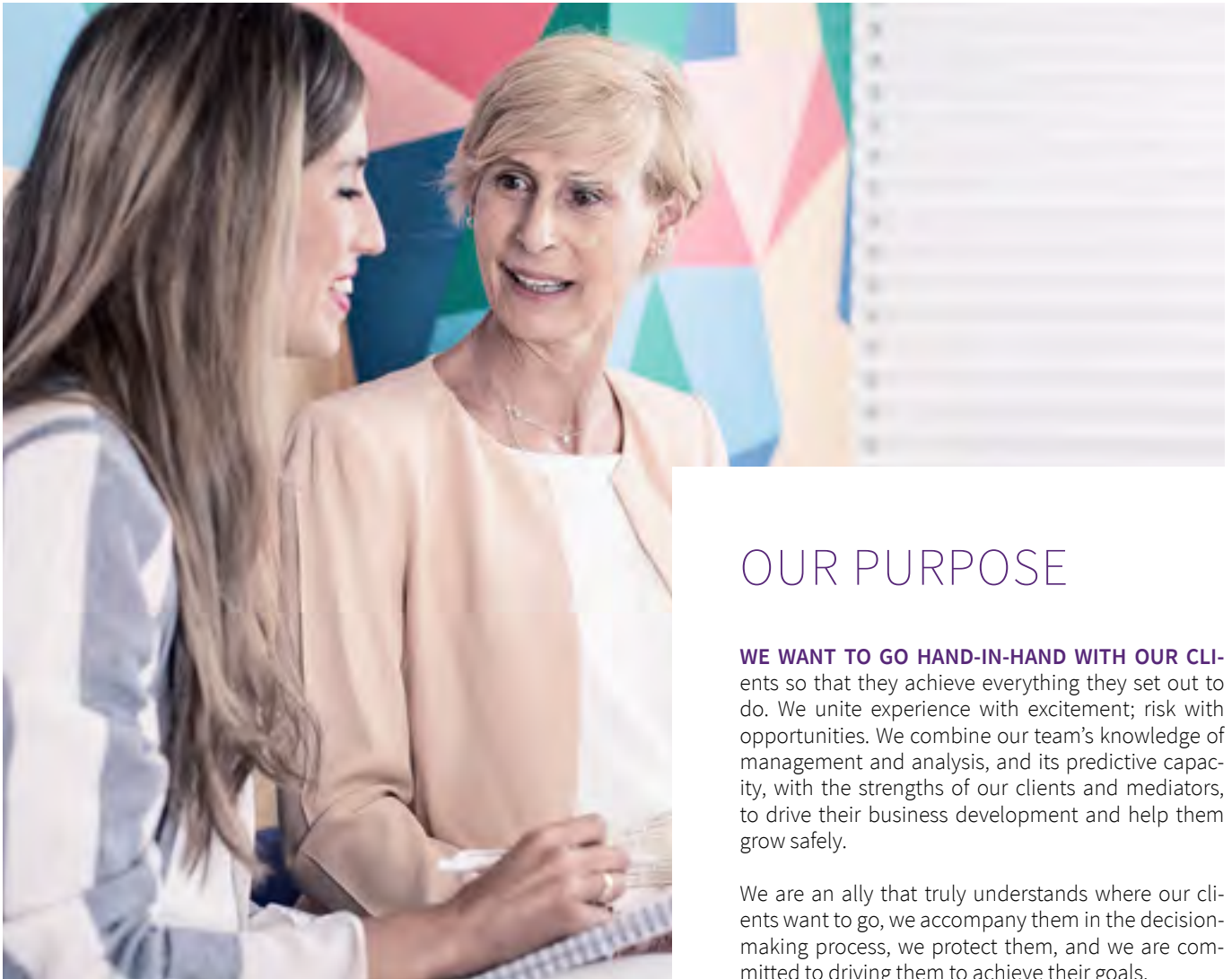
We maintain a spirit of expansion, growth and permanent evolution. Because the world changes and risks evolve, at Solunion we are constantly adapting. We stand above our competitors with a top quality service. We listen and analyze, so that then we can create what businesses demand.

We govern ourselves by an ethical guideline based on integrity and in line with our values and character. We act in accordance with current legislation, following what is established by the compliance function and generating value for society, with a social and sustainable spirit that is at the foundation of our shareholders.

We have an ambition. We want to be the leading partner in Credit and Surety insurance, and in innovative services associated with commercial risk management, both in Spain and Latam.

For operational purposes, the Solunion Group concentrates a large part of its activity in the five countries in which it is established (Spain, Mexico, Colombia, Chile and Argentina) and operates in the Credit branch through fronting agreements in Ecuador, Uruguay, Paraguay, Peru, Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, and the Dominican Republic.

In addition, we are part of the Euler Hermes Collections and Risk Analyst Network, which allows us to help recover unpaid invoices in more than 130 countries, and manage risks in almost any country in the world.



OUR PURPOSE

WE WANT TO GO HAND-IN-HAND WITH OUR CLIENTS so that they achieve everything they set out to do. We unite experience with excitement; risk with opportunities. We combine our team's knowledge of management and analysis, and its predictive capacity, with the strengths of our clients and mediators, to drive their business development and help them grow safely.

We are an ally that truly understands where our clients want to go, we accompany them in the decision-making process, we protect them, and we are committed to driving them to achieve their goals.

We explore what is best in each of them whether employee, mediator or client, with rigour and precision, in order to go even further.

WHAT WE OFFER

FOR SOLUNION, TO EXPLORE IS TO BE EXCITED TO innovate, to improve what already exists, and to look for new opportunities to grow.

We want to offer innovative solutions adapted to the business, so that our clients can find a solid, secure, and convincing path that allows them to attain all of their proposed goals.

Led by our trajectory and strengthened by our character, we always look ahead, creating new opportunities and moving towards them together with our clients and mediators, together with the market.

This is what we are looking for at Solunion: to mark out a before and an after as your partner in your business trajectory.

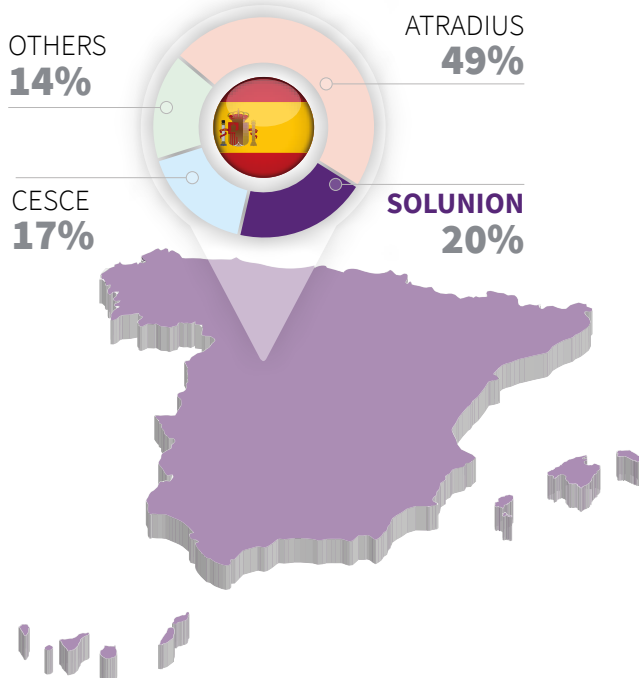
OUR POSITION IN THE MARKET

WE HAVE A DIRECT PRESENCE IN SPAIN, CHILE, Colombia, Mexico, and Argentina, and we offer our products and services from the hand of MAPFRE in Ecuador, Uruguay, Paraguay, Peru, Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala, and the Dominican Republic.

The shares and positioning in the key markets in Credit insurance are as follows:

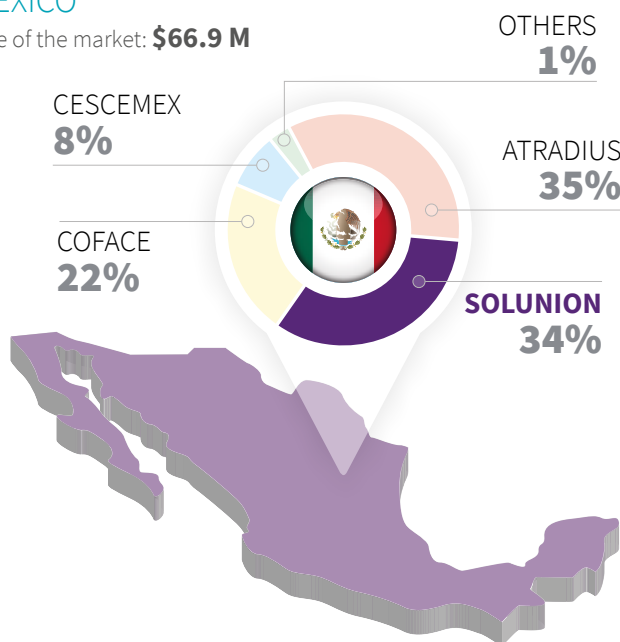
SPAIN*

Size of the market: **€606 M**



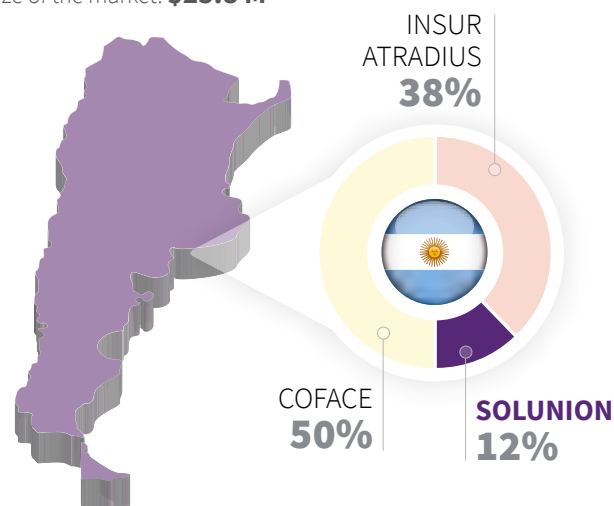
MEXICO**

Size of the market: **\$66.9 M**



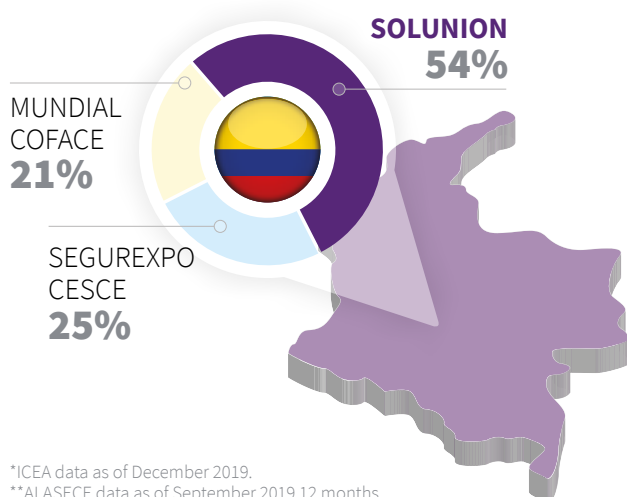
ARGENTINA*

Size of the market: **\$25.8 M**



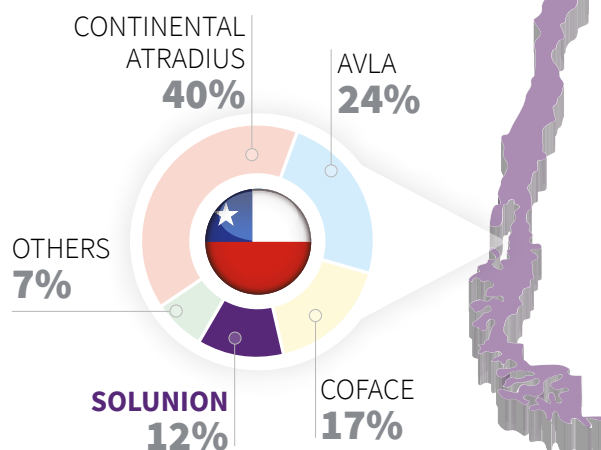
COLOMBIA**

Size of the market: **\$30.2 M**



CHILE*

Size of the market: **\$104.6 M**



*ICEA data as of December 2019.

**ALASECE data as of September 2019 12 months.

Emission in Argentina is in fronting through Allianz.

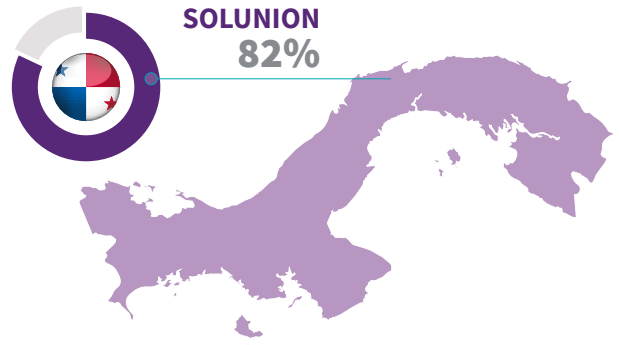


As well as the five main business units, **we are present in other Latam countries** and we plan to expand our activities to all markets in the region where our shareholder MAPFRE is present.

The shares and positioning in the key markets in fronting countries are as follows:

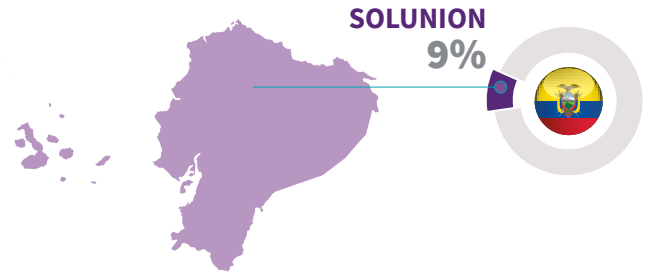
PANAMA**

Size of the market: **\$2.4 M**



ECUADOR**

Size of the market: **\$10.2 M**



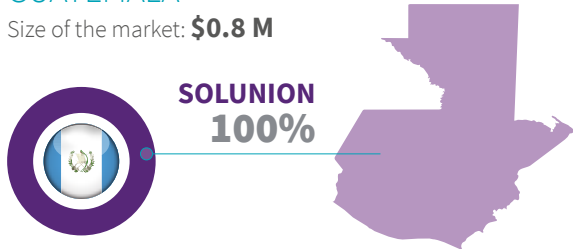
COSTA RICA**

Size of the market: **\$0.1 M**



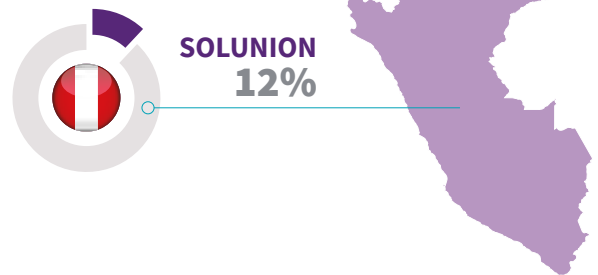
GUATEMALA**

Size of the market: **\$0.8 M**



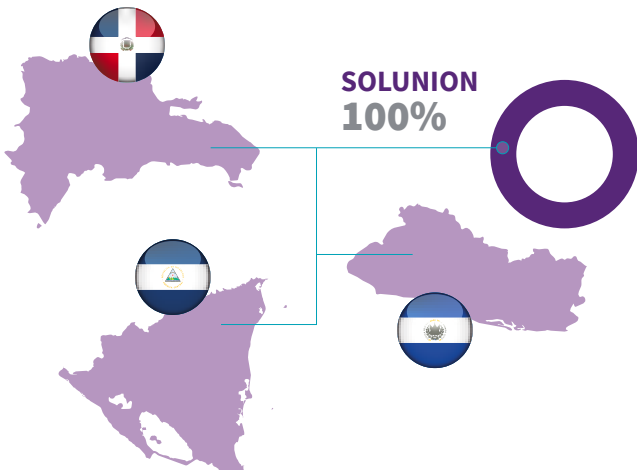
PERU**

Size of the market: **\$12.5 M**



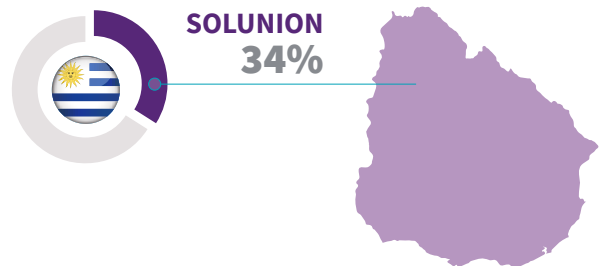
DOMINICAN REPUBLIC, EL SALVADOR, NICARAGUA**

Size of the market: **\$0.4 M**



URUGUAY**

Size of the market: **\$3.1 M**



SOLUNION'S SHARE

**ALASECE data as of September 2019 12 months.

2 | 2019 MAIN FIGURES



RATING A
(EXCELLENT)
FROM A.M. BEST.



€228.7
MILLION
TURNOVER
IN 2019.



+1,900
RISK
ASSESSMENTS
A DAY.



+40 MILLION
COMPANIES
ANALYZED, IN A
DATABASE WITH
CONSTANTLY
UPDATED
INFORMATION.



**INTERNATIONAL
COLLECTIONS
NETWORK** IN
MORE THAN 130
COUNTRIES AND
**1,500 RISK
ANALYSTS**
AROUND
THE WORLD.



+6,800
CLIENTS
WORKING
TOGETHER WITH US
IN ALL COUNTRIES
IN WHICH WE
OPERATE.



+ €80 BILLION
THIS IS THE TOTAL
VALUE OF SALES
THAT WE HAVE
ENSURED.



+50
COUNTRIES.
INTERNATIONAL
PRESENCE FROM
THE HAND OF OUR
SHAREHOLDERS.

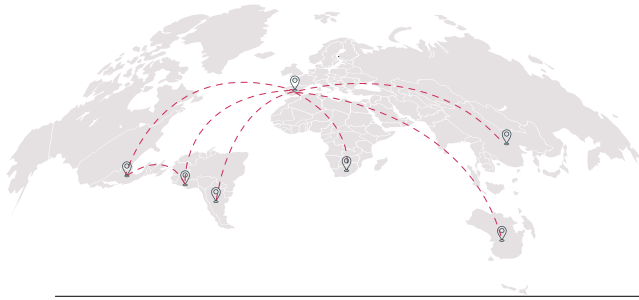


WE ARE A
**SOLID
GROUP**
THAT GROWS
STEADILY IN ALL
MARKETS.



OUR DISTINCTIVE FEATURES

EXPERIENCE AND INTERNATIONAL PRESENCE



Our analyst network works on the ground with a local presence. We know and monitor the evolution of markets, companies and sectors of activity.

We provide expert and constantly updated information and share a unique and advanced risk management technology, to respond quickly and adapt to the needs of our policyholders.



INTERNATIONAL DEBT COLLECTIONS CAPACITY

We process all steps necessary for the recovery of amounts due, with a local service across the world.



FLEXIBLE AND INNOVATIVE PRODUCTS

Easy to manage, adapted to each type of company and to the circumstances of a changing market.



MULTI-CHANNEL DISTRIBUTION STRATEGY

We distribute through different channels. Our objective is to be the preferred partner of mediators, to strengthen our distribution through the agency channel (MAPFRE agents, Allianz agents, exclusive agents in Spain), and to continue developing the bank-assurance channel with new distribution agreements.

QUALITY OF SERVICE

Clients are everything and meeting their needs is the reason behind for our solutions and services. We offer personalised and proactive attention, and permanent access to policy information for our policyholders.

We believe that technology is our best ally to boost your business.

Our technological tools provide peace of mind. We rely on technology to anticipate possible unwanted situations. In addition, they allow us to manage our products where and when required.

TECHNOLOGICAL TOOLS OF MANAGEMENT



COMPREHENSIVE ONLINE MANAGEMENT OF THE POLICY.



ONLINE MONITORING OF COLLECTIONS AND CLAIMS MANAGEMENT.



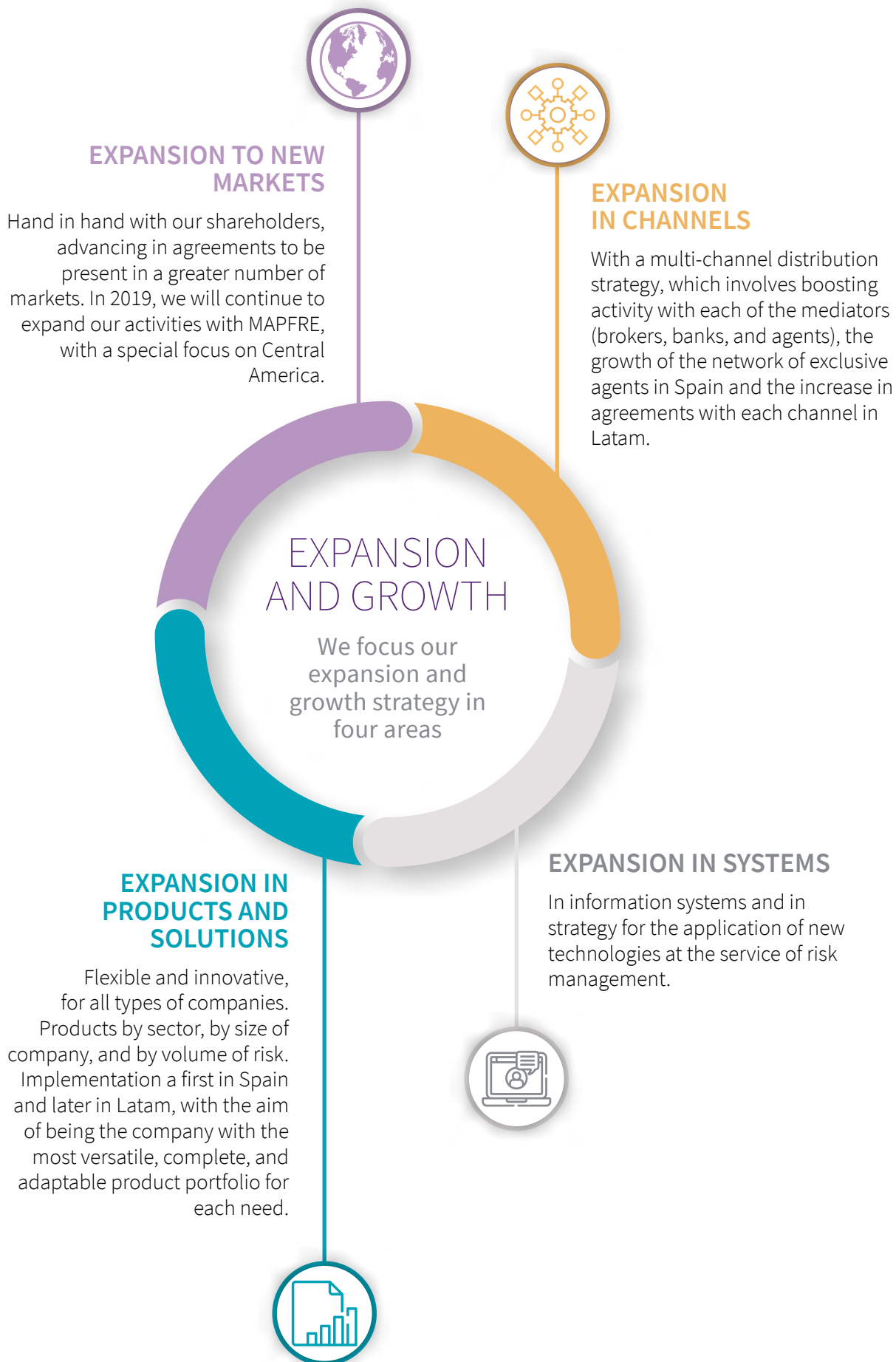
DOWNLOAD RECEIPTS AND INVOICES ONLINE.



GRAPHICAL ANALYSIS OF THE CUSTOMER PORTFOLIO, GRADE CURVE.



REAL-TIME INFORMATION ON THE EVOLUTION OF YOUR RISKS AND POSSIBLE IMPROVEMENTS IN CREDIT QUALITY.



TURNOVER, ASSETS & LIABILITIES

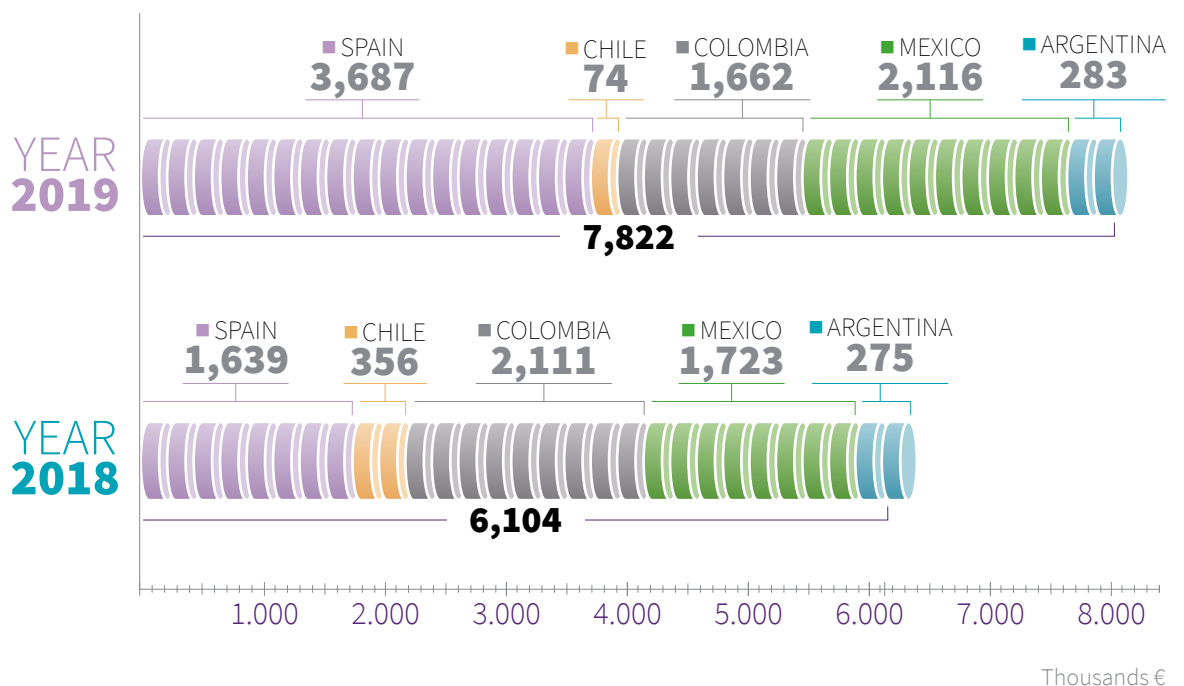
GRI 201

The main aggregates relating to revenue, the value of assets and liabilities and the composition of consolidated assets are as follows:

CONCEPT (Thousands €)	dic-19	dic-18	Var.% 19/18
RESULTS			
Turnover	228,743	199,386	14.72%
BALANCE			
Total assets	433,644	398,096	8.93%
Equity	120,978	111,292	8.70%
Debt	77,877	77,793	0.11%
Technical provisions	203,779	179,948	13.24%
RATIOS			
Loss Ratio	61.06%	54.71%	11.61%
Cost Ratio	26.74%	26.82%	-0.29%
Combined Ratio	87.81%	81.53%	11.32%

NET PROFIT AFTER TAX

GRI 201



EMPLOYEES

GRI 102-7

THE SOLUTIONION GROUP HAD **523** EMPLOYEES AS OF THE END OF 2019, WITH THE FOLLOWING BREAKDOWN PER COUNTRY





CORPORATE & GOVERNANCE STRUCTURE, OWNERSHIP & LEGAL FORM

GRI 102-7

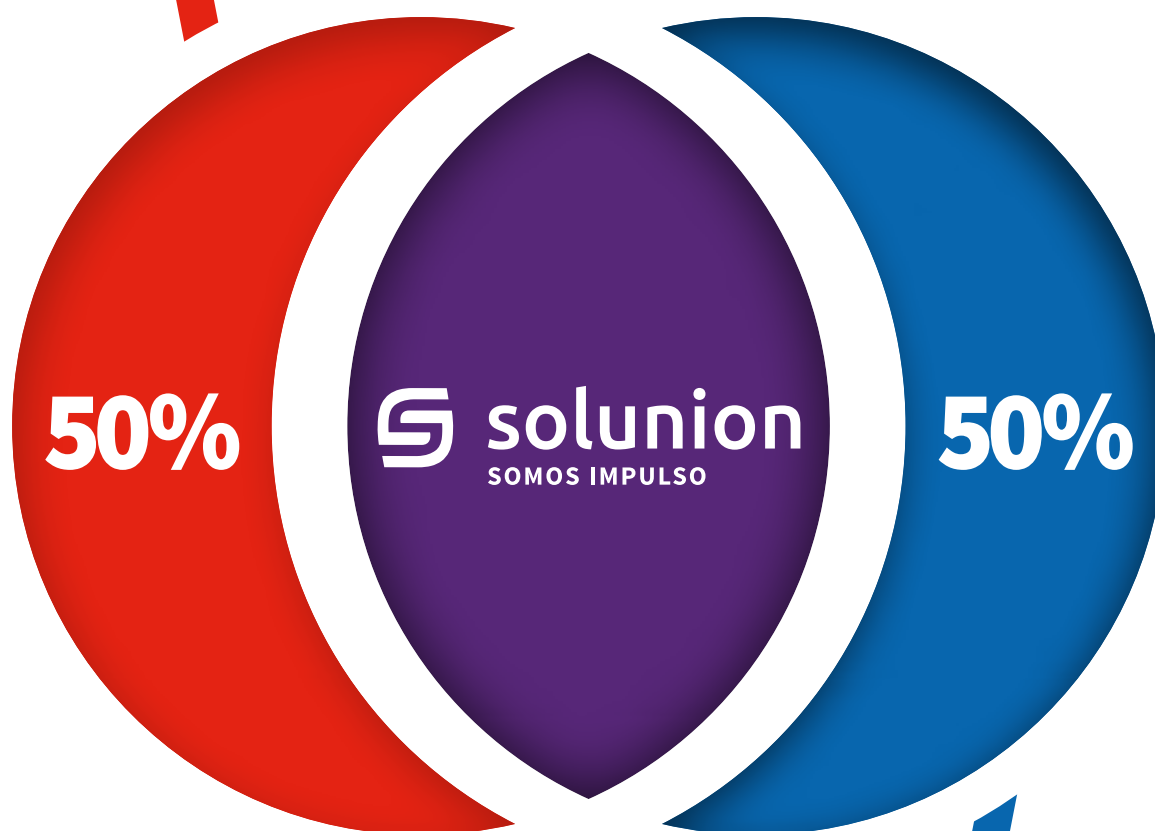
SOLUTION CONSTITUTES A JOINT VENTURE between the Euler Hermes Group and MAPFRE (each of which holds 50% of its share capital through the entities Euler Hermes Luxembourg Holding S.à.r.l. and MAPFRE Participaciones, SAU, respectively) which in 2013 integrated the Credit insurance and complementary services businesses of both Groups in Spain and Latam, and is the parent company of a group of companies engaged in such activities in Argentina, Chile, Colombia, Spain and Mexico. In December 2017, shareholders expanded the scope of the agreement to include the joint development of Surety insurance.

We are a joint venture with 50 per cent owned by MAPFRE, a global insurer with a presence in five continents and the leading multinational insurance group in Latin America; and 50 per cent Euler Hermes, worldwide number one in Credit insurance and one of the leaders in Surety and Debt Recovery.

We have taken the best of each one to take care of our clients' business:



MAPFRE is a global insurance company, which occupies a prominent place in the major world markets. It is the third largest insurance group in Latin America and leader in Non-Life insurance in the region; the 11th largest insurance company in Europe; and is in the TOP 20 Automobile Insurance in the United States. It has a team of more than 35,000 employees, 86,500 brokers and nearly 5,300 offices, offering a broad portfolio of products worldwide.



Euler Hermes is the world leader in Credit insurance and a specialist in Surety bonds, Debt Recovery, Commercial Credit and Political Risk. With more than 100 years' experience, it offers a comprehensive range of services to manage commercial credits between companies. Its international surveillance network monitors and analyzes the financial stability of active companies of all sizes, representing 92% of global GDP. Headquartered in Paris, Euler Hermes is present in more than 50 countries and has more than 5,900 employees. It is an Allianz company.



REGULATORY FRAMEWORK

GRI 102-15, 102-3

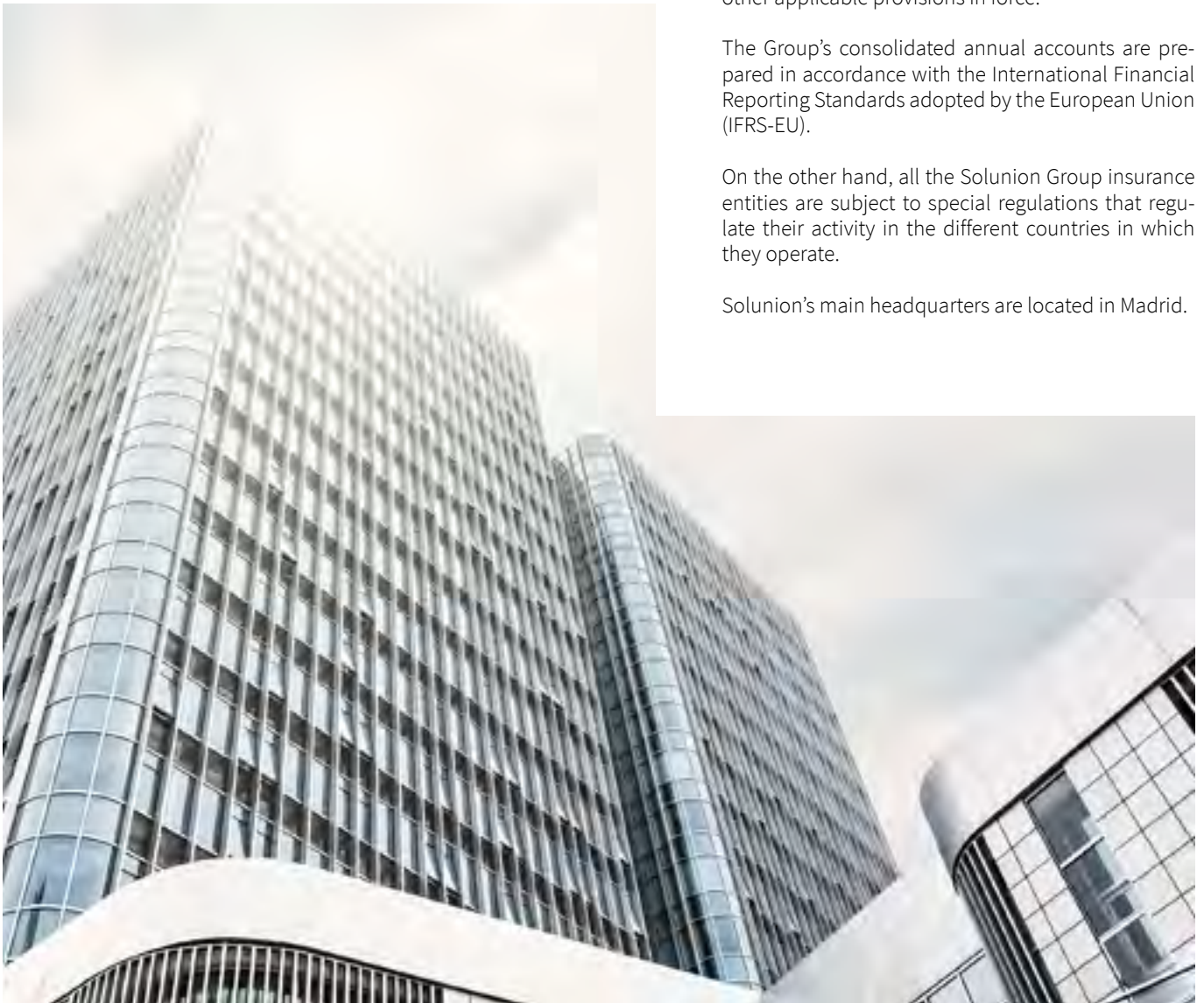
SOLUNION SEGUROS, COMPAÑÍA INTERNACIONAL de Seguros y Reaseguros, S.A. is a Public Limited Company incorporated under Spanish law, whose exclusive corporate object is the practice of insurance and reinsurance operations in the Credit and Surety branches, as well as other complementary, accessory or related activities, insofar as permitted by insurance legislation.

The Company is considered a public interest entity, in accordance with article 3.5 of Law 22/2015, of July 20th, on Account Auditing, and is governed by the specific regulations on organization, supervision and solvency of insurance entities and reinsurers and complementary provisions, both community and national, the Capital Companies Law, its bylaws and other applicable provisions in force.

The Group's consolidated annual accounts are prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

On the other hand, all the Solunion Group insurance entities are subject to special regulations that regulate their activity in the different countries in which they operate.

Solunion's main headquarters are located in Madrid.



3 | ECONOMIC ENVIRONMENT

GRI 102-15



2020 PERSPECTIVES: MANAGING THE BUSINESS CYCLE

2019 WAS MARKED BY RECORD HIGH

uncertainty and two recessions, though a broad-based recession was avoided, thanks to swift and sizeable monetary policy reactions. Amid high social tensions, rapidly multiplying political risks and rising climate change risks, 2020 could represent a turning point in policies to defend growth at all costs., which Solunion presents in ten keys, as result of the analysis of the report: What to expect in 2020-21: defending growth at all costs, prepared by Euler Hermes.

GLOBAL ECONOMIC GROWTH IS LIKELY TO REMAIN WEAK AFTER BOTTOMING OUT AT THE TURN OF 2019

THE TROUGH IN GLOBAL GROWTH IS

expected in Q4 2019, thanks to the end of trade and industrial recessions. However, global growth is likely to converge towards but remain below +3.0% at the horizon of 2021.

In a context of lower growth, global insolvencies are expected to rise by +6% in 2020 compared with +9% in 2019.





UNITED STATES AND CHINA, TENSIONS AT THE SAME LEVEL

TRADE TENSIONS BETWEEN THE TWO

countries will remain at similar levels in the new period.

The mini-deal is not a game changer but it announces slightly lower uncertainty as a tariff escalation is unlikely in an electoral year.

We expect the U.S. average tariff to remain at 7%, compared to 3.5% in 2018. Trade growth will be capped by a lasting trade feud and below potential economic growth (+1.8% in 2020 and +2.5% in 2021).

THE U.S. WILL FURTHER EXPLORE THE ROAD OF HIGHER PUBLIC AND CORPORATE DEBT

GDP GROWTH RETURN CLOSE TO +2% IN 2021 due to even more accommodation on the fiscal side. Furthermore, the country is expected to continue exploring the path of greater public and corporate debt.

A moderate democratic win (55% probability) would raise the level of budgetary risks and reduce the U.S.-originated foreign policy risk. U.S.

EUROZONE, GROWTH BELOW POTENTIAL

THE EUROZONE ECONOMY WILL GROW

below its potential rate of +1.4% in 2020-21 as industrial production will only see a gradual recovery. The consumer will continue to save the day, thanks to favorable labor market conditions and robust wage growth. The UK should not be a drag on growth anymore, but difficulties of the German economy, fragile government coalitions in several Eurozone economies, lingering high social discontent and the threat of U.S. import tariffs levied on the car sector remain significant downside risks.

CHINA, GRADUALLY PROMOTING WORLD GROWTH

WE EXPECT CHINA'S GDP GROWTH AT +5.9%

in 2020 and +5.8% in 2021, after +6.2% in 2019. Such growth rates should still allow the leadership's goal of doubling 2010's GDP by 2020 to be met. The policy mix is supportive, but the aim is to manage the slowdown, not reverse it.

MONETARY POLICY WILL REMAIN A SAFETY NET FOR GROWTH AND MARKETS

THE U.S. FEDERAL RESERVE WILL

continue the easing of its monetary policy with one rate cut in March 2020 to cope with the recession of the U.S. manufacturing sector and start hiking from H2 2021 (+50bp) only. The European Central Bank is likely to implement another deposit rate cut of 10bp in April 2020 to -0.6%, while maintaining its Quantitative Easing purchases at the pace of EUR20bn until the end of the year. The People's Bank of China and several central banks in emerging economies will continue to ease their monetary policies in 2020.

SOCIAL DISCONTENT AND POLITICAL INSTABILITY

POLITICAL STABILITY WILL BE TESTED ACROSS

major European countries, while the U.S. Presidential elections will have significant implications in terms of economic and foreign policies.

High social discontent will persist and call for fiscal policies to be more redistributive, as has been the case for several months; the sharing of value-added will bring more benefit to salaries instead of profits, further eroding margins of companies.

Is not expected any significant reduction in (geo)-political tensions in the Middle East, while the unrest and political instability in Latin America and Hong Kong could continue in H1 2020.

POOR PERFORMANCE OF ADVANCED ECONOMIES

LOW INFLATION, A SOLID SAFETY NET

provided by expansionary fiscal and monetary policies and an expected depreciation of the USD are likely to nurture risk appetites and lead to an out-performance of emerging assets (equity, bonds and currencies).

CAPITAL MARKETS SHOULD REMAIN IN A LOW VOLATILITY REGIME

CAPITAL MARKETS SHOULD REMAIN IN A LOW

volatility regime as the dampening effect of unconventional monetary policy prevails. However, the divergence in risk scenario priced into risky assets and safe havens is likely to persist. On the one hand, risky assets, like equities, corporate bonds, emerging markets equities and bonds are not priced for a deterioration of current economic and political conditions. On the other hand, safe-haven assets like sovereign bonds in the developed world are not priced for an improvement of the economic and political environment. In a context of the wait-and-see posture of investors, linked to the U.S. elections and progressive erosion of profits, the global equity market is expected to register an inflexion in its upward (monetary driven) trend. The correlations between the asset classes will remain low, limiting the potential of portfolio diversification.

DOMESTIC SECTORS WILL OUTPERFORM

THE VERY EXPANSIONARY STANCE OF

monetary and fiscal policies will primarily benefit domestic demand. Domestic-driven companies (services and construction) will outperform companies relying on foreign revenues and globally integrated supply chains. The automotive sector will continue its muddling through.



4 | GENERAL INFORMATION ABOUT THE GOVERNANCE SYSTEM

GRI 102-14, 102-16, 102-18, 102-19, 102-20, 102-22, 102-23, 102-26, 102-35, 102-36, 102-37



CORPORATE GOVERNANCE

GRI 102-35

THE GOVERNANCE SYSTEM OF SOLUNION HAS the aim of guaranteeing its sound and prudent management in accordance with a common model of operation and organisation for the Group that establishes hierarchical and functional dependencies, a structure of governance for common risk management, key functions, and written Policies of corporate governance, which include the requirements of fit and proper that have to be met by the Administrators, the Managers and the Key functions.



1 Operational scheme made up of three levels.

KEY ROLES & RESPONSABILITIES

- Integrate the General Meeting, the highest governing body of Solunion, and appoints the members of the Board of Directors.
- General principles of relationship among the shareholders are established in Joint Venture agreements.

1 SHAREHOLDERS

- Strategic steering of all BU's and target setting.
- Support growth initiatives.
- Functional directives and steering.
- Key operational topics participation.
- Service provider for BU's.

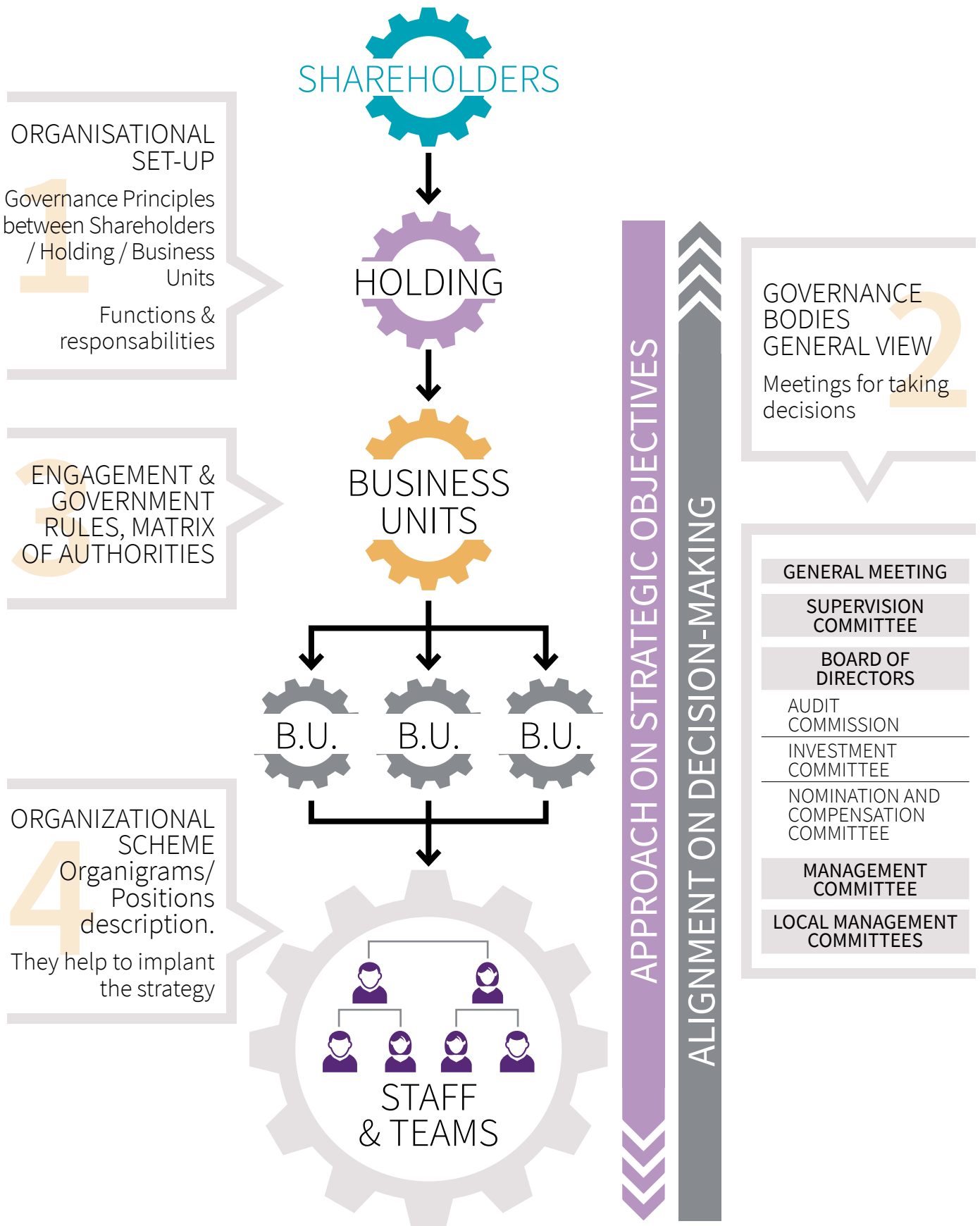
2 HOLDING

3 BUSINESS UNITS

- Responsible for local operations.
- Transform strategies and guidelines into operational tasks.
- Ensure the implementation of functional tasks.
- Responsibility of day-to-day operations/gross technical result.

2

Organisational structure constructed in accordance with a Target Operating Model. (TOM).



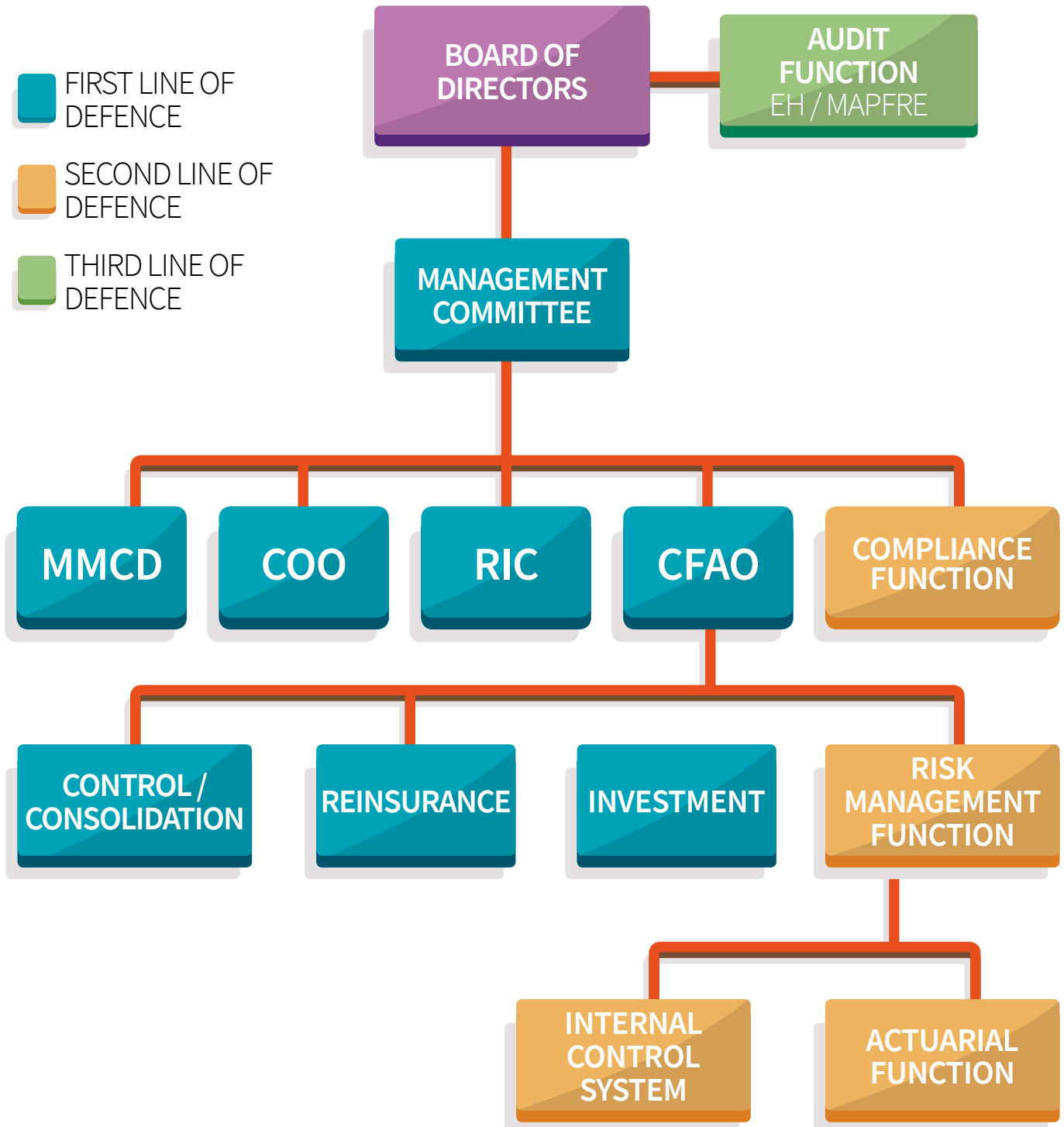
3 Common structure of risk management governance for Solunion.



4

Key roles of the governance system:

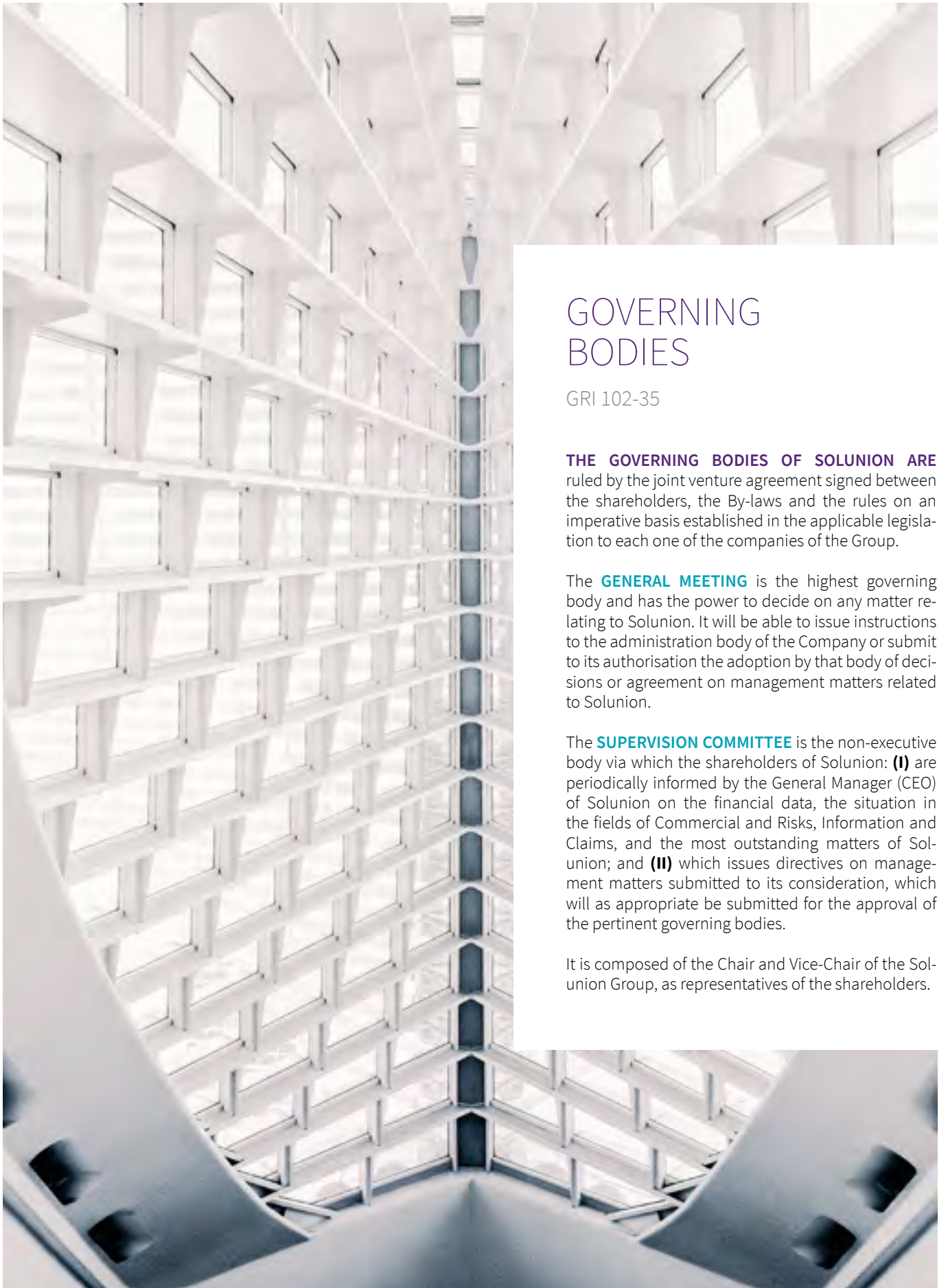
- I RISK MANAGEMENT
- II COMPLIANCE
- III ACTUARIAL
- IV AUDIT, THAT ARE INTEGRATED IN A SYSTEM OF THREE LINES OF DEFENCE.





6 Adequacy of the local governing bodies in charge of administrating and representing the entities of Solunion Latam to the regulations of their respective countries.

7 The Administrators, Managers and those who perform Key functions of Solunion must be people of acknowledged commercial and professional honourableness and who possess adequate knowledge and experience for making the sound and prudent management of Solunion possible, in accordance with that set down in the Fit and Proper Policy of Solunion.



GOVERNING BODIES

GRI 102-35

THE GOVERNING BODIES OF SOLUNION ARE ruled by the joint venture agreement signed between the shareholders, the By-laws and the rules on an imperative basis established in the applicable legislation to each one of the companies of the Group.

The **GENERAL MEETING** is the highest governing body and has the power to decide on any matter relating to Solunion. It will be able to issue instructions to the administration body of the Company or submit to its authorisation the adoption by that body of decisions or agreement on management matters related to Solunion.

The **SUPERVISION COMMITTEE** is the non-executive body via which the shareholders of Solunion: **(I)** are periodically informed by the General Manager (CEO) of Solunion on the financial data, the situation in the fields of Commercial and Risks, Information and Claims, and the most outstanding matters of Solunion; and **(II)** which issues directives on management matters submitted to its consideration, which will as appropriate be submitted for the approval of the pertinent governing bodies.

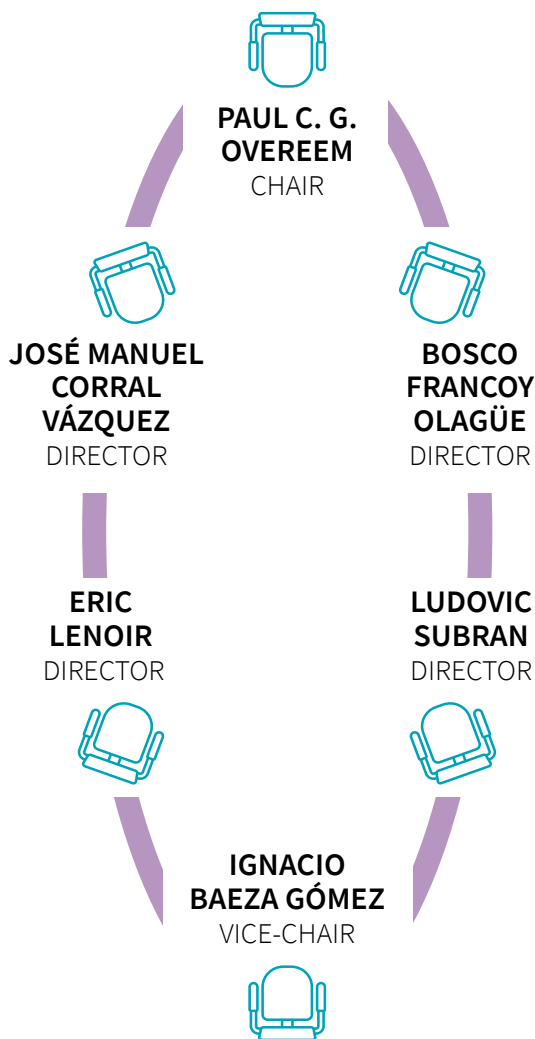
It is composed of the Chair and Vice-Chair of the Solunion Group, as representatives of the shareholders.

The **BOARD OF DIRECTORS** is the body in charge of managing, administrating and representing the Company, as well as of supervising the performance of the Management. It has full powers of representation, arrangement and management, its acts are binding on the Company, apart from in matters attributed to the General Meeting, and it designates and removes the members of the Company's Committees, including the Management Committee.

It is composed of an even number of between six and twelve Directors determined by the General Meeting, and a Chair and Vice-Chair that will be elected from among them, and appoints a Secretary, who need not be a Director. The members of the Board of Directors must comply with the requirements of Solunion's Fit and Proper Policy. The appointment is for a period of three years, and they may be re-elected until they reach the age of 70.

The post of Director is unpaid and incompatible with the performance of executive positions or functions in the Solunion Group.

As of December 31st, 2019, the Board of Directors was made up of six members:



SUPPORT COMMITTEES TO THE BOARD OF DIRECTORS

The Board of Directors has support committees for dealing with certain questions of management relating to: Audit, Investments, and Nominations and Compensation.

AUDIT COMMISSION

Advises and issues recommendations to the Board of Directors on: **a)** preparation of the financial statements; **b)** appointment of account auditors and independent experts and the performance of their functions; **c)** information processes and financial policy; **d)** operations and roles of the Internal Audit; and **e)** organisation and effectiveness of the internal control and risk management systems.

It is made up of four members of the Board of Directors elected based on their financial or accounting experience, one of whom shall be appointed on the basis of his or her knowledge and experience of accounting, auditing, or both. They shall be elected for a term of three years and shall include a Chair, a Vice-Chair and a Secretary.

It has the condition of an Audit Commission for the purposes of the Third Additional Provision of Act 22/2015, on Auditing of Accounts.

INVESTMENT COMMITTEE

Provides guidance on all matters relating to the management of financial assets, and advises and issues recommendations to the Board of Directors on financial investment matters.

It is composed of four members of the Board of Directors elected for a term of three years, among whom will be designated a Chair and Vice-Chair.

NOMINATION AND COMPENSATION COMMITTEE

Coordinates the implementation of Solunion's Nomination and Remuneration Policy, and advises and issues recommendations to the Board of Directors on matters concerning compensations and benefits relating to the Top Management of Solunion and in matters related to:

(I) Scope of governance, **(II)** recruitment and selection of candidates for key executive positions and for those in charge of the Key functions, **(III)** compensation policies and plans, and **(IV)** annual programmes, allocation and payment.

It is made up of four members of the Board of Directors chosen for a period of three years, among whom will be designated a Chair and Vice-Chair.



GENERAL DIRECTION OF SOLUNION AND MANAGEMENT COMMITTEE

THE GENERAL MANAGER (CEO) OF SOLUNION WILL

be responsible for the ordinary management of global operations of Solunion in their strategic, operational and coordinating aspects, for the supervision of the management of the Business Units and for encouraging global corporate projects.

Solunion Management Committee assists Solunion CEO in overseeing BU's management and the effective ordinary management of Solunion's global operations in its strategy, operational and coordination aspects defined by the Board of Directors.

It is made up of the General Manager (CEO) of Solunion, who chairs the Committee and the Corporate Directors of Finance & Administration (CFA), Risk, Information & Claims (RICC), Commercial & Marketing (MMCD), and Operational Support (COO), who have full membership status and right to vote. The Corporate Directors of Communication, People & Sustainability, Legal & Compliance, Surety and Corporate Affairs will be standing guests and any person will be able to be invited in order to report on specific topics within their field.

The appointment of the members of the Solunion Management Committee, who must meet the requirements set down in the Fit and Proper Policy of Solunion, will be made by the Board of Directors, with a prior favourable report from the Nomination and Compensations Committee.

In general, it will meet as many times as necessary, and, in rare cases, it shall meet to deal with the matters submitted to its consideration by any of its full members.

SUPPORT COMMITTEES FOR THE GROUP'S MANAGEMENT COMMITTEE

In the performance of its duties relating to the governance of risk management, the Risk, Actuarial & Reserves, Social Responsibility & Sustainability, Security & Environment and Compliance Committees shall support the Company's Management Committee.

RISK COMMITTEE

Responsible for supervising the risk function and management system, and in particular compliance with Risk Appetite, and is made up of the full members of the Management Committee, and the Group's Head of Actuarial Area and the Group Head Risk Management and Internal Control (without voting rights). It has powers to:

- (I)** Supervise the Business Units' Risk Committee's performance of their tasks of controlling compliance in their respective areas with all of the Standards, Guidelines and Policies of the Group's Risk Management.
- (II)** Review, at least annually, that the limits of risk appetite are effective and appropriate for the Group's situation.
- (III)** Submit to the Board of Directors proposals for the revision of the Risk Management Policy.

ACTUARIAL & RESERVES COMMITTEE

Advises and makes recommendations to the Management Committee on the Actuarial Role and Policy, and is composed of the full members of the Management Committee and the Head of the Group's Actuarial Area (without voting rights). It has the power to supervise the Actuarial Role and Policy within the Group and to establish reserves within the framework of the policies and rules approved by the Board of Directors.

SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE

Verifies and ensures the correct application of the principles and general guidelines for action in this area in the Group. This Committee support the Management Committee in the governance and management of Social Responsibility & Sustainability in the company. Is made up of the Corporate Director of the People & Sustainability, Corporate Financial Director, Corporate Legal & Compliance Director, Corporate Director of Communication, Corporate Director of Security and Environment, and by the Head of the Area of Social Responsibility & Sustainability, who will also exercise the secretary functions of the Committee.

SAFETY & ENVIRONMENT COMMITTEE

Verifies and ensures the correct application of the general principles and guidelines that must promote the lines of action in Comprehensive Safety and Environment in the Group and supports the Management Committee in the government and management of these issues. Is made up of the CEO, the Corporate Financial, Legal & Compliance and IT Directors as permanent members, and depending on the need, the Corporate Director of People & Sustainability, the Head Safety of each Business Unit and, as guests, MAPFRE's Deputy Director General for Safety and Environment, MAPFRE's Director of Coordination and International Security and the Director of Risks, Government of Safety/ Environment and Business Continuity of MAPFRE and the Director Corporate Security (CSO), which will also exercise the secretary functions of the Committee.

COMPLIANCE COMMITTEE

Verifies the functioning of the Compliance Function, and ensures the correct implementation of the general principles and guidelines for action in the field of compliance within the Group and providing support in this field to the Group's Compliance Officer. It is made up of the full members of the Management Committee, the Corporate Director of People and Sustainability and the Group's Compliance Officer (without voting rights).

It has competencies for:

(I) Obtaining information on the management of the compliance risk assigned within the framework of its competencies and of learning of any relevant incident on compliance matters that affect or could affect the Group's activity.

(II) Supervising the functioning of the Whistleblowing Channel for Denouncements of an Ethical Nature and learning of the denouncements that are filed through it in order to examine them.

(III) Receiving advice from the Head of Compliance of the Group on compliance with the regulations affecting the Group, the possible repercussions of modifications to the legal framework in Solunion's operations and the determination and evaluation of the compliance risk.

(IV) Settling questions which, due to their complexity, are brought to it for their interpretation by the Group's Head of Compliance.



LOCAL MANAGEMENT COMMITTEES

THE LOCAL MANAGEMENT COMMITTEES OF Solunion assist the local CEO's in the ordinary effective management of the operations of the Business Units and of the countries in which Solunion operates, in their operational aspects, in accordance with the rules and policies of Solunion, the general policies and strategies defined by the Board of Directors of Solunion and the instructions issued by the local Boards of Directors and the Management Committee of Solunion.

They are made up of the local General Manager (CEO) of each Business Unit, who chairs the Committee, and the local Managers for Finance, Administration and Organisation (CFAO), for Risks, Information and Claims (RIC) and Commercial and Marketing (MMCD), who have the status of being full members, without prejudice to the possibility of designating standing guests and of inviting any person in order to report on specific topics within their field.

The appointment of the members of the local Management Committees, which must comply with the requirements established in Fit and Proper Policy of Solunion, will be made by the local Boards of Directors, with a prior approval of the Board of Directors of Solunion in the case of the CEO.

LOCAL ADMINISTRATION BODIES

THE BOARDS OF DIRECTORS, DIRECTORIES OR Managerial Boards of Solunion Latam are the bodies in charge of administrating and representing the entities of Solunion Latam, notwithstanding the powers of General Managers or Executives as the case might be, and of supervising the activity of each Business Unit according to the rules and policies of Solunion and the general policies and strategies defined by the Board of Directors of Solunion.

The composition of the local administration bodies of Solunion Latam, their powers and the existence as the case might be of the delegate bodies of them will be adapted to the regulations of each country.

Non-insurance bodies will have administrators and be supervised by the local administration bodies of Solunion Latam.

SUPPORT COMMITTEES OF THE LOCAL MANAGEMENT COMMITTEES

IN THE PERFORMANCE OF THEIR POWERS RELATING to the governance of risk management, the local Management Committees will have the support of the Risks, Actuarial and Reserve and Compliance Committees or, as the case might be, the equivalent or additional Committees established by local regulations.

SOLUNION'S HOLDING MANAGEMENT STRUCTURE

CEO

Alberto Berges



Corporate Head of Risk, Information and Claims
Enrique Cuadra



Corporate CFA
Theresa Skarlatou



Director of Corporate Affairs and Secretary of the Board
Emilio Gadea



Corporate Director of People & Sustainability
Ernesto Rodríguez



Corporate Director of Operation Support
Sabine Weber



Corporate Director of Legal & Compliance
Ruth Pérez



Corporate Director of Security & Environment
Ángel Ambite



Corporate Director of Communication
Eva Muñoz



Corporate Head of Sales and Marketing
Joerg-Uwe Lerch



Corporate Director of Surety
Juan José Montes



At Solunion, we have a female presence of more than **36%** in our Management Committee.



5 | BUSINESS MODEL

GRI 102-15



OUR PROPOSAL WHY WE ARE HERE

GRI 102-35

“ We are an ally that truly understands where our clients want to go ”

WE UNITE EXPERIENCE WITH ENTHUSIASM; RISK with opportunities. We combine our team’s knowledge of management and analysis, and its predictive ability, with the strengths of our clients and mediators, to drive our client’s business development and help them grow safely.

We are an ally that truly understands where our clients want to go, we accompany them in the decision-making process, we protect them, and we are committed to driving them to attain their goals.

We search for the best in every employee, mediator, and client in order to go even further.

OUR POSITIONING WHAT WE OFFER

WE OFFER CREDIT, SURETY AND COLLECTION

insurance solutions and services for companies in Spain and Latam. We provide our clients with an international risk-monitoring network, from which we analyze the financial stability of businesses, countries and sectors of activity, addressing the needs of our policyholders worldwide. We have the largest commercial distribution network in all of the countries where we carry out our activities.

We seek to grow profitably, with an absolutely client-centred approach, to whom we offer technical and operational excellence, innovative products, and services adapted to their needs.

We have a vision of expansion, growth and permanent evolution. Given that the world changes and risks evolve, at Solunion we are constantly adapting. We distinguish ourselves from the competition with our top quality service. We listen and analyze, so that then we can create what businesses demand.

“ We seek to grow profitably, with an absolutely client-centred approach ”

HOW DO WE DO IT?

SECURITY TO OPERATE

Security allows you to focus on what is really important: the management of your company.



SUSTAINABLE GROWTH

Thus, you grow profitably and together we create a safer trading environment.



RISK MANAGEMENT

Our information helps you reduce the risk of default.



CONFIDENCE TO GO FURTHER

Being safe gives you the confidence to undertake new challenges.



OUR WAY OF LOOKING AFTER OUR CLIENTS

Our goal is that clients can take care of managing their company, not commercial risk. We monitor all risks constantly and proactively.



PEACE OF MIND

We want our clients to have peace of mind:

- Prevention, vigilance and control of risks, which we analyze in their country of origin thanks to our +1,500 risk analysts, through our branches worldwide.
- Comprehensive classification of your portfolio: with our Grade rating system, we reliably and consistently assess your customers' likelihood of default.



CONFIDENCE

We help our clients manage their business.

One of our values is the Real Commitment. Our commitment to our customers is more than just a promise. That is why we offer a service based on proximity, mutual trust, dialogue and flexibility.

Because we understand although it is possible to grow alone, but growing together will take you further.



SUSTAINABILITY

We include Environmental, Social, and Governance (ESG) criteria in our analysis of companies (see page 82).

TECHNOLOGY AT YOUR SERVICE



We believe that technology is our best ally to boost your business.

Our technological tools give you peace of mind. We rely on technology to anticipate possible unwanted situations. In addition, you will be able to manage your products wherever and whenever you want.

CREDIT INSURANCE PROTECTION AGAINST COMMERCIAL RISK



RISK MANAGEMENT

Prevention through ongoing analysis and monitoring of the financial situation of your clients.



DEBT COLLECTIONS

We handle all the necessary steps for the recovery of debts, with local service worldwide.



INDEMNIFICATION

If the debt recovery does not take place, we will compensate you for the losses as established in the cover of the policy.

CREDIT INSURANCE
**HELPS YOU
ENTER INTO NEW
BUSINESS** MORE
EASILY

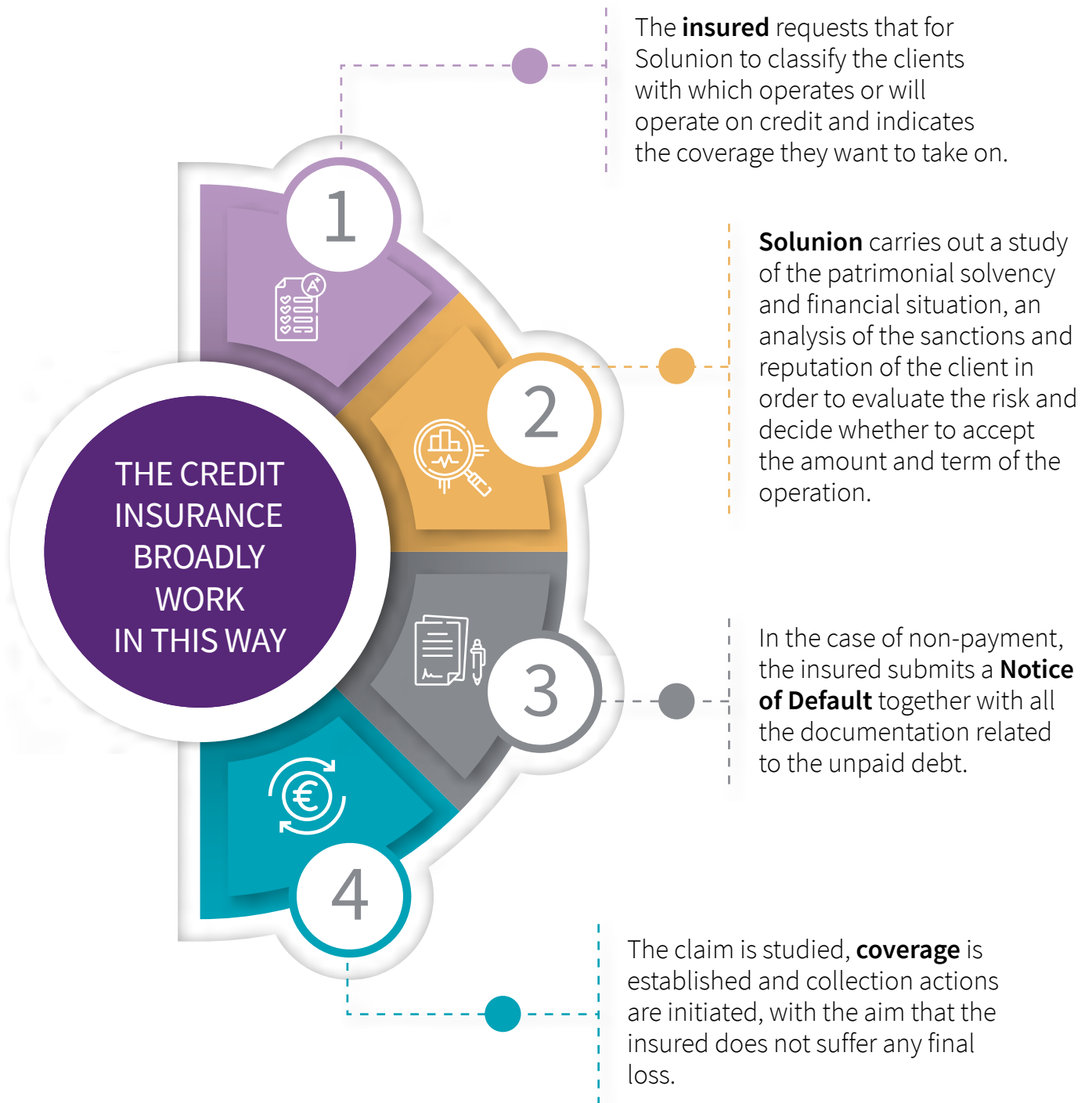
COVERS THE RISK
OF DEFAULT AND
**REDUCES THE
FINANCIAL RISK**

**FACILITATES
NEGOTIATION** WITH
BANKS IN TERMS OF
FINANCING



Credit insurance is a major risk insurance and is a triple protection tool against the risk of non-payment: it minimises the risk, recovers the debt and indemnifies.

Its importance lies in the fact that it allows businesses to reduce their credit risk, that is to say, the possible loss of resources due to customers' inability to pay.



SURETY BONDS

Surety bonds guarantee that the policyholder complies with the obligations acquired with the insured party.



AGILITY

In the study for the granting of facilities and the issuance of guarantees thanks to our **expert knowledge**, experience and service.



FINANCIAL CAPACITY

Our own **A (Excellent) rating** from A.M. Best and that of our shareholders, Euler Hermes (AA, from S&P) and MAPFRE (A, from S&P), serve to underwrite our financial strength.



INTERNATIONAL SERVICE

We issue **international guarantees** in most countries of the world, with the support of the extensive network of our shareholders.

COLLECTIONS

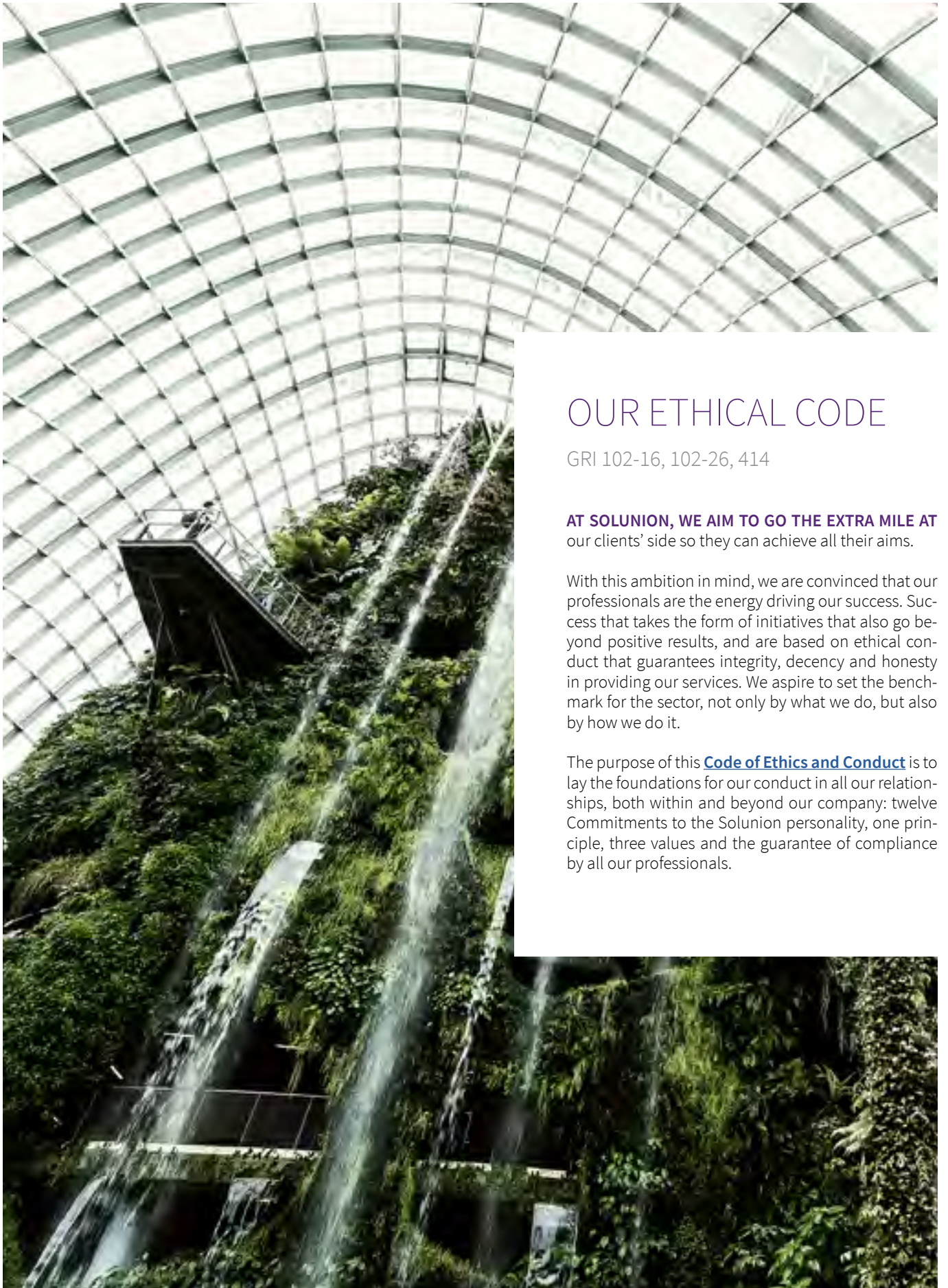
The key to effective collections is managing **the recovery of debt** from the early stages.

We offer **collection services worldwide**.

WORLD AGENCY MOMENTUM FOR MULTINATIONALS

Multinationals are businesses with specific needs. For them, we have **Euler Hermes World Agency** programmes, which allow us to offer:

- **Programmes tailored** to the business, with the same contractual terms in all countries.
- **Wide coverage**, to continue growth in new markets.
- **Centralised management** and local service.



OUR ETHICAL CODE

GRI 102-16, 102-26, 414

AT SOLUNION, WE AIM TO GO THE EXTRA MILE AT our clients' side so they can achieve all their aims.

With this ambition in mind, we are convinced that our professionals are the energy driving our success. Success that takes the form of initiatives that also go beyond positive results, and are based on ethical conduct that guarantees integrity, decency and honesty in providing our services. We aspire to set the benchmark for the sector, not only by what we do, but also by how we do it.

The purpose of this [Code of Ethics and Conduct](#) is to lay the foundations for our conduct in all our relationships, both within and beyond our company: twelve Commitments to the Solunion personality, one principle, three values and the guarantee of compliance by all our professionals.

MAGNANIMITY

THE GREAT ETHICAL PRINCIPLE OF SOLUNION, IS the attitude that drives us to undertake initiatives with a true spirit of service: to promote the good of individuals and of all society, through ethical conduct. This virtue inspires us to become better people day by day. A virtue that is part of our way of being and that allows us to develop our business knowing that we collaborate by doing the right thing, carrying our values as a banner: being bolds by nature, demonstrating our strength as a team and the real commitment that distinguishes us.

Faithful to the spirit of leadership with which Solunion was born, making future visions a reality, we have values that together guide our activity. These values are decisive in building our strategy. They give us consistency, distinguish us, make us unique, and allow us to always respond effectively. We start from a very strong foundation based on the experience and knowledge of the professionals that make up Solunion. We must project this strength outwards, with a clear idea of who we are and what we can contribute.

SOLUNION MAKES THE FOLLOWING **PRINCIPLES** PART OF ITS STRATEGY, ITS **CULTURE** AND ITS DAILY ACTIONS.



BOLD BY NATURE

AT SOLUNION, WE ALWAYS LOOK AHEAD.

We want to get to places no one has ever been before. To venture into new projects to make our partners and clients grow.

We combine the proximity and accessibility of our team with our understanding and complete adaptability to any client to explore new, smart and innovative solutions, allowing us to transform standards in the sector.

We take on challenges without fear of make mistakes.



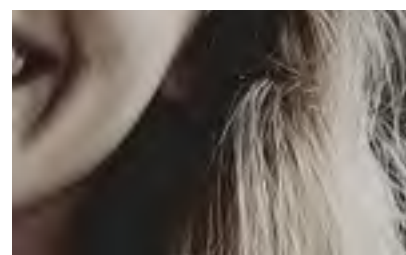
TEAM STRENGTH

WE ARE THE MOMENTUM.

At Solunion, we stand for collaboration, camaraderie and mutual respect. We are convinced that we all belong to the same team. Which is why we encourage shared interests.

Our doors are always open to listen, acting upon and resolving the concerns of our customers, mediators and teams.

Because we understand that we could grow alone, but will undoubtedly go further if we grow together.



REAL COMMITMENT

OUR COMMITMENT IS MUCH MORE THAN A PROMISE.

We understand that commitment is an attitude; a way of being that says a lot about who you are. That's why we actively engage with all our projects and customers and make every effort to surpass not just their expectations but ours too.

Our high quality, highly personalized, quick and accurate service, driven by our track record, allows us to offer the best and smartest solutions for our customers.

Fulfilling our promises is an integral part of who we are.



SOLUNION'S PERSONALITY

ALONGSIDE OUR PRINCIPLE AND OUR VALUES, IT is our personality, which sets us apart. The way we handle our clients, address the future of our business and work together with our colleagues and suppliers. The responsibility with which we act, showing gratitude to society and the environment. In short, a reflection of the character of those of us who make up Solunion.

THE FIVE ATTRIBUTES OF OUR PERSONALITY

1 **TIRELESS**
We constantly aim to offer smart new solutions to improve our environment and to grow with integrity.

2 **INNOVATIVE**
We aim to change paradigms to achieve optimal results, guided by ethical conduct.

3 **APPROACHABLE**
We inspire trust.

4 **AMBITIOUS**
We are convinced that all situations can be improved by acting with respect and honesty.

5 **FEARLESS**
Because we are backed up by our knowledge and expertise. Moreover, because we in turn help our clients to be fearless.

Solunion has established, through **12 COMPLIANCE COMMITMENTS** (applicable to all the administrators and directors, including the natural persons appointed to represent them in the exercise of their post and the professionals of the companies of the Group, independently of their hierarchical level, of their geographical location or functional dependence, and of the Group company to which they provide their ser-

vices), the set of rules, procedures and good practices, which aim to identify and classify the operational and legal risks in which we can all be involved, at a personal or business level, due to unethical or lawful behaviour. Said Commitments are translated into policies that establish the internal mechanisms for the relevant prevention, management, control, and reaction to the indicated risks.

THESE COMMITMENTS ARE:

DIVERSITY AND BALANCE We are fearless because we believe in our people.	CONFIDENTIALITY OF INFORMATION We are tireless because we protect information and make sure others do too.	PROTECTED PERSONAL DATA We are approachable because data deserve trusted treatment.	TRANSPARENCY IN COMMUNICATION We are fearless because our knowledge drives our words.
FAIR COMPETITION We are tireless because we are growing in a free market laden with opportunities.	COMPETITIVE SUPPLIERS We are innovative because we open our offer to new suppliers.	ETHICAL COURTESY We are fearless because we believe that our quality is the greatest gift.	INTEREST WITHOUT CONFLICT We are approachable because we speak transparently.
NO FRAUD OR BRIBERY We are approachable because it is trust in our propriety that sets us apart.	PREVENTION OF MONEY LAUNDERING We are fearless because we guarantee ethics in all our relationships.	RESPECT FOR INTERNATIONAL REGULATIONS We are ambitious because we aspire to join in creating a market with greater integrity.	RESPONSIBLE AND SUSTAINABLE DEVELOPMENT We are innovative because we are committed to Social Responsibility and Sustainability.



Similarly, this code is reflected in the [Code of Ethics and Conduct for Third Parties](#), which applies to all customers, suppliers, and third parties (agents or distributors) who have business relationships with Solunion anywhere in the world. We want our clients, suppliers, and all third parties with whom we have business relationships to contribute, together with us, to generating a work environment with an ethical foundation.

The body responsible for ensuring the application of the Code of Ethics is the Compliance Committee; a collegiate body of an internal and permanent nature, which supports Management Committee and reports directly to the Board of Directors. One of the main functions of the Compliance Committee is to ensure the application of Solunion's Code of Ethics and the dissemination of a preventive culture based on the principle of "zero tolerance" for unlawful acts and fraud. Its operation and main powers have been set out in the Compliance Committee Regulations.

Additionally, in each country a Compliance Officer has been designated, who is deemed separate internal areas, with powers in the field of compliance, as well as in the prevention and correction of unlawful or fraudulent conduct.

For detailed information on the Group's compliance system, please refer to section 4.1. *Commitment to responsible and sustainable governance.*



POLICIES & COMMITMENTS

SOLUNION HAS A SET OF CORPORATE POLICIES that implement the principles reflected in the Corporate Governance system and contain the guidelines that govern the actions of the Company and its Group companies, and those of its Directors, managers, and employees, within the framework of the Purpose and values of Solunion.

The Group's companies assume a set of principles and values that express their commitment to corporate governance, business ethics, and sustainable development. Their knowledge, dissemination, and implementation serve as a guide for the actions of the Board of Directors and its Committees and other bodies of the Company in their relations with the Company's stakeholders.

SOCIAL RESPONSIBILITY & SUSTAINABILITY POLICY

GRI 102-16, 102-40, 414

SOLUNION HAS A Social Responsibility and Sustainability Policy that establishes the general principles and outlines the bases that are needed to govern the Group's sustainable development strategy.

The objective is to guarantee that all its corporate and business activities are carried out promoting sustainable value for the Company, citizens, clients, shareholders, and communities in which the Group is present, fairly rewarding all of the groups that contribute to the success of the business project.

At Solunion, we develop our activity as a socially responsible Company, building relationships based on quality and trust, transparent, stable, and equitable in the environmental, social, labour, and governance fields and always in collaboration with our environment.

This sustainable development strategy is based on a long-term vision that seeks a better future without compromising present results and rejecting actions that contravene or hinder them.

The real and effective implementation of this strategy is called to form, together with the corporate governance system that supports it, the virtual soul of the Group, one of the key elements that differentiates it from its competitors and determines its consolidation as the Company of choice for its Stakeholders.

Solunion promotes the commitment to contribute to sustainable development, building, from our values, stable and equitable relationships with our stakeholders to achieve their business objectives. It is also aware of its responsibility to society and the environment in which it operates.

The policy reflects our model of sustainable creation, aligned with our vision, mission, and values and is developed through four commitments to action that cover the entire business model:



It also sets out the principles of action in relation to our main stakeholders:

- SHAREHOLDERS
- EMPLOYEES
- CLIENTS
- SOCIETY
- SUPPLIERS
- DISTRIBUTORS
- REGULATORY BODIES

The Policy is accessible to employees and collaborators on Solunion Intranet and, for other stakeholders, through the corporate website.

The principles of action set out in this policy are included throughout this Report.

COMMITMENT TO RESPONSIBLE AND SUSTAINABLE GOVERNANCE

We are a private company and we provide appropriate solutions adapted to the needs of our clients, to contribute to their sustained growth. We carry out our operational activity under ethical and good governance criteria. We are governed by an effective compliance policy, offering fluid, two-way communication about our operational activity in relation to our stakeholders.

ENVIRONMENTAL COMMITMENT

At Solunion, we aspire to be the preferred Credit and Surety insurance Company in environmental care. We have as our objective the prevention and reduction of the impact on the environment brought about by our activities. We promote a culture of awareness amongst our employees so that we reduce the environmental impact of our activities, contributing to sustainable development.

SOCIAL COMMITMENT

We contribute to the sustainable social and economic development of the countries where we operate by carrying out activities related to our professional experience and the volunteer work of the people who make up the organisation.

COMMITMENT TO THE PEOPLE WHO MAKE UP THE ORGANISATION

We recognise our employees as the most important value. For this reason, we mark the team's human and professional development as one of our strategic pillars, promoting equality, fight against discrimination and gender diversity. We promote personal and labour conciliation measures, according to the legislation in force in the countries in which we are present.

Solunion promotes the commitment to contribute to sustainable development, building, from its values, stable and equitable relationships with its stakeholders to achieve its business objectives. It is also aware of its responsibility to society and to the environment in which it operates.



MAIN IMPACTS IN THE FIELD OF SUSTAINABILITY

GRI 102-15

OUR COMMITMENT TO RESPONSIBLE AND SUSTAINABLE development is the “commitment with our stakeholders to actively participate in the economic and social advancement of the countries in which we operate”, according to what is included in the Responsibility and Sustainability Policy as in our Ethical and Conduct Code.

This sustainable development strategy is aligned with Solunion’s implementation of a business project aimed at creating value in a sustainable way for all its stakeholders, providing a quality service, remaining attentive to the opportunities offered by the knowledge economy and committed to the principles of the Global Compact.

Solunion responsibly manages the main risks related to the impacts where the Group carries out its main activities, together with the possible risks derived from the environment, thus maximising the positive impacts and minimising the negative ones, meeting stakeholders’ expectations.

To this end, Solunion has a comprehensive risk control and management system that identifies, analyzes, and measures the relevant threats following procedures common to the entire group, which include a continuous assessment, as well as the implementation of best practices and recommendations, as detailed in the following section “Long-term risks and opportunities. Comprehensive risk system”.

LONG-TERM RISKS & OPPORTUNITIES. COMPREHENSIVE RISK SYSTEM

GRI 102-15

THE RISK MANAGEMENT SYSTEM IS DEFINED AS

the set of strategies, processes, and information procedures required to identify, measure, monitor, manage, and report on an ongoing basis the risks to which the Company is or may be exposed, and their interdependencies.

The Risk Management Policy is the one that develops the structure and operation of the Risk Management System. This Policy applies to the Group's member companies, within the limits set by the regulations applicable to the regulated activities in the countries in which they operate, and aims to preserve the Group's solvency and facilitate the development of its business by:

- DEFINITION OF THE STRATEGY AGAINST THE RISKS IT ASSUMES.
- INCLUSION OF RISK ANALYSIS WITHIN THE DECISION-MAKING PROCESSES.
- ESTABLISHMENT OF GENERAL GUIDELINES, SOME BASIC PRINCIPLES, AND A GENERAL FRAMEWORK OF RISK MANAGEMENT THAT ALLOW THEIR CONSISTENT APPLICATION IN THE GROUP.
- DISSEMINATION OF THE RISK MANAGEMENT POLICY AMONGST MANAGERS AND EMPLOYEES TO ACHIEVE A RISK MANAGEMENT CULTURE THAT ENSURES ITS EFFECTIVENESS.

The risk factors, to which Solunion is subject, as detailed in the Risk Management Policy, are as follows:

- Investment and Liquidity Risk
- Underwriting Risk
- Technical Provisions Constitution Risk
- Reinsurance Risk
- Operational Risk
- Business Continuity Risk
- Compliance Risk
- Strategic and Reputational Risk





6 | OUR NEW STRATEGIC PLAN

SOLUNION HAS A STRUCTURED, ALIGNED AND participative strategy planning and management model, which allows the constant updating of the strategic plan both at the corporate level and in each of the regions, countries and business units.

In 2019 it was stated that the objectives of our previous strategic plan were largely met, with a very positive closing balance in which the proposed financial objectives had been achieved, new business lines have been opened, and progress has been made in the transformation and digitalisation of the businesses in which we operate. So it was decided to start working on a new plan for the next two years.



Throughout 2019 Solunion has carried out a reflection exercise to review its strategic direction, based on the need to consolidate the businesses and make them more profitable, as well as to capture new opportunities to respond to the speed of transformation of the environment, with the aim of maintaining competitiveness in the sector.

Solunion has developed its new strategic plan with a purpose and ambition, based on four transformational pillars, namely, Profitable & Sustainable Growth, Innovation, Efficiency, and Commitment, around which initiatives will be developed to transform the Company and face a changing market, in permanent transformation, which demands new products and solutions for new needs.

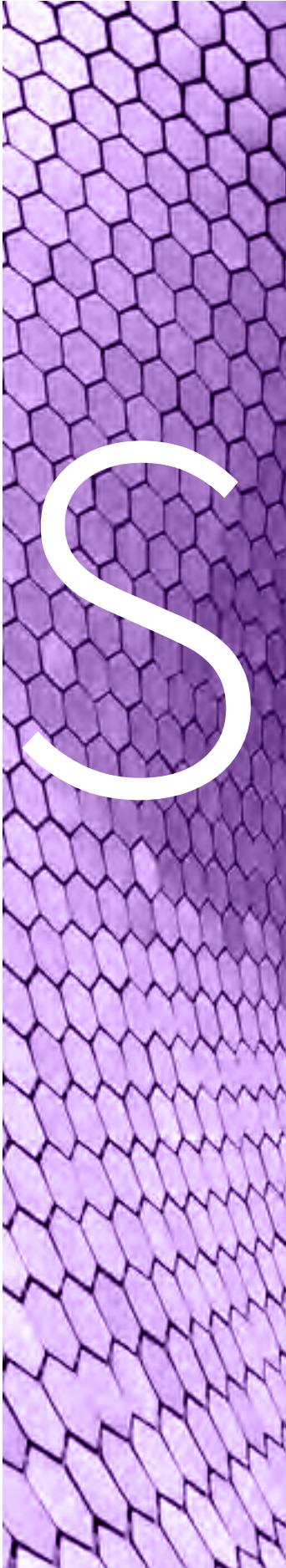
At Solunion, we work with a focus on anticipation. Business intelligence and digitalisation, the automation of processes to offer a better service to our clients and to provide more agility and efficiency along the value chain, are some of the key points of its transformation.

All this, in a work environment based on commitment, collaboration, participation, and communication between all individuals that make up Solunion; in an environment that promotes diversity, equality, development and talent boost.

This plan, called Atenea, was presented in November and its motto “Driving the transformation” will guide this ambitious plan, which is aligned with and supported by an evolution of its brand image, which is renewed as a result of the progress and growth experienced in recent years.

The purpose of this strategic plan is “accompany our clients in achieving their objectives and drive them to grow, providing them with risk management solutions adapted to their needs”. The vision, in the first-person plural, reflects the importance of the joint work of the entire Solunion team: “we provide a sound and secure business environment for our clients to achieve their business goals.”

We want to be the preferred partner in Credit and Surety insurance and in innovative services associated with commercial risk management in Spain and Latam.



SOLUNION'S RESPONSIBLE COMMITMENTS AND PRACTICES

VALUE CREATION & SUSTAINABLE MANAGEMENT

In Solunion, we develop our activity as a socially responsible Company, building transparent, stable, and equitable relationships based on quality and trust, in the environmental, social, labour and governance fields and always in collaboration with our environment. As collaborators, we have a commitment to our stakeholders to participate actively in the economic and social advancement of the countries in which we operate, and we see this commitment as the tool to express our contribution to achieving a better world.

The commitment to the creation of long-term value and sustainable management is embodied in the Social Responsibility & Sustainability Policy, which establishes the common framework of action that guides the Company's socially responsible behaviour and whose latest version was updated and approved by the Management Committee in November 2019, in accordance with the best international practices.

This Policy takes on commitments in different spheres and with our stakeholders:



1 | COMMITMENT TO RESPONSIBLE AND SUSTAINABLE GOVERNANCE



ETHICAL CONDUCT: MAIN COMPLIANCE & PREVENTION MEASURES

COMPLIANCE GRI 205-1, 205-2, 205-3, GRI 102-17, 102-33, 102-34, 406-1, 408-1, 409-1, 410-1, 412-3, 415-1, 418

WE UNDERSTAND COMPLIANCE AS THE STANDARD that protects Solunion's solvency, integrity and reputation and enables us to achieve our strategic objectives and sustainable, profitable and, above all, integral and ethical growth.

We are firmly committed to conducting all our activities and businesses in accordance with rigorous standards of ethical behaviour, both internally and externally. To ensure the best compliance management, the Company has a Compliance Committee, a Group Compliance Officer, and the various Business Unit have Compliance Officers.

Furthermore, as collaborators, each of us is responsible for our own compliance, as well as for monitoring the detection of situations and risks of non-compliance around us, which we must make known to the Company through the established channels.

After the work carried out in 2015 —the period during which Solunion developed the necessary actions to be able to start 2016 with a Compliance Function in accordance with the legal requirements— we have made an effort to develop the Compliance Function as an integral role of the Governance System, approving through the Board of Directors various policies that make up the Compliance Function, as well as the Criminal Risk Manual, which identifies the rules, procedures, and tools that we have established at Solunion to prevent non-compliance with legal regulations which might involve the criminal liability of the Company and of its personnel, and to adapt it to the new regulatory environment.

Throughout 2017 and 2018, the Compliance Function carried out actions aimed at complying not only with the legal requirements but also with the objective of creating a true culture of compliance and diffusion of the Criminal Risk Manual itself, preparing a specific communication, training, and dissemination plan covering both Spain and Latam, as well as the Company's Directors, Managers and employees.

Throughout 2019, the Compliance Role has sought to align itself with the evolution of Solunion by drafting a new Code of Ethics and Conduct to guarantee compliance with the new Strategic Plan, based on ethics to ensure integrity, honesty, and fairness in the Plan's execution.

We have drawn up a new Ethical and Conduct Code accepting 12 commitments with Solunion's personality, three new values, and a great ethical principle.

We have updated the Criminal Risk Manual in accordance with the evolution of Solunion's business and the amendments introduced in the Spanish Criminal Code, and we have prepared specific Criminal Risk Manuals for each Business Unit, thus singling out the criminal risks, securing their tailoring to the different, applicable local legislations.

Throughout this year, the Compliance Role has ensured that Solunion complies with new local regulations or amendments thereto, while monitoring the risks of conflict of interest, asset laundering, and fair competition.

In parallel, and in line with the objective of previous years, the Compliance Function has carried out important communication and training actions, with a global communication plan covering both Spain and Latam, in order to disseminate, train and raise awareness among employees, Managers and Directors of the importance of compliance in their day-to-day work.

All these activities are complemented by those carried out by other fields or functions with responsibilities or competences in specific compliance matters, such as data security and protection, prevention of money laundering, and tax, labour and legal matters, etc., which make up the Solunion Compliance Function as a whole.

Solunion has joined and actively participates in the Institute of Compliance Officers (IOC-Spanish acronym), an association formed to bring together compliance professionals, an essential figure in a global market, which is increasingly complex and has more demanding regulations.

Some of the objectives for which this Institute has been established include:



Promoting the figure of the compliance officer as a key role of good corporate governance.



Driving the development of active regulatory compliance policies.



Improving the prevention, detection, and dissuasion of fraud, such as transparency and good corporate governance through information and training on good practices in compliance.



Driving public recognition of the competence and excellence of the organisation in compliance and of the compliance officer profession.





ETHICS AND CONDUCT CODE

GRI 102-16, 102-17, 102-33, 102-34, 205-1, 205-2, 205-3, 406-1, 408-1, 409-1, 410-1, 412-3, 415-1

AT SOLUNION, WE HAVE AN ETHICS AND CONDUCT

Code, which reflects the corporate values and basic principles that should guide the actions of the people who are part of it, in the daily work and in the relationship with the stakeholders.

The Code is available to all employees through the corporate intranet and is published on the corporate website.

Likewise, both employees and third parties of Solunion can consult any doubt about the interpretation of the guidelines of conduct that appear in the Code of Conduct that is applicable to them, through the e-mail address: cumplimiento@solunion.com.



COMPLAINTS & CLAIMS

GRI 102-33, 102-34, 417-2

AT SOLUNION, WE PROMOTE THAT OUR CLIENTS, in any country in the world where they operate, have an internal channel for the extra-judicial defence of their rights derived from their contracts, and we make sure to keep their trust by complying with the commitment to provide them with the best possible service, promoting the internal implementation of bodies to protect their rights and to manage their claims or complaints.

The customer service of Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. was established in accordance with the requirements of the Order of the Ministry of Economy ECO 734/2004, of March 11th 2004, in the departments and services of customer service and the client's ombudsman of financial institutions.

This service received a claim in the year 2019.

The claim referred to the rejection of a claim for lack of coverage in a non-payment because a payment period longer than that stipulated in the policy had been agreed in the invoice. After checking the contractual conditions of the policy and the invoice to which the claim referred, it was confirmed that the invoice had a payment period longer than the limit established in the policy, and the claim was therefore settled in favour of Solunion.

WHISTLEBLOWING CHANNEL

GRI 102-17, 102-33, 102-34, 406-1

SOLUNION HAS A WHISTLEBLOWING CHANNEL

that is available to all its employees so that they can bring to the attention of the Company any behaviours that they consider to be going against Solunion's Ethics and Conduct Code, local laws, or internal rules.

Any employee that witnesses a situation that could mean a breach or violation of any of the established principles and ethical norms or conduct can report this through the specific section of Solinside (our intranet) or through our mailbox: canaldedenuncia@solunion.com.

This channel is available to our clients, providers, and all third parties with which we maintain business relationships, so that they can contribute to creating a work environment based on ethics alongside us.

At Solunion we apply the Whistleblowing Channel Policy to know about and resolve the complaints and queries received, giving them in each case the treatment that is considered most appropriate, acting in each intervention with total independence and full respect for the people affected and guaranteeing, at all times, the confidentiality of the treatment of the complaints and queries that are processed, as well as their escalation to the highest level of responsibility.

In 2019, two complaints were received regarding possible conduct by Company employees that were contrary to Solunion's ethical values and that could affect people's integrity due to inappropriate behaviour.

In both cases, the action protocol of the Whistleblowing Channel Policy was been followed, establishing the Whistleblowing Channel Committees. The reported allegations are in investigation in order to determine the facts, their consideration, and possible measures to take.





INTERNAL CONTROL AND OPERATIONAL RISK

(L.11/2018)

Solunion has an Internal Control and Operational Risk Framework that establishes the most important actions that need to be implemented to maintain an optimum Internal Control System.

The Internal Control and Operational Risk Framework establishes a general operating model that embodies a set of principles, guidelines, and policies that enable a definition of the Function to be established globally, and also its current implementation at all levels of the Company so that there is continuity and homogeneity in its application.

Solunion understands internal control as a system whose performance needs the involvement and commitment of all members of the organisation, and in no case as an isolated organisational field created with the purpose of monitoring the performance of the Company in the face of the risks to which it is exposed. Members of the organisation contribute to providing reasonable security in achieving the objectives:

Operational objectives:

Effectiveness and efficiency of operations, differentiating between operations specific to the insurance activity (mainly underwriting, claims, reinsurance and investments), and operation and support roles (human resources, management, commercial, legal, technology, etc.).

Information objectives:

Trustworthiness of information (financial and non-financial, and both internal and external) with respect to its reliability, timeliness, or transparency, among others.

Compliance objectives:

Compliance with applicable laws and regulations.

This framework is based on a governance system and an organisational structure that establishes the model of three lines of defence in the field of Internal Control.

First line of defence:

Operational areas, business lines or support units. They are responsible for the application of internal control procedures in each of the processes in which they intervene and for which they are responsible, and they take on the management of the risks arising from these processes.

Second line of defence:

The Risk Management Function. This constitutes an independent area of those for the implementation of the internal control system, and is responsible for defining the policies and procedures for application, coordinating and supervising the evaluation and control activities, as well as the implementation of the action plans, and generating the reporting of management to the different areas and to the Governing Bodies. The second line of defence also includes the Compliance Function and Actuarial Function, which ensure that controls are consistent with the control objectives and comply with the policies and procedures on which they are based.

Third line of defence:

Internal Audit, as an independent evaluator entrusted with the supervision of the correct functioning of the Internal Control System and the compliance of the policies and procedures, such as the latest evaluation of the efficiency of the action plans and initiatives that had been put in place.

Through compliance with risk management procedures and policies, an appropriate treatment is carried out to ensure that the risks taken on by Solunion are kept at an acceptable level and, therefore, do not jeopardise the achievement of the Company's strategic objectives.

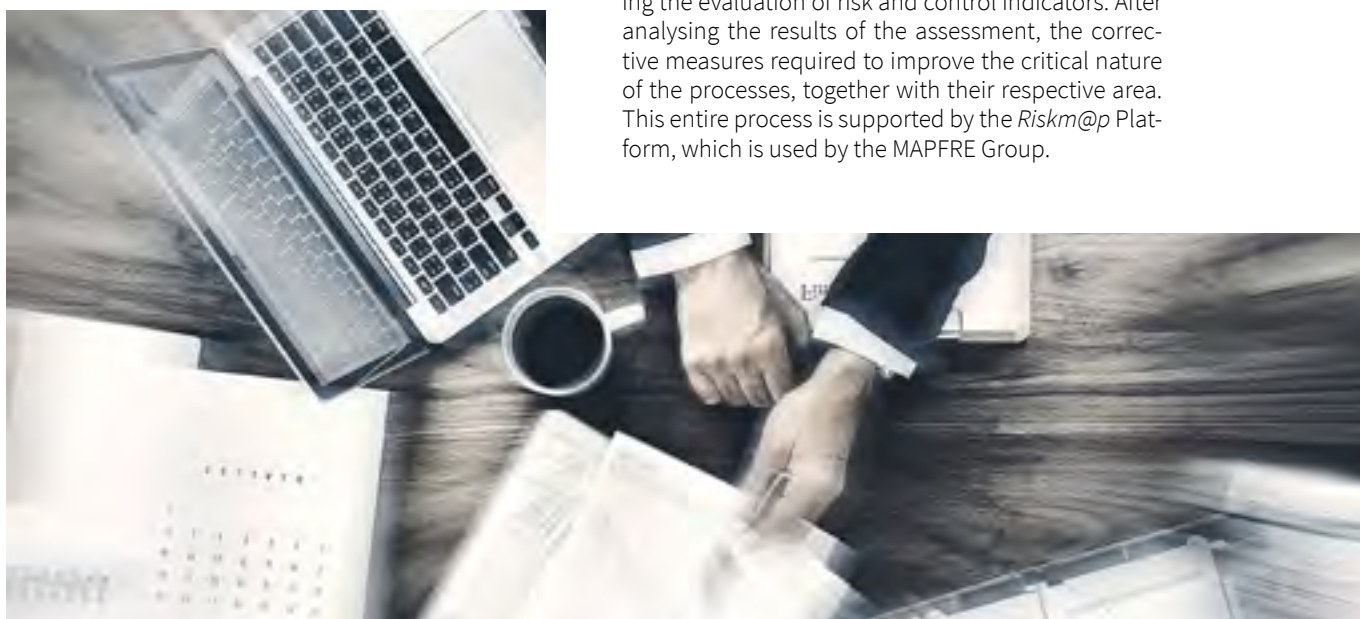
The different internal and external events will be evaluated, allowing act appropriately according to the impact they represent at business, operational, and organisational levels. For the treatment of risks, the necessary corrective measures will be selected and implemented to control and mitigate the assessed risks.

In terms of internal control within Solunion, maximum responsibility rests with the Company's Board of Directors. However, in general, the Management Committee is the executive body that is regularly informed about the results of the risk assessment and controls, and to which any relevant issues related to the scope of internal control are punctually escalated.

Therefore, the Management Committee is responsible for making decisions on any aspect related to the management and control of risk in Solunion, and for approving the Internal Control and Operational Risk Framework and any subsequent amendments thereto, the reports, and the action plans proposed to mitigate the Company's risk exposure or to implement improvements in the Internal Control Function.

The Management Committee shall report to the Board of Directors on a regular basis on the issues considered critical in terms of control and may also escalate to the Board of Directors such decisions as it deems appropriate.

Every year, the Internal Control area carries out an Internal Control Cycle as established in the Annual Plan of Internal Control Activities, which consists of a review of all the Company's processes and in coordinating the evaluation of risk and control indicators. After analysing the results of the assessment, the corrective measures required to improve the critical nature of the processes, together with their respective area. This entire process is supported by the *Riskm@p* Platform, which is used by the MAPFRE Group.





PROTECTION OF EMPLOYEES AGAINST PSYCHOLOGICAL AND SEXUAL HARASSMENT IN THE WORKPLACE

GRI 102-33, 102-34, 406-1; L.11/2018

AT SOLUNION, WE CONSIDER THAT RESPECT FOR others should be a basic element of behaviour. Therefore, we reject any manifestation of harassment at work, as well as any violent or offensive behaviour towards the rights and dignity of people, since these situations contaminate the working environment, and have negative effects on the health, well-being, confidence, dignity, and performance of people who suffer from it.

Respect for people is a responsibility of the entire organisation on a global scale and covers both relationships between employees, regardless of their position in the Company, and to their relationships with customers, suppliers, distributors, collaborators, and other stakeholders. We must all contribute to ensuring a work environment in which people's dignity is respected.

Therefore, we declare that we are expressly against and will not allow situations of harassment at work, regardless of who the victim or harasser is in the reported situation, and that any member of the company has the right to file complaints if the fact occurs.

The general principles of action in this matter are:



To contribute to maintaining a work environment free from harassment and violent or offensive behaviour towards the rights and dignity of people, and to ensure that, if they occur, adequate procedures are in place to address the problem and correct it.



To reject any display of harassment, whether moral, sexual, psychological or of any other nature, as well as any violent or offensive behaviour towards the rights and dignity of individuals, and consider respect for individuals and their dignity as a basic principle of the organisation's actions.

There is a protocol for the treatment of such cases.

During this year, no complaints of harassment were received in Solunion.

ANTI-CORRUPTION

GRI 102-33, 102-34, 415-1, 414

AT SOLUNION, WE WISH TO AVOID ANY UNETHICAL practices intended inappropriately to influence the freedom of our decision-making. We therefore only accept or give gifts from/to our suppliers or clients if they are consistent with the applicable laws, are socially acceptable, are offered or received in an open and transparent manner, and would not serve to obtain or maintain any business or commercial advantage.

As collaborators, we guarantee the fulfilment of this Commitment by acting in a transparent manner, giving internal notification whenever we receive or offer a gift or invite from or to a supplier.

We understand this Commitment of Influence from the perspective that the quality of our services and the professionalism of our workforce are the main reason why clients trust in us. The trafficking of influence and bribery are not an option.

Consequently, no employee of Solunion or Solunion itself should accept or practice bribery, or offer advantages for the benefit of third parties that are in the service of any organisation (public or private) to obtain advantages or carry out business, whatever its nature, denouncing through the channels established in the Anti-Fraud Policy, as in the Gifts and Events Policy, any corrupt practices that comes to that employee's knowledge.

Both the Anti-Fraud Policy and the Gifts and Events Policy make these points explicit.

Solunion also does not allow other persons or entities to use such practices with its employees. Therefore, we include a specific section in our Code of Ethics and Conduct for Third Parties.

No cases were reported in 2019 in this regard.



Additionally, Solunion has a Criminal Risk Prevention Manual, which has been revised this year for all Business Units and which includes the principles for the prevention of criminal offences and details the supervision and control mechanisms.

Furthermore, Solunion does not allow direct contributions to political parties or related institutions.

Contributions made to charities on behalf of Solunion in good faith and for charitable projects, as well as sponsorship payments by Solunion shall be pursuant to the framework of the relevant legal system, to the Solunion Code of Ethics and Conduct, and to the Anti-Fraud Policy.

PREVENTION AGAINST FRAUD

GRI 102-33, 102-34

AT SOLUNION, WE COMBAT FRAUD AND CORRUPTION through ethical principles, which guarantee that our internal activity (employees) and external activity (clients and commercial partners) take place in an honourable manner, implementing the necessary preventive security and oversight measures to avoid any fraudulent activity.

As collaborators, we have the right and the duty to act in a diligent and non-negligent manner, avoiding fraud in even the smallest things, and using the Compliance Channel to report any suspicious situation.

We understand our anti-fraud Commitment as shared responsibility and awareness in terms of truthful and proper actions covering both third parties and ourselves.

Combating fraud is key and to this end, we establish a duty of personal and process-based vigilance, in accordance with our Anti-Fraud Policy.

CONFIDENTIALITY OF INFORMATION

AT SOLUNION, WE HAVE A HIGH LEVEL OF COMMITMENT to the confidentiality of the information we handle. We are all responsible in our daily work for implementing the security measures required to ensure the confidentiality of any information we might access in performing our work, whether it belongs to the company itself or to our clients, shareholders and suppliers. That is why we give this Commitment by signing a non-disclosure clause with our stakeholders.

As collaborators, we are also responsible for safeguarding internal information and the company's business secrets (strategic plans, financial, commercial and statistical information, IT developments, etc.). This information must be handled from the outset on a need-to-know basis, available only to the individuals involved.

We understand that confidentiality is synonymous with the law, but also with respect to our colleagues, clients, and stakeholders. We protect our information and never share it with unauthorised third parties or use it for purposes other than the purpose of the collaboration in question. (More information on page 72).



CONFLICT OF INTEREST

AT SOLUNION, WE AVOID SITUATIONS THAT COULD entail a conflict between personal and company interests. We can therefore guarantee that we develop our bold approach with full trust placed in us.

As collaborators, we handle these occasions through communication and trust with the individual responsible, so as jointly to act with full transparency, guaranteeing the independence of the decisions we reach.

We understand the conflict of interest within the external and internal operational framework, aware that on occasion it may be difficult to act ethically when personal factors interfere. This Commitment aims to establish an operational framework with clients and colleagues to underpin dialogue in pursuit of an ethical and objective decision.

ETHICAL COURTESY

AT SOLUNION, WE WISH TO AVOID ANY UNETHICAL practices intended inappropriately to influence the freedom of our decision-making. We therefore only accept or give gifts from/to our suppliers or clients if they are consistent with the applicable laws, are socially acceptable, are offered or received in an open and transparent manner, and would not serve to obtain or maintain any business or commercial advantage.

As collaborators, we guarantee the fulfilment of this Commitment by acting in a transparent manner, giving internal notification whenever we receive or offer a gift or invite from or to a supplier.

We understand this Commitment of Influence from the perspective that the quality of our services and the professionalism of our workforce are the main reason why clients trust in us. The trafficking of influence and bribery are not an option.



PREVENTION OF MONEY LAUNDERING

GRI 102-33, 102-34

At Solunion, we are firmly committed to acting with a guarantee that our operations are conducted only with ethical organisations and individuals who could under no circumstances be directly or indirectly connected with illicit activities, such as terrorist funding and money laundering

As collaborators, we need to know whom we are working with, implementing the necessary preventive measures, and therefore avoiding the possibility of finding ourselves involved in any type of illegal activity, whether by clients, third parties, commercial partners or other employees of our company.

We understand our Commitment to Prevent Money Laundering as the fight to stop illicit money from entering the financial system, thereby helping to create a better world.

At Solunion, we have established appropriate policies, procedures, and internal control bodies to prevent and avoid operations related to money laundering and terrorist financing, establishing specific controls on those complex operations or of an unusual nature or amount, or that have no apparent economic or lawful purpose or that show signs of simulation or fraud.

In 2019 a detailed study was carried out on the legislation in each country, in terms of the prevention of money laundering, in general finding it to be in agreement with the Money Laundering Prevention Policy - Laundering of Assets, and Solunion's internal regulations regarding Know your Customer procedure.



FAIR COMPETITION

GRI 206, 102-13

IN APPLICATION OF OUR CODE OF ETHICS AND Conduct, we at Solunion promote fair competition and actively strive for economic progress in support of ethical competition and the free market.

As collaborators, we guarantee this Commitment, aware of how our actions can influence the market. We therefore avoid any actions such as deceit, confusion, price-fixing, the creation of monopolies, abuses of power by dominant organisations and other such aspects.

We understand Fair Competition as the defence of equal opportunities among all market operators and mutual respect among competitors, avoiding aggressive economic practices, cartels or restrictions that would undermine the free market and serve to obtain a dishonest advantage over competitors.

In accordance with our Unfair Competition Policy, at Solunion we promote an environment of transparency, maintaining the appropriate internal channels to encourage the communication of possible irregularities, including ethical mailboxes, which allow all of Solunion's stakeholders to communicate a conduct that might imply a breach of the Company's corporate governance system or the commission by any professional of the Group of any act contrary to the law or the rules of action of the Code of Ethics and Conduct.

Solunion has not recorded any cases related to monopolistic or anti-competitive practices during the financial year. Nor are there any open cases recorded in previous years.

GRI 102-13

LIST OF PROFESSIONAL ASSOCIATIONS OF WHICH SOLUNION IS A MEMBER

	ICEA	Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones
	UNESPA	Unión Española de Entidades Aseguradoras y Reaseguradoras
	ALASECE	Asociación Latinoamericana de Seguro de Crédito
	APF/ PASA	Asociación Panamericana de Fianzas
	AMIS	Asociación Mexicana de Instituciones de Seguros
	FASECOLDA	Federación de Aseguradores Colombianos
	AACH	Asociación de Aseguradoras de Chile
	DIRCOM	Asociación de Directivos de Comunicación
	IOC	Instituto Oficiales de Cumplimiento
	CEE	Club de Exportadores de España
	CAMESCOM	Cámara Española de Comercio en México
	CAMESCOM	Cámara Española de Comercio en Chile
		Cámara Oficial de Comercio, Industria y Servicios de Madrid





RESPECT FOR INTERNATIONAL REGULATIONS

GRI 419

AT SOLUNION, WE COOPERATE WITH THE INTERNATIONAL regulations adopted by national governments and by international organisations, to ensure that our activities do not abet any organisations or activities involved in diplomatic, economic, military, environmental or commercial sanctions

As collaborators, we can prevent, detect and manage such situations through our internal processes and systems, to detect individuals, activities, organisations or countries that are associated with a greater risk or are liable to be sanctioned, always in accordance with the Group's Sanctions Policy.

We understand this International Responsibility Commitment as the lever of change bringing about even greater integrity in the global market, with our clients and commercial partners likewise joining the fight

Compliance with regulatory requirements is a priority for Solunion in all countries where it is present. To this end, it maintains an open, permanent and constructive dialogue, through which an exchange of information, knowledge and opinion with the Regulatory Bodies takes place. This allows Solunion to be aware of the initiatives and concerns of the regulatory bodies and for the latter to be aware of Solunion's points of view and opinions in order to preserve the legitimate defence of its interests and those of its stakeholders. No instances of non-compliance with applicable regulations have been detected in 2019.

SECURITY

GRI 410-1, 102-33, 102-34, 418-1

AMONG OTHER ISSUES, SOLUNION FOCUSES ITS security actions on the protection of its workers and facilities, on safeguarding the information and privacy of its customers, employees and other stakeholders, and on the sustainability and resilience of its operations and the services it provides.



■ **The protection of workers** is materialized by providing a safe working environment as a result of the implementation, from the project phase, and the maintenance of protective measures for the facilities; the provision of self-protection plans in workplaces; the design and implementation of specific measures for travel and trips (especially to areas with instability), including training activities; and direct and specialised support in the event of risk or crisis situations.

■ **The commitment to privacy and security of information** regarding customers, employees, suppliers and other stakeholders is contained in our Code of Ethics and Conduct and it takes shape, amongst other aspects, in the establishment of high standards of compliance with regulatory obligations in matters of privacy and data protection. To this end, various measures are established to guarantee compliance with the principles relating to data processing, thus responding to the trust placed in Solunion by customers, employees, shareholders and other stakeholders.

We are aware of the importance of protecting personal data. Therefore, we treat data confidentially, in a lawful, transparent, and trustworthy, with the necessary security measures for their protection, and we protect the personal data to which we have access in the performance of our work, whether they belong to Solunion or to third parties, always avoiding their alteration, loss, treatment, or unauthorised access.

Data protection is so important for Solunion that during 2019 it voluntarily requested an external audit to guarantee Solunion's perfect compliance with the RGDPD, which was satisfactory in terms of degree of compliance.

We understand personal data protection as the mechanism protecting the fundamental rights of individuals, in particular the right to reputation and personal and family privacy, which is why we strictly apply both our Privacy Policy and our Data Protection Policy.

In 2019, we have not received any complaints regarding the violation of privacy and/or the leakage of customer data.

■ In terms of availability, **business continuity solutions** are designed and implemented to guarantee the maintenance of the services provided to customers in the event of serious contingencies, thus contributing to the sustainability and resilience of the operations and services provided. In 2019, Business Continuity Plans have been verified in all countries.

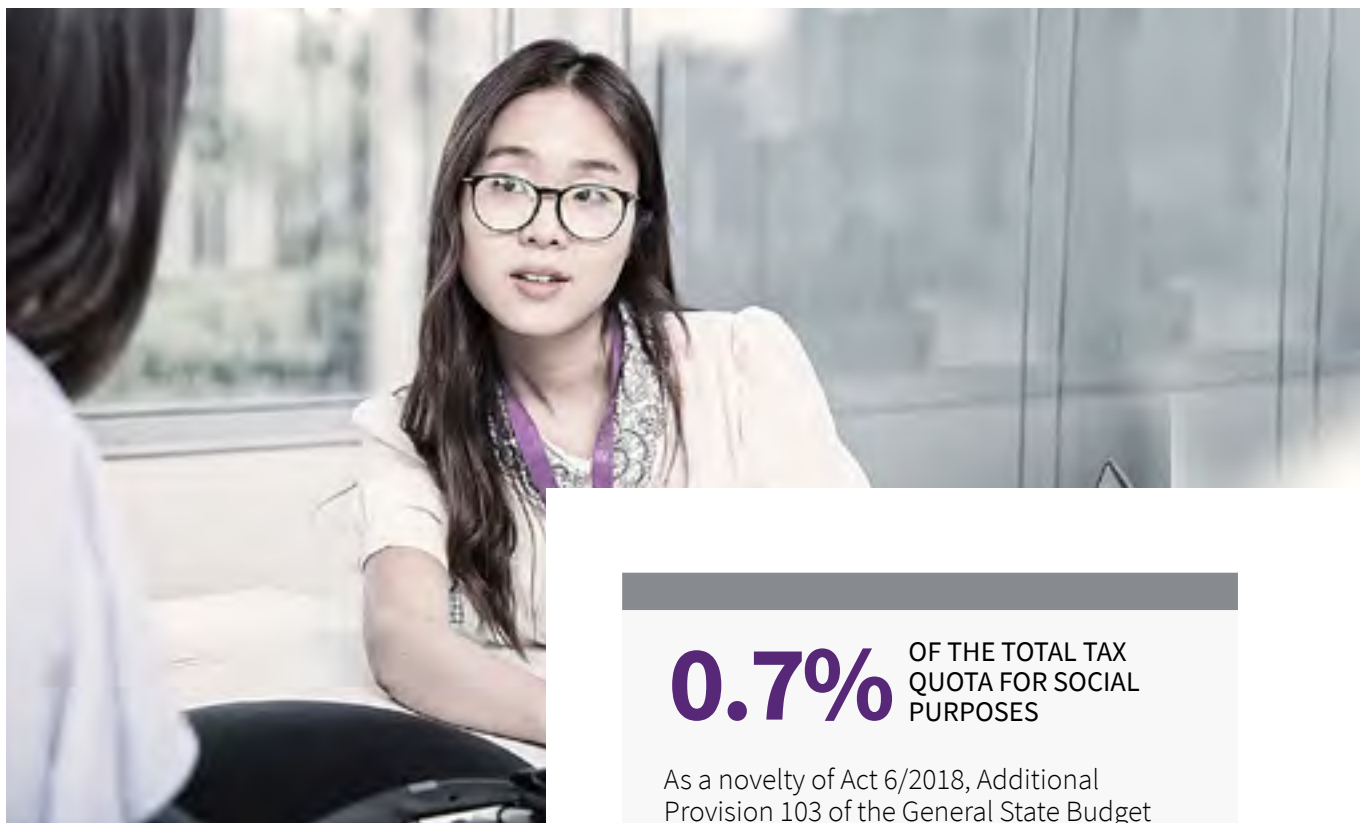
Likewise, Solunion has procedures, tools and highly specialised personnel dedicated at guaranteeing that, from their conception, the new corporate information initiatives and systems incorporate security criteria aimed at minimising risks, protecting data privacy, and increasing incident detection and response capabilities.

TRANSPARENCY IN COMMUNICATION

AT SOLUNION, WE ARE COMMITTED TO SUPPORTING and promoting the business through a policy of clear and transparent communication with the relevant internal and external audiences.

As collaborators, we must ensure that this Commitment adds to our strengths, knowledge, and experience.

We understand communication as one of the fundamental cornerstones in guaranteeing and promoting the development of our operations, in lending momentum to our organisation, reputation and brand image.



TAX LIABILITY

GRI 201-4

SOLUNION'S FISCALLY RESPONSIBLE BEHAVIOUR

is reflected in the Social Responsibility and Sustainability Policy, which includes the basic principles of action that must be respected.

The taxes that Solunion pays in the countries and territories where it operates are the main contribution of the Group's companies to the support of public expenditure and, therefore, one of their greatest contributions to society.

On the other hand, being aware of the relevance that today's tax havens and non-cooperative territories have acquired, it is worth noting that during 2019 Solunion does not include among its companies any resident in a tax haven pursuant to the legislation in force (Royal Decree 1080/1991, of July 5th, and its respective updates), or territories classified by the European Union on its blacklist as non-cooperative jurisdictions in tax matters. The taxes paid are presented in the following tables.

The payment of taxes takes place in those jurisdictions where the Solunion benefit is generated.

The public subsidies received by Solunion in 2019 amounted to a total of 43,991 euros, corresponding entirely to Social Security bonuses received in Spain.

0.7% OF THE TOTAL TAX QUOTA FOR SOCIAL PURPOSES

As a novelty of Act 6/2018, Additional Provision 103 of the General State Budget and which affected Corporation Tax in Spain, where the parent company of the Group is resident, each company can decide for the first time to check or not check a box to allocate 0.7% of this Tax for social purposes.

At Solunion, we have already ticked that box for the 2018 financial year, and we will do so in the future, because we are committed to ensuring that a percentage of the income we earn in favour of the State is allocated to programmes for social strengthening and cohesion, demonstrating our commitment to projects related to social improvement, sustainable development and, in short, to a fairer, more egalitarian and inclusive society.

TAX CONTRIBUTION (2019)

SPAIN (€)

Corporate tax **879,607.59**

MEXICO (MXN)

Corporate tax **9,989,252.00**

COLOMBIA (COP)

Corporate tax **2,846,612,000.00**

CHILE (CLP)

Corporate tax **41,572,339.00**

ARGENTINA (ARS)

Corporate tax **7,853,596.95**

INTERNAL AUDIT

GRI 102-33, 102-34

THE INTERNAL AUDIT FUNCTION CONSTITUTES

the third line of defence of the Risk Management model and must provide an independent guarantee of the adequacy and effectiveness of the Internal Control System and other elements of the Governance System.

Solunion's Internal Audit Function is outsourced to its shareholders, Euler Hermes and MAPFRE, through their internal audit teams, which carry out the audit activities under the responsibility of the Chair of the Board of Directors.

This relationship is supported by an outsourcing contract and the activity is supervised by the CEO of the Solunion Group, who is responsible for supervising the proper functioning of the outsourced function.

RISK MANAGEMENT FUNCTION

GRI 102-15, 102-30, 102-31, 205-1, 205-2, 205-3, 410-1

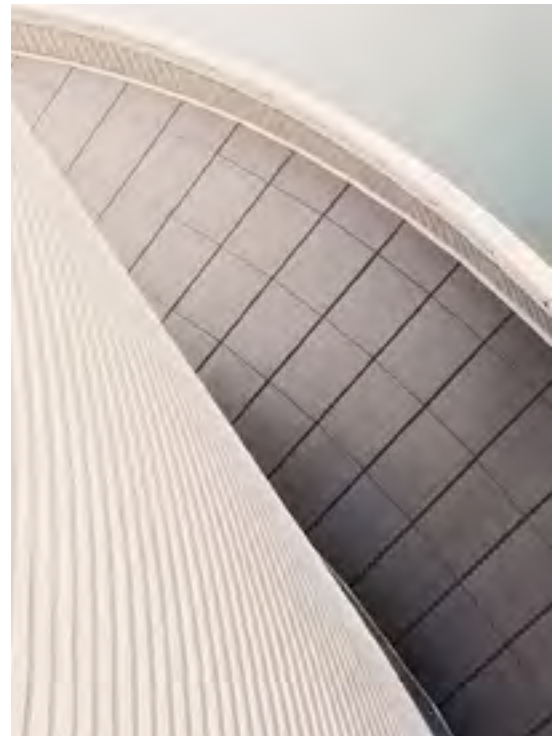
THE RISK MANAGEMENT FUNCTION ALLOWS THE

adequate supervision of risks by adopting rules that facilitate their identification, measurement, supervision, management, and monitoring. This Function encompasses the Internal Control process, included in the Internal Control and Operational Risk Framework, which is the Internal Control Function Policy. In addition, the Risk Management Function is responsible for coordinating the evaluation and monitoring of the Company's most critical risks (Top Risk Assessment).

The Risk Management Function is in charge of supervising the risks and follow the procedures that are described below:

Identification: to facilitate the management and control of risks, each one has its own policy that prevails over the general policy in its scope and specifies the specific aspects for the treatment of each risk.

Measurement: for the measurement of risks, the Risk Management and Internal Control Corporate Area establishes the rules that allow the establishment of parameters that make possible the measurement of risks conforming to the norm, determining the technical ways to calculate the capital needs depending on the set of risks, and verifying that their measurement is correct.



Limits: Solunion's Board of Directors defines the "Risk Appetite", which is part of the Risk Management System, and establishes both the limits that are applied in the assumption of risks and the necessary measures for the Risk Committee to check, at least annually, that the limits are effective and appropriate for the Group's situation.

Supervision: risk-takers in each field of the Company are responsible for ensuring that the actions taken are within the established technical standards and that the risks do not exceed the limits defined in the Risk Management System. The supervision of the compliance of risks with the limits corresponds to the Risk Management Role and the other Roles of the Second Line of Defence, in their respective fields.

Management and mitigation: risk-takers in each field of the first line of defence of each Business Unit must take the necessary measures in their respective fields to mitigate the risks to those that are exposed to them, in accordance with what is established in the applicable Policy and subject to the limits of the risk. The supervision adopted by the necessary mitigation measures will correspond with the other Roles of the Second Line of Defence, in their respective fields, that will report to the field of Risk Management and Internal Control.

Non-compliance with the limits: when a risk surpasses the established limits, the Company's Governing Bodies can adopt decisions directed at: **(I)** Authorising the surpassing of the risk limit; **(II)** Cancelling the risk; **(III)** Contracting additional protection that allows the risk to be brought into line with the established limits; or **(IV)** Promoting the obtaining of enough additional capital resources.



INTERNATIONAL COMMITMENTS RELATED TO SUSTAINABILITY

SIGNING OF THE UNITED NATIONS GLOBAL COMPACT

GRI 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 412-1, 412-2, 412-3, 413-1, 413-2

AT SOLUNION, WE HAVE A STRONG COMMITMENT

to contributing to the economic and social advancement in those countries in which we operate. To this end, we have adhered to the United Nations Global Compact (*Red Pacto Mundial España*) and we are committed to it being respected within our organisation and shared with our closest collaborators.

This implies that, within our sphere of influence, we act decisively in favour of the defence of the Human Rights contained in the “International Charter of Human Rights”, and we establish adequate control mechanisms, so that none of the companies integrated in our Group is responsible, by action or omission, of any form of violation of these rights, all of this taking into account the framework of the United Nations Guiding Principles on Business and Human Rights.

COMMUNICATION ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Likewise, and with regard to the principles related more specifically to the protection of workers' rights, Solunion's adhesion to the Global Compact directly commits the Group to respecting, defending, and protecting the Human Rights contained in the Conventions of the International Labour Organisation (ILO) and in the ILO Declaration on Fundamental Principles and Rights at Work.

For this reason, at Solunion, we commit ourselves and the people who make it up must contribute to the strict fulfilment of these obligations:

AVOID DISCRIMINATORY PRACTICES OR THOSE THAT DIMINISH THE DIGNITY OF OTHERS.

REJECT CHILD LABOUR AND FORCED OR COMPULSORY LABOUR.

RESPECT THE TRADE UNION FREEDOM, OF ASSOCIATION, AND OF COLLECTIVE BARGAINING OF EMPLOYEES, SUCH AS THE ROLE AND RESPONSIBILITIES OF WORKERS' REPRESENTATIVES PURSUANT TO THE CURRENT LEGISLATION IN EACH COUNTRY.

OFFER A **DIGNIFIED EMPLOYMENT.**

IMPLANT MONITORING PROCEDURES, WHICH ALLOW FOR THE DUE DILIGENCE IDENTIFICATION OF POSSIBLE SITUATIONS OF RISK OF HUMAN RIGHTS VIOLATIONS, AND TO ESTABLISH MECHANISMS TO PREVENT AND MITIGATE SUCH RISKS.



The protection of Human Rights is linked to the Group's internal regulations, approved at the highest level of the organisation and is found both in the Code of Ethics and Conduct and in the Social Responsibility and Sustainability Policy.

In addition, the Compliance Committee is the body in charge of guaranteeing the application of the Code of Ethics and Conduct, such as the supervision and control of its fulfilment.

In 2019, this Committee has no reports regarding Human Rights violations were received, according to what is established in the Code of Ethics and Conduct.

In addition, in relation to the social Responsibility and Sustainability Policy, the Corporate Social Responsibility and Sustainability Committee is the body that assumes, within its powers, the monitoring of the compliance of the policy and of the sustainability strategy.

MEASURES ADOPTED TO GUARANTEE THE RESPECT OF HUMAN RIGHTS

GRI 402, 413-1, 414

AS WELL AS GUARANTEEING AND GUARDING THE fulfilment of the internal rules, in which the Group's Compliance Area also participates, at Solunion we

have due diligence mechanisms in place, which facilitate the monitoring and evaluation of Human Rights:

In our Materiality analysis, a specific section has been devoted to Human Rights.

Channel for ethical complaints arising from non-compliance with the Code of Ethics and Conduct, available to shareholders, employees, customers, distributors, suppliers and open to society in general (see page 63).

Specific channels and means for the protection of rights and the management of customer complaints (see page 63 and following).

Environmental, Social and Governance risk analysis (ESG), which help identify, evaluate and monitor our business conduct and ESG risk related to, among others, Human Rights, labour, environment and corruption (see page 82 and following).

Carrying out ESG studies for our clients as well (see page 82 and following).

Internal systems and proceedings established to detect situations of corruption, fraud prevention, and money laundering prevention (See pages 67 and following).

We encourage communication and dialogue between employees and their legal representatives, providing specific channels, including specific e-mail accounts or spaces on the intranet, visits to workplaces, and means and spaces for meetings or assemblies.

% OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENT

Spain	100%
Mexico	100%
Colombia	100%
Chile	100%
Argentina	100%

We have specific approval processes for suppliers, including aspects related to Human Rights, non-discrimination and compliance with environmental and labour regulations.

In relation to health and safety at work, we have a participatory prevention model, with legally established representative channels and joint management-employee health and safety committees, established to help, control and advise in this matter.

In the area of people management, we have specific mechanisms that guarantee equality and non-discrimination in employment, career development and salary, among others: a global standardised process of performance evaluation, work satisfaction and work climate surveys, progress assessments, and an anti-harassment protocol implemented in the Group. (See points 4.1 Commitment to responsible and sustainable governance and 4.4 Commitment to the people who make up the organisation)

2 ENVIRONMENTAL COMMITMENT



GRI 302-1, 305-1, 305-2, 305-3,
305-6, 305-7

AT SOLUNION, WE CARE ABOUT THE ENVIRONMENTAL footprint that we leave behind with our activities and we understand that, to be sustainable in the long-term, we must promote and encourage an environmental culture beyond the work environment.

We are convinced that reducing our environmental impact is an essential requirement, not only to fulfil the legal requirements, but also to earn the confidence of our stakeholders.

Since our establishment, we have strived to improve and reduce our environmental impact, mainly focusing on conserving energy, conserving raw materials, reducing waste, reducing emissions, and raising environmental awareness amongst employees.

Specifically, Solunion's strategy includes the following initiatives:

The minimisation of water, paper, and energy consumption, such as the reduction and reuse of the waste generated, is achieved through the implantation of good environmental practices aimed at minimising our environmental footprint. The participation of employees through responsible consumption and adequate waste management is decisive for the achievement of these objectives.

Even though no Solunion Group entity carries out activities that could cause damage to human health or the environment, due to the very nature of the activity and the location of our work centres, we take preventive and corrective measures to correctly manage the environmental footprint.

INSURANCE ACTIVITIES

Underwriting restrictions in the coal industry and in-depth analysis of mining, oil and gas, nuclear energy, hydropower, agriculture, fisheries and forestry, investments in agricultural raw materials, animal welfare and large-scale infrastructure operations. The underwriting operations of individual coal-fired power plants and coalmines operations is not accepted.

OWN OPERATIONS

We are strongly committed to contributing to the protection of the environment by reducing our own environmental footprint.

Looking ahead, Solunion remains strongly committed to the environment and will continue to set more ambitious targets that will help reduce consumption, the generation of waste, and emissions in its business activity.

To this end, in 2020 we will formulate a plan for energy efficiency and sustainability.

Optimisation of office space, increasing the use of green energy and more environmental management systems are some of the initiatives on which countries are going to work on.

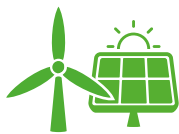




MAIN ACHIEVEMENTS



WE REDUCE OUR TRIPS THANKS TO THE USE OF NEW TECHNOLOGIES AND THE INTRODUCTION OF TELEWORK.



100% RENEWABLE ELECTRICAL ENERGY AT OUR HEADQUARTERS.



CIRCULAR ECONOMY AND MANAGEMENT PREVENTION OF WASTE.



WE ENCOURAGED ACTIONS TO **REDUCE PAPER IN OUR WORK CENTRES** WITH INITIATIVES IN FAVOUR OF DIGITALISATION: DIGITAL INVOICING, DIGITAL EXPENSE SHEETS, DIGITAL ISSUING OF POLICIES, ETC.



INSTALLATION OF **LOW-CONSUMPTION** LIGHT BULBS IN THE CENTRAL OFFICES.



THE COMPANY CARRIES OUT SPECIFIC ACTIONS FOR THE **CLASSIFICATION, MANAGEMENT AND TREATMENT OF WASTE.**

WE HAVE SPECIFIC CONTAINERS AVAILABLE SO THAT EMPLOYEES CAN SEPARATE EACH TYPE OF WASTE INTO ORGANIC, PLASTIC, PAPER WASTE, AND BATTERIES.



IN RELATION TO THE PAPER AND CARDBOARD USED, WE HAVE A **RECURRENT COLLECTION SERVICE BY AN AUTHORISED MANAGER FOR THEIR TREATMENT**, AS WELL AS SPECIAL CONTAINERS FOR CONFIDENTIAL DOCUMENTS THAT ARE TREATED ON SITE BY AN AUTHORISED MANAGER FOR THEIR SUBSEQUENT TREATMENT, DESTRUCTION AND RECYCLING IN ACCORDANCE WITH CURRENT LEGISLATION.



IN RELATION TO **WEEE EQUIPMENT**, COMPUTER MATERIAL THAT IS NO LONGER TO BE USED AND USED TONER ARE DELIVERED ON TIME TO AN AUTHORISED MANAGER FOR TREATMENT IN ALL COUNTRIES.



GLOBAL PARTICIPATION AT **EARTH HOUR** BY SHUTTING DOWN OUR OFFICES.



CO₂ neutral website ▶

CO₂-NEUTRAL WEBSITE. THIS CERTIFICATION CONFIRMS THAT SOLUNION PARTICIPATES IN THE CO₂ NEUTRAL WEBSITE INITIATIVE. THIS MEANS THAT THE CARBON DIOXIDE EMISSIONS DERIVED FROM THE USE OF OUR WEBSITE (INTRANET AND WEB) HAVE BEEN NEUTRALISED THROUGH THE CREATION OF NEW RENEWABLE ENERGY SOURCES AND THE PURCHASE OF CERTIFICATIONS OF THE REDUCTION OF CO₂ EMISSIONS VERIFIED BY THE RELEVANT GOVERNMENT ORGANISATIONS.









WE ARE GRADUALLY ELIMINATING **SINGLE-USE PLASTIC** IN ALL OF OUR OFFICES.



Solunion's main activity is carried out in our offices in Madrid, Mexico City, Medellin, Santiago, and Buenos Aires. The Group has these facilities under lease, which includes the consumption of electricity (except in Madrid), refrigerants, heating fuels and water (except in Chile) derived from carrying out the activity by calculating a ratio per square metre provided.

This set-up does not allow Solunion to have its own consumption data since there are no individualised meters that let us know the breakdown of data for each one of the organisations located in the buildings. Nevertheless, Solunion applies as many optimization and saving measures of these resources as possible.

CONSUMABLES

	2019 ^[1]	2018 ^[1]	PERIOD VARIATION
 Normal electrical energy (MWh) ^[2]	0	0	0%
 Green electrical energy (MWh) ^[2]	95	120	-21%
 Water (m ³) ^[3]	353.29	336.35	5%
 Recycled or environmentally certified paper (kg) ^[4]	4,263	0	100%
 Paper (kg) ^[4]	6,359	13,898	-54%
Total Paper (kg) ^[4]	10,622	13,898	-23%
 Tóner (units) ^[5]	57	80	-29%

WASTE ^[6]

	2019 ^[1]	2018 ^[1]	VARIACIÓN PERIODO
 Paper and Cardboard Waste (kg)	860	1,000	-14%
 Waste Electrical and Electronic Equipment-WEEE (kg)	388	1,079	-64%

[1] As of December 31st.

[2] Only discriminated and not included in office rent in Madrid.

[3] Report only possible from the Santiago office.

[4] Not including Argentina.

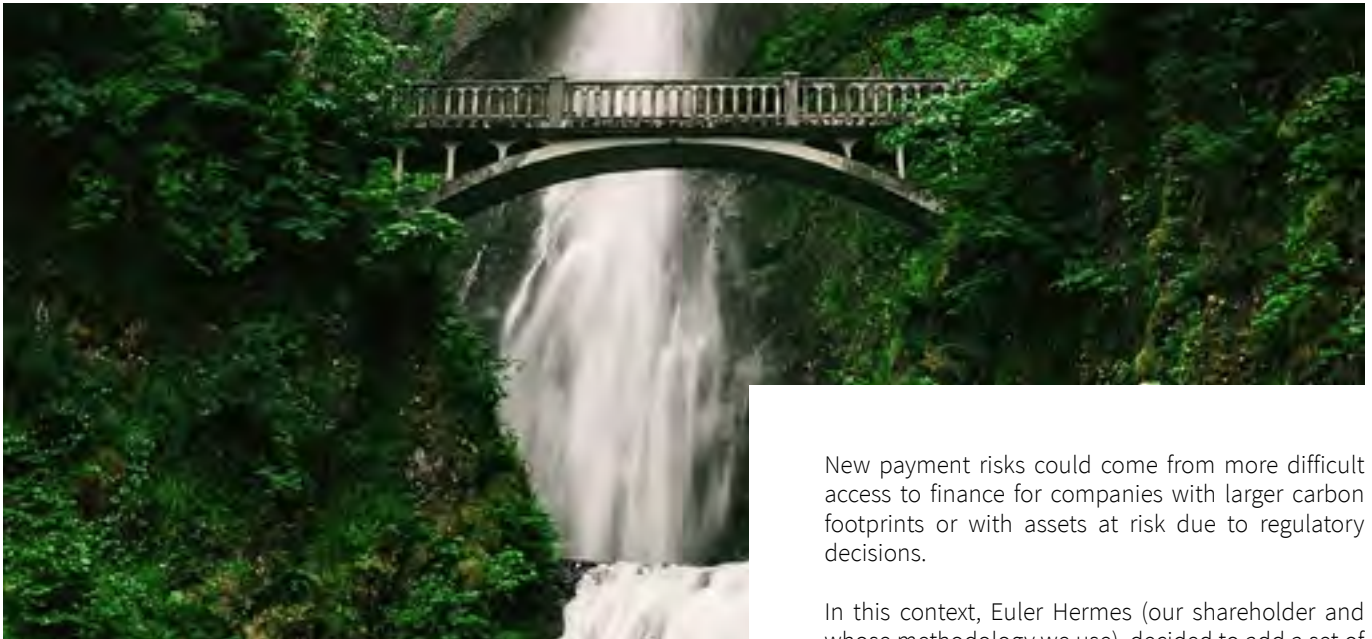
[5] Only discriminatory and not included in the waste management of the building in offices in Madrid.

[6] Only Spain and Mexico, for the rest included in the rent.

3



SOCIAL COMMITMENT



SOLUNION'S BUSINESS IS TO PROTECT OUR CLIENTS by better understanding, selecting, quantifying, and managing commercial risks. Our insurance creates value through these four dimensions.

In doing so, we not only contribute to economic growth, but also ensure social stability. This approach is inherent to our business and drives our Social Responsibility and Sustainability Strategy.

ANALYSING THE ESG RISKS

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) issues have reached a turning point in the global economy: for enterprises and investors, it is now clear that these issues will affect growth, market share and profitability.

For default risk, the correlation between defaults and severe weather events (supply chain disruptions), or between insolvencies and social unrest increases over time.

New payment risks could come from more difficult access to finance for companies with larger carbon footprints or with assets at risk due to regulatory decisions.

In this context, Euler Hermes (our shareholder and whose methodology we use), decided to add a set of indicators related to environmental sustainability and other reputational and political risk indicators to risk studies.

Governance issues such as regulatory and legal frameworks and control of corruption had already been included in country ratings since 2003.

Solunion's country-risk rating methodology measures the risk of an enterprise's default in a given country due to conditions or events beyond its control.

It consists of three medium-term components that measure macroeconomic imbalances, political risk, and the structural business environment; and two additional short-term components (Cyclical Risk Indicator and Funding Flow Indicator) allowing analysts to detect balance of payments crises and recessions. The rating includes over 140 indicators and is available for 194 countries.

Our country-risk rating methodology aims to capture vulnerabilities related to climate change and social issues that may impact in companies, which may face higher financing costs and disrupted supply chains. Developing island states, countries with a coal-dependent energy mix or countries where flood risks are high are on the watch list for their impact on B2B trade.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) RISKS AND OPPORTUNITIES

IN ALL LINES OF BUSINESS, SOLUNION'S Commercial Underwriting decisions must take into account the potential implications for its reputation of any unmitigated environmental, social or management issues for both our customers and us.

In order to contribute to the identification and evaluation of these risks, at Solunion we carry out a Know-Your-Client Knowledge Process (KYC) and we check and document it whenever it cannot cause a risk in these areas.

We see these risks as sensitive and give them special treatment:



ENVIRONMENTAL AREA

1	MINING	
2	OIL AND GAS	
3	NUCLEAR ENERGY	
4	HYDROELECTRIC ENERGY	
5	AGRICULTURE, FISHING AND FOREST ACTIVITY	
5.a	INVESTMENTS IN AGRICULTURAL RAW MATERIALS	
6	ANIMAL WELFARE	
7	LARGE-SCALE INFRASTRUCTURES	

SOCIAL AREA

8	HUMAN RIGHTS	
9	HEALTHCARE	
10	ANIMAL TESTING	
11	SEX INDUSTRY	
12	BETTING AND GAMBLING	

GOVERNMENT AREA

13	DEFENCE	
13.1	PROHIBITED WEAPONS	
13.2	WEAPONS IN HIGH-TENSION ZONES	
14	RELATED TO SANCTIONS	
15	RELATED TO TAXATION	

In terms of mining and energy, we see all operations related to the coal industry as especially sensitive due to environmental problems.

Solunion does not accept the underwriting of individual coal-based power plants and mining operations.



RELATIONSHIP WITH STAKEHOLDERS

GRI 102-40, 102-42, 102-43, 102-44, 103-1, 103-2

AT SOLUNION, WE CONSIDER STAKEHOLDERS TO be all those parties affected in one way or another by Solunion's activity, and we have taken on an array of commitments with respect to them:

1. SHAREHOLDERS

WITH RESPECT TO OUR TWO SHAREHOLDERS, Euler Hermes and MAPFRE, we are committed to creating value by guaranteeing the long-term viability of the business, transparency in management, and good governance.

2. REGULATORY BODIES

GRI 415

SOLUNION HAS IDENTIFIED REGULATORY BODIES among its stakeholders and maintains two types of relationships with them:

- Relationships aimed at contributing to efficient regulation that allow for a competitive market in activities not subject to natural monopoly and a sufficient remuneration for regulated businesses. To this end, an open, permanent and constructive dialogue is maintained in which information, knowledge and points of view are exchanged. In this way, Solunion is aware of the concerns and proposals of the regulatory bodies and exposes its stance in the legitimate defence of its own interests, as well as those of its shareholders and clients.
- It provides all the information required by the regulatory bodies, both in the normal exercise of their activity as well as what is required upon demand.

3. CLIENTS

THE CLIENT IS THE TRUE CENTRE OF OUR ACTIVITY. One of the main objectives of Solunion is to satisfy the needs of its clients, offering them a quality service with high added value and accompanying them in their development both the domestic and the international markets.

We work to satisfy the needs of our more than 6,800 clients around the world, offering them the highest quality of service, with adapted products with an agile and simple management, and a fast, personalised, and effective response.

Our clients demand transparency, individual attention, agile tools, and fast responses. We work so that they have the best experience with Solunion, prioritising our actions and investments for the benefit of their satisfaction.

■ We provide valuable services and products focusing on addressing to their particular needs.

■ We drive innovation in the creation and adaptation solutions to attract new clients, through the launching of new products and services.

■ We are with them in their commercial process, in their search for new markets and potential clients with whom they can safely further their business.

■ We are the partner that they need to grow. It is precisely this vocation as a partner in their development that drives us to work to respond appropriately, managing their expectations correctly, with a truly valuable offer that is different and in line with their needs.

Because of the type of services offered by Solunion, there are no risks to the health and safety of our clients.

The client demands increasingly agile and personalised solutions.

We work to highlight each of the steps that are taken to improve the quality of service:

■ Speed and **maximum quality of response** with the most appropriate solutions to their specific and changing needs.

■ **Agility in administrative procedures.** Promotion of collaboration, interaction and proactivity (coordination of commercial risks, proactive meetings and calls, personalised attention to mediators and clients, etc.).

■ Launching of **new online platforms** such as MiSolunion, digital products development, and incorporation of APIs and other technologies aimed at increasing efficiency and agility.



4. EMPLOYEES

AT SOLUNION WE DEFEND, RESPECT, AND PROTECT basic labour rights, Human Rights, and civil rights recognised in the Universal Declaration of Human Rights, creating a safe and healthy environment that allows professional development and work-life balance, guaranteeing equal opportunities in the work environment, encouraging professional training, and promoting a stable and safe working environment.

For more information, see point 4.4 *Commitment to the people who make up the organisation.*

OUR MAIN STRENGTHS



PERMANENT EVOLUTION

With new products and services adapted to specific needs, in all countries.

We have the widest range on the market: different, flexible, adaptable, and easy to manage.

Satisfaction surveys carried out periodically in all countries give us the clues on the changes and improvements on which to focus in each market. We care about implementing actions that respond to their specific demands. We are looking for 100% satisfied, 100% loyal clients and mediators.

We work in an environment in constant evolution, with a mentality of adaptation to permanent change and a spirit of continuous improvement. We always aspire to go one-step further.



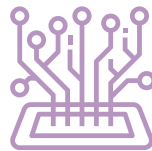
QUALITY

In order to evaluate the quality perceived by customers, at Solunion we apply a comprehensive model to measure the client's experience directed to:

- Ascertain the level of client satisfaction in different countries and businesses constantly and with a consistent methodology.
- Identify the aspects that most affect the client's experience, with the objective of improving them.
- Provide countries with a tool that helps them define and implement actions, assigning the most appropriate level of priority.
- Establish areas for improvement and aspire to be a reference in client experience, in all countries and branches.

To this end, through the analysis of the Net Promoter Score (NPS®) indicator, we evaluate satisfaction and critical points of contact with the customer, making recommendations on the main areas for improvement.

These reports provide data on the level of customer experience, which helps the different business areas to make decisions.



OMNI CHANNEL DISTRIBUTION

We distribute from different channels.

Our objective is to be the preferred partner of mediators, to intensify our distribution through the agency channel (MAPFRE agents, Allianz agents, exclusive agents in Spain), and to continue developing the bancassurance channel with new distribution agreements.



5. SUPPLIERS

GRI 102-9, 102-10, 204-1, 308-1, 308-2, 408-1, 409-1, 410-1, 412-3; 412-1, 412-2, 414

AT SOLUNION, WE AIM TO GIVE ALL SUPPLIERS the opportunity to work with us, openly presenting our offers of commercial initiatives with third parties to the market through a competitive tender process.

As collaborators, we are responsible for guaranteeing this diversity of opportunities reaching decisions that take into account not only price but also other criteria, such as service quality, trust in suppliers, their values, ethics, etc.

We understand this Operational Openness Commitment as the way to ensure not only that our company engages in a responsible procurement process that avoids benefiting just one supplier, but also by sharing and promoting these principles among our commercial partners, extending this social responsibility to the free market.

Solunion aims to guarantee an ethical, transparent, and socially responsible process in the behaviour of all intervening parties in the supply chain, all this, achieving an adequate level of quality in the contracting and service to the clients, and an increase in the internal control in all phases of the project, trying to achieve efficiency and quality of the products by adopting responsible practices that generate mutual value, promoting continuous improvement and driving the growth of suppliers by identifying opportunities for collaboration and innovation.

To this end, Solunion has a Purchase Policy, which aims to establish the criteria and principles of compulsory compliance that must be observed in any contract that is made on behalf of Solunion.

The scope of the Policy is global, excluding issues of outsourcing of essential functions and services (Risk Management, Compliance, Actuarial and Internal Audit), to the extent that these are specifically addressed by the Solunion's Outsourcing Policy.

This policy includes ESG criteria (Environmental, Social, and Governance) for the selection of these services, guaranteeing continuous, sustainable management of the supply chain and preserving the Group's reputation.

Likewise, the contracting of suppliers from the country or region where the Company carries out its activities is encouraged if similar in competitiveness to other locations, thus supporting the generation of positive social impact.

Periodically, the purchasing process is audited. The recommendations and opportunities for improvement that arise during these reviews are analyzed and implemented, in order to maintain continuous improvement in the processes.

Independently, all Solunion suppliers are periodically evaluated through the Know-Your-Customer Process (KYC).

In addition, Solunion has established a Code of Ethics and Conduct for Third Parties that sets out the framework within which the relationship is to be carried out, especially in the areas of Human Rights, ethics, health and safety, and environment. We want our customers, suppliers, and all those third parties with whom we maintain business relations to contribute, together with us, to generating a work environment based on ethics.

Any supplier who observes a situation that could involve a breach or violation of any of the principles and ethical standards or rules of conduct established can report it through the mailbox: canaldedenuncia@solunion.com.

Likewise, all third parties of Solunion can consult any doubt about the interpretation of the guidelines of conduct that appear in the Code of Ethics and Conduct that are applicable to them, through e-mail: cumplimiento@solunion.com.

6. DISTRIBUTORS

SOLUNION'S RELATIONSHIPS WITH ITS DISTRIBUTORS ARE INSPIRED BY PROFESSIONALISM AND RECIPROCITY.

THIS LINK IS REINFORCED THANKS TO THE GLOBAL nature of Solunion's offer that, in addition to being a differential value for its clients, provides an important added value to its distributors, allowing them to present a comprehensive offer adapted to clients' needs and providing constant technical and commercial training.

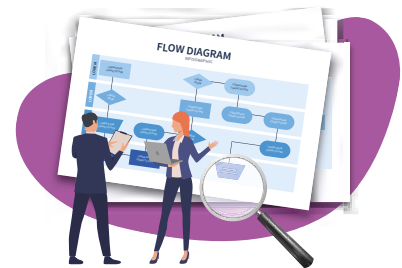


7. SOCIETY

SOLUNION IS COMMITTED TO CONTRIBUTING TO the economic and social advancement of the countries in which it operates by promoting sustainable growth in society, protection of the environment, environmental commitment and respect for Human Rights.

To carry out its functions, Solunion directly employs more than 500 people to which must be added a high number of indirect jobs related to insurance distribution (agents and mediators) as well as the provision of all types of services (barristers, solicitors, etc.) which makes insurance a top level service provider for society as a whole and a significant generator of employment and economic development.

THIS IS EVIDENCED IN OUR COMMITMENT TO:

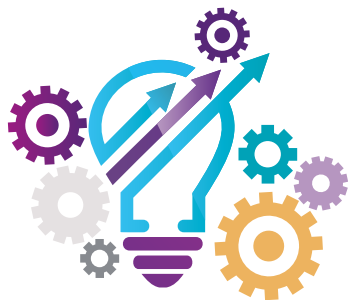


TRANSPARENCY OF INFORMATION

Disseminate relevant and truthful information on the Group's performance and activities, complying with legal reporting requirements.

Prepare and publish financial and non-financial information, using internationally accepted methodologies, and subjecting it to the internal and external verification processes considered appropriate and which guarantee its reliability and encourage its continuous improvement.





TECHNICAL EXCELLENCE AND INNOVATION

In risk management, in adaptation to current regulations, in compliance, in application of processes, in adaptation to change, and in innovation.

- We pursue technical excellence to differentiate ourselves from the market in all countries. Like our shareholders, we are characterised by a rigorous technical control of the business. Our management model must be differentiated by its quality, by the control of the management in all the phases of the relationship with the client.
- Technical excellence means enhancing and increasing our profit margin, making transparent and fact-based decisions, without losing sight of the client and adapting prices to risk, managing our business according to economic cycles.
- Managing our risk exposure is part of our daily work. We have an appetite for risk and we bring degree of experience and valuable knowledge.
- Our pricing policy is consistent and competitive. We work on the development of unified pricing tools.
- We work in a collaborative scheme, sharing information with a vision of transparent and clear exchange.
- Our customers expect transparency in our pricing and decisions, even faster response times and easy-to-use online platforms, as well as increasingly advanced risk and policy data systems.



TECHNOLOGICAL REVOLUTION, A WORLD FULL OF OPPORTUNITIES

Technological changes imply new ways of looking at business and trade. There are new tools and platforms to manage the exchange of information with clients and intermediaries, which facilitate the service provided to the client (digital invoicing electronic payment, B2B commercial platforms, etc.). We need to adapt quickly and, therefore, innovation and digitalisation are part of our strategy.

Our leadership objective drives us to adapt quickly to changes. We are preparing our digitalisation, both in internal processes and in services, and in our relationship with our clients and in new environments. We promote a culture of all-channel communication, all to provide the best service for our clients and mediating partners.

We seek to adapt, explore and offer the most advanced technology to support growth, innovation and added value for our clients. That is why we work on digitizing what we have now, seeking to one day achieve full digitization in our interactions and communications with clients and mediators.

We explore possibilities of collaboration with data platforms and other digital companies that provide us with possibilities of reaching new clients or that help us improve the service provided to our customers.

Our entire digitization strategy is geared towards making our customers' lives easier. To make everything easier, faster and better.

PÓLIZA PY

Policy designed specifically for **small businesses that want to grow safely**, providing autonomy to manage their sales and be covered against defaults.

PÓLIZA COMPROMISO

The ideal solution to cover commercial orders for **products that require a long manufacturing period**.

PÓLIZA GLOBAL

A policy **adaptable to all types of companies**, regardless of their size and the market in which they operate. Agile and with hardly any administrative burden.

PÓLIZA CONFIANZA

The ideal solution to **protect your company against exceptional losses** caused by the final insolvency of your customers in all types of markets.



SUSTAINABLE INNOVATION

To work for the continuous improvement of safety, reliability and competitiveness of all products and services, offering the highest possible level of quality based on the best available techniques.

- To promote active, two-way communication to understand customers' expectations and opinions and to adapt Solunion's responses to their needs.
- To facilitate the relationship with customers through a simple and efficient operation.
- To provide innovative products and services that contribute to the sustainability of society.
- To provide a differential value proposal to the client through products and services that adapt to each segment and its needs.
- To apply technological innovation and the best available techniques as a means of providing an efficient, safe, and sustainable service.

PÓLIZA UNO

The perfect solution to cover a **specific risk** with a single customer or specific supply contract.

TCU PRODUCTS

A line of products that provide protection, mitigating risks related to credit operations, such as defaults or losses **arising from the interruption of the contract**.

WORLD POLICY

A policy for **large multinationals** seeking global solutions with local services.

FAMILIA CAP

Innovative second layer product line to provide **extra security for your most sensitive risks**.

FAIR COMPETITION

GRI 206, 417

AT SOLUNION, WE RESPECT AND COMPLY WITH

the rules that regulate communication and marketing activities and we accept the voluntary codes that give transparency and veracity to such actions. (See page 70).

For this reason and in accordance with Unfair Competition Policy, Solunion is committed to compete in the markets in a fair way and not to carry out misleading or denigrating advertising of its competitors or third parties. Likewise, it is committed to obtaining information legally, to promote free competition for the benefit of consumers and users, and to favour transparency and free market rules. Solunion has not received any complaints in this regard.

RELATIONSHIP CHANNELS

GRI 102-43, 102-44, 407-1

SOLUNION MAINTAINS UPDATED RELATIONSHIP

channels with its seven groups of stakeholders and makes a continuous effort to identify the most important issues for each of them.

An analysis of these issues shows that, although there are issues unique to each geographical regions, most are common to all four Solunion reference countries.

There are many factors involved in managing stakeholder relationships, including having appropriate relationship channels. The following are some of the most significant ones that Solunion has established with its strategic stakeholders.

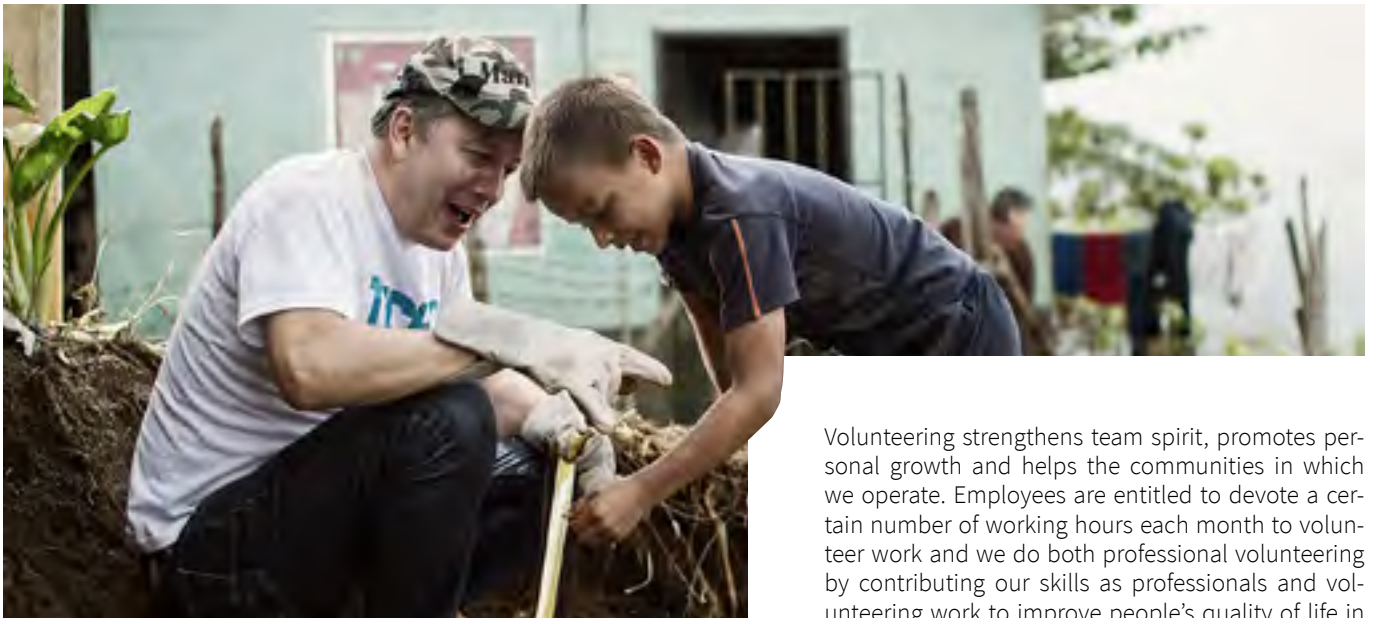
RELATIONSHIP CHANNELS		STAKEHOLDERS						
		SHAREHOLDERS	CUSTOMERS AND POLICYHOLDERS	DISTRIBUTORS, MEDIATORS, COLLABORATORS	EMPLOYEES	SUPPLIERS	SOCIETY	REGULATORY BODIES
SURVEYS AND INQUIRIES	MATERIALITY ANALYSIS							
	SURVEYS AND INQUIRIES							
	PARTICIPATING OR REPRESENTATION BODIES							
FACE-TO-FACE	REGULAR MEETINGS							
MAILBOXES	GENERIC AND PUBLIC MAILBOXES							
	SPECIFIC FOR THE STAKEHOLDER							
	MAILBOX FOR COMPLIANTS AND CLAIMS							
	WHISTLEBLOWING CHANNEL							
WEB/ ONLINE PORTALS	CORPORATE AND COUNTRY							
	INTERNET OFFICE							
	CORPORATE INTRANET (SOLINSIDE)							
	OTHER ONLINE TOOLS							
	APP ´S FOR MOBILE							
MAGAZINES AND NEWSLETTERS	CORPORATE							
PHONE	PHONE							
SOCIAL NETWORKS	SOCIAL NETWORKS							



PUBLICATIONS

TOGETHER WITH OUR TWO SHAREHOLDERS, Euler Hermes and MAPFRE, we produce different sectorial publications and country analysis, with the objective of making a name for ourselves as a reference of information, both for the specialised media and for our clients.

In addition, we have two quarterly corporate publications: our external magazine Solunion, which is distributed worldwide to clients, collaborators, the media and other contacts of interest, and our internal publication, Somos Solunion, which informs employees of the most outstanding developments and activities in all countries.



Volunteering strengthens team spirit, promotes personal growth and helps the communities in which we operate. Employees are entitled to devote a certain number of working hours each month to volunteer work and we do both professional volunteering by contributing our skills as professionals and volunteering work to improve people's quality of life in other tasks.

VOLUNTEERING

GRI 413-1, 413-2

AT SOLUNION, WE CONTRIBUTE TO THE SUSTAINABLE social and economic development of the countries where we operate by carrying out activities related to our professional experience and with the volunteer work of the people who make up the organisation.

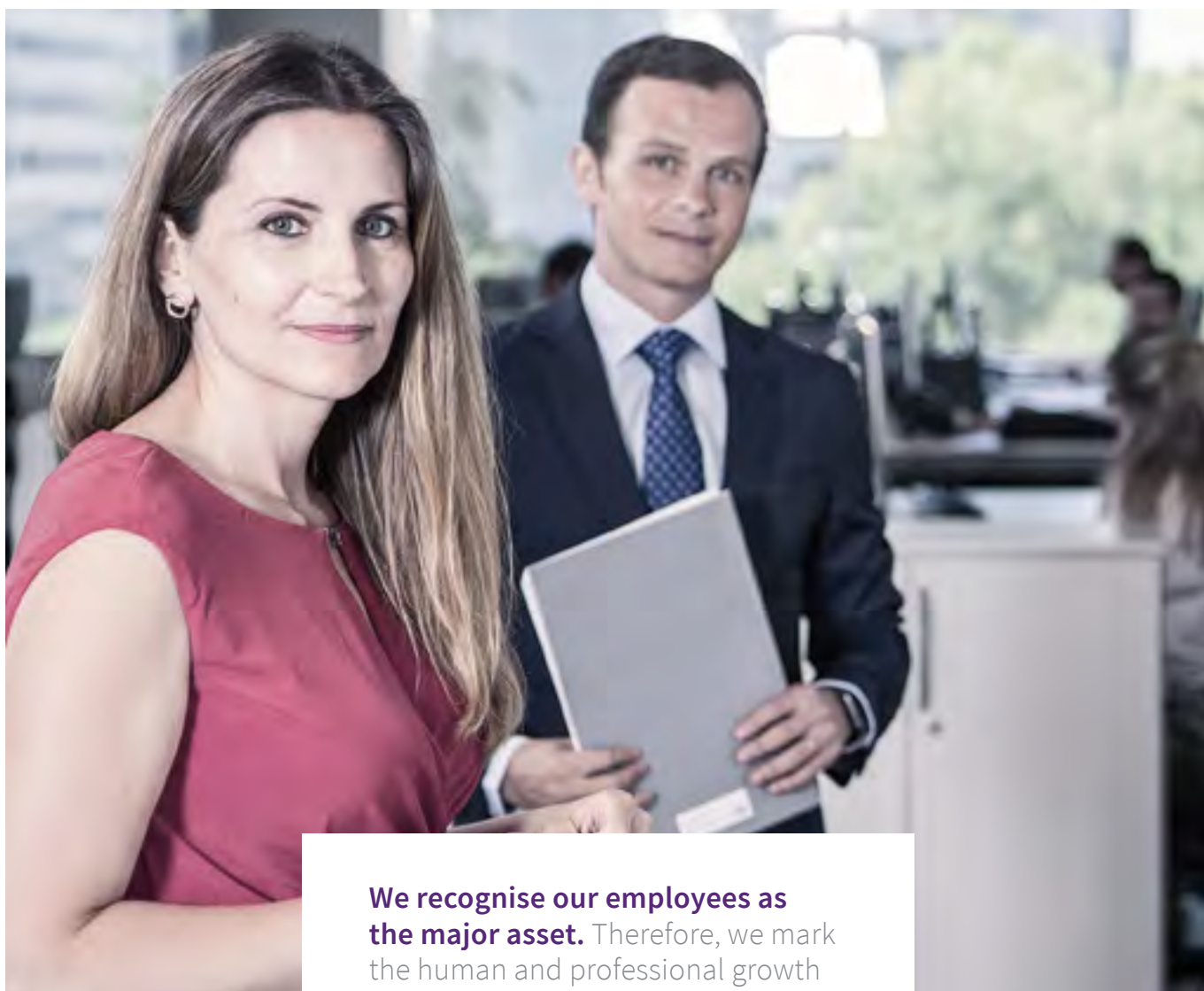
Solunion offers its collaborators various volunteering opportunities within the framework of its Volunteer Programme integrated into the strategies of Social Responsibility and Sustainability and which we develop together with Fundación MAPFRE in Spain, Mexico, Colombia and Chile. (See the 2019 Volunteering Report of Fundación MAPFRE).

Throughout 2019 in Spain, Mexico, Colombia and Chile, 102 volunteers, including employees and their families, have participated in more than 37 activities related to education, nutrition, health, and emergency assistance, amongst others, directly affecting more than 1,300 people. 19.5% of the global workforce has had a volunteer experience.

In 2019, a Volunteer Portal was set up in Spain to serve as a meeting point open to all professionals in the Group who are interested in social and solidarity actions. Thirteen specific courses on different aspects of volunteering, ranging from its definition and connotations or legal implications, to specific types of volunteering based on the group that benefits from the intervention of the volunteers, were also integrated through e-learning.

During 2020, it will be implemented in Mexico, Colombia and Chile.

4 | COMMITMENT TO THE PEOPLE WHO MAKE UP THE ORGANISATION



We recognise our employees as the major asset. Therefore, we mark the human and professional growth of the team as one of our strategic pillars, promoting equality, anti-discrimination and gender diversity. We promote measures of work-life balance, in accordance with the legislation in force in the countries where we are present.



PEOPLE, THE KEY TO SUCCESS

SOLUNION'S EMPLOYEES ARE THE KEY TO GROWTH; the real authors of the Company's success. Talent management, progress, and the ability to adapt to change are the differentiating hallmarks whose development it is the basis of the Company's strategy.

We encourage a climate of trust and continuous improvement in the way we work, based on a transversal approach and collaborative work between the different areas.

Talent development is part of the strategic plan. The detection and training of our people is a priority.

We promote a culture of effort, we measure the fulfillment of objectives, we evaluate competencies and we encourage the development of a professional career within the Company.

We invest in training, both technical and skills-based, to encourage both geographical and functional mobility and the exploitation of opportunities.

We work on continuously improving flexible conditions for better work-life balance, in an environment of equality where joint teams, diversity, and equal opportunities are promoted.

Faithful to the leadership spirit with which Solunion was born, our objective is to generate quality jobs, with international vocations, in a diverse and multicultural work environment.

At Solunion, we want to be an example in the sector and we ensure that all those aspects that affect the people who make up the Company are based on our commitment to Human Rights and the application of our corporate values: Bold by nature, Team strength, and Real commitment.

In this framework, respect and encouragement of the diversity inherent to our nature as a multinational Company and the constant encouragement of equality of opportunity, constitute the fundamental axes in people management that forms part of Solunion.

Solunion's Code of Ethics and Conduct establishes a **Commitment to Diversity and Balance** and, in this way, we promise all our collaborators to promote a work environment where confidence and respect, professional development, diversity, equal opportunities, and the work life balance are fundamental in our Company, through means and actions that make this ambition a reality.

We reject any discriminatory or abusive action for reasons of age, disability, ethnicity or race, gender, political beliefs, worker representation, religion, or sexual orientation, and we promote a culture of professional growth based on effort and results.

We understand our standards and plans as a mission to build a company where every day our colleagues feel that they are where they want to be.

The principles that have marked the roadmap that has been working since the first years of Solunion's life, in labour matters, have been the following:



RELATIONSHIP WITH THE STAFF

Working so that our work environment is a trusted environment, which allows personal and professional development, and is free from offence, exploitation of any kind, harassment, intimidation, and discrimination.



LABOUR RIGHTS

Commitment to the defence, respect, and protection of the basic Labour, Human and Civil Rights recognised in the Universal Declaration of Human Rights, with the support of ten principles of the United Nations Global Compact.



PROFESSIONAL DEVELOPMENT BASED ON PERFORMANCE AND POTENTIAL

Providing a work environment in which staff members are informed about the strategic objectives of the Company and have the possibility to improve both personally and professionally.



RESPECT OF INDIVIDUALS / NON- DISCRIMINATION

Respect must be a basic element of the conduct of the people who make up this Company. To this end, Solunion has stated that it does not tolerate discrimination or harassment at the workplace for reasons of age, disability, ethnicity or race, gender, political persuasion, worker representation, religion, or sexual orientation.

In the year of our establishment, at Solunion we drew up and approved a **Protocol for the Prevention and Treatment of Harassment and Discrimination in the business**, through which the governing principles and guidelines to prevent and, in the event, correct this type of behaviour, were laid out.



EQUAL OPPORTUNITIES

Solunion is committed to providing a suitable working environment, so that there is equal opportunity without discrimination based on gender, race, ideology, religion, sexual orientation, age, nationality, disability or any other personal, physical or social condition, and where diversity is respected and valued.



WORK-LIFE BALANCE

At Solunion, we believe that the all-round growth of the people who are part of this Company is positive both for them and for the Company. Therefore, we want to promote all those measures aimed at maintaining a balance between the personal and professional responsibilities of the staff.

Likewise, Solunion included in its **Principles of Social Responsibility and Sustainability** its commitment that people are the major asset of the Company.

With practically all its staff members on permanent contracts, Solunion is committed to the development of talent within a framework of trust and equality, advocating equal opportunities in the following ways:



At Solunion, we work so that this framework of internal regulation is translated into guidelines that naturally govern both the behaviour of the people who make up the organisation and the processes that define the ways of working in the Company.

We want Solunion to be and be considered as a sustainable, egalitarian, diverse, and inclusive Company.

TOP EMPLOYER 2020

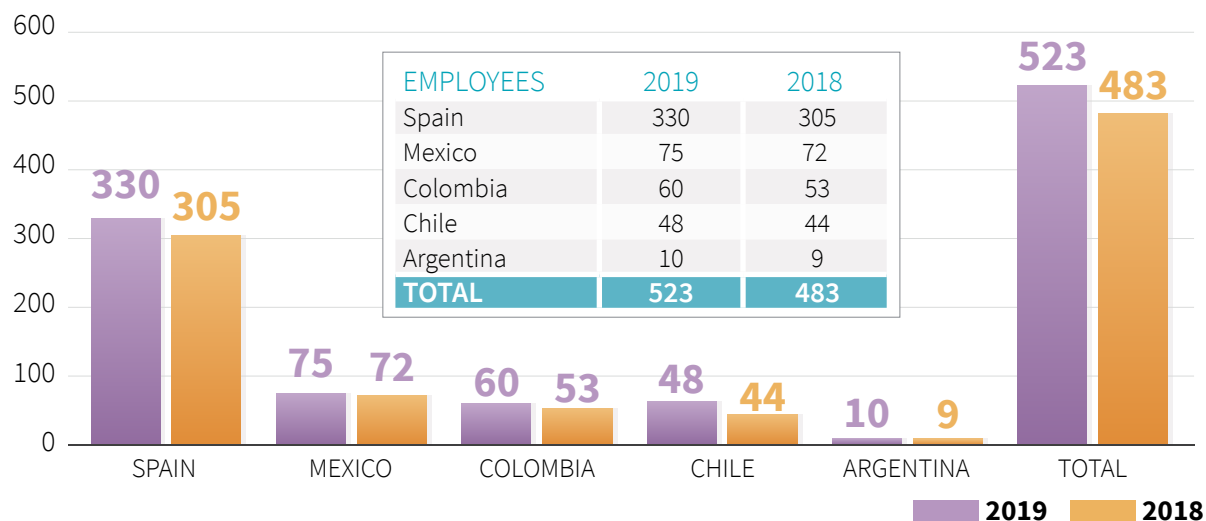
IN 2019, SOLUNION SUBMITTED ITSELF TO AS-essment by the Top Employers Institute and was officially recognised as Top Employer Spain 2020 by the Top Employers Institute.

Solunion has achieved this certification because of the effort made to offer the best working environment to its people, which it places at the centre of its strategy. With this seal, the Company is recognised for its superior practices in Talent Strategy, People Planning, Talent Acquisition, on boarding, Learning and Development, Performance Management, Leadership Development, Career & Succession Management, Compensation & Benefits and Culture.



GENERAL DATA*

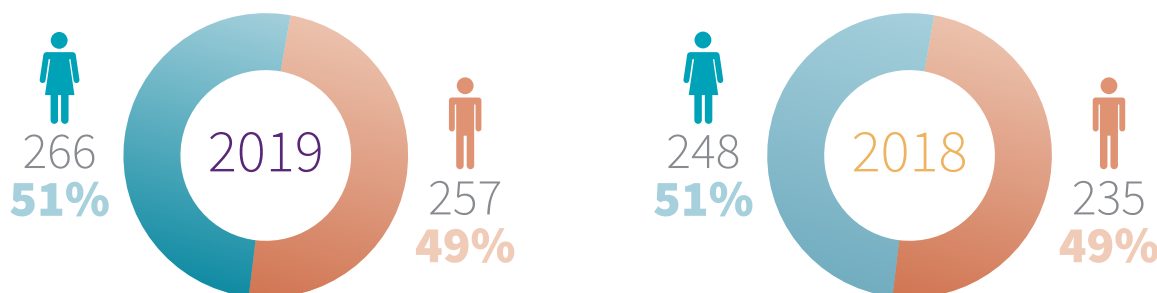
GRI 102-7, 202; L.11/2018



TOTAL NUMBER OF EMPLOYEES BY GENDER*

GRI 102-8, 405-1

	MEN	% STAFF	WOMEN	% STAFF
N° of employees 2019	257	49%	266	51%
N° of employees 2018	235	49%	248	51%



TOTAL NUMBER OF EMPLOYEES BY COUNTRY AND GENDER*

GRI 405-1

	2019		2018	
	MEN	WOMEN	MEN	WOMEN
Spain	167	163	154	151
Mexico	39	36	38	34
Colombia	20	40	17	36
Chile	22	26	19	25
Argentina	9	1	7	2

TOTAL NUMBER OF EMPLOYEES BY AGE*

GRI 102-8

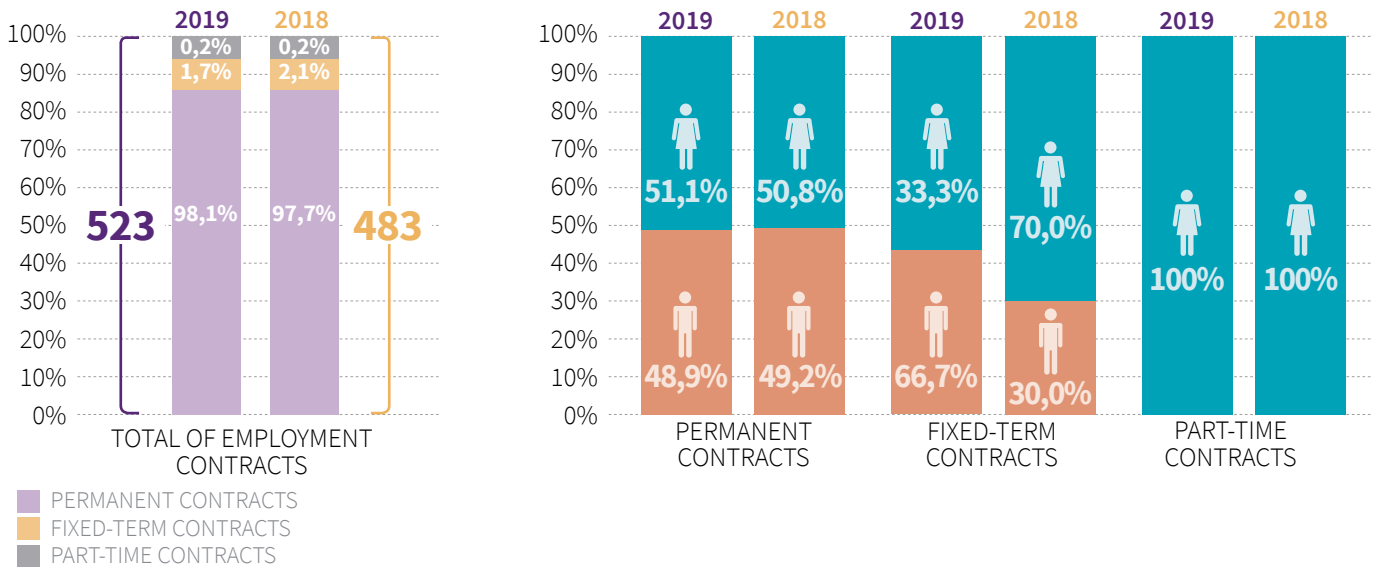
	2019	2018
	N° OF EMPLOYEES	N° OF EMPLOYEES
< 25 years old	11	9
25-40 years old	233	215
> 40 years old	279	259

*As of December 31st



TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT OR FIXED-TERM) AND BY GENDER*

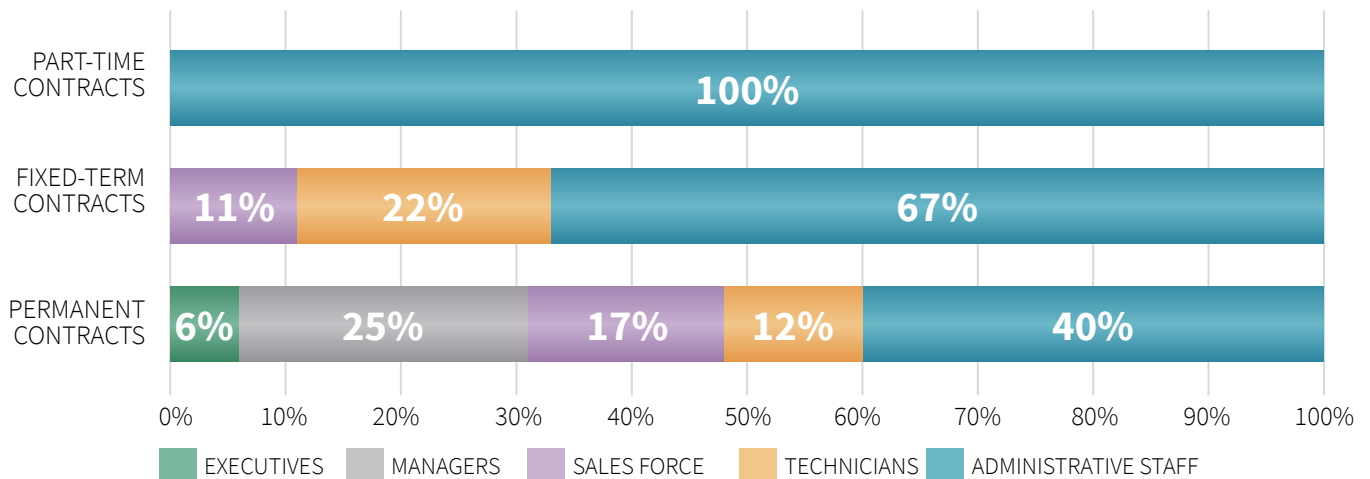
GRI 102-8, 405-1, L.11/2018



	TOTAL 2019	MEN	WOMEN	TOTAL 2018	MEN	WOMEN
Total of employment contracts	523	257	266	483	235	248
% permanent contracts	98,1%	48,9%	51,1%	97,7%	49,2%	50,8%
% fixed-term contracts	1,7%	66,7%	33,3%	2,1%	30,0%	70,0%
% part-time contracts	0,2%	0,0%	100,0%	0,2%	0,0%	100,0%

TOTAL NUMBER OF EMPLOYEES BY JOB CATEGORY AND PROFESSIONAL QUALIFICATION*

GRI 102-8



	TOTAL 2019	EXECUTIVES	MANAGERS	SALES FORCE	TECHNICIANS	ADMINISTRATIVE STAFF
Total n°. of employment contracts	523	33	127	90	61	212
% permanent contracts	98%	6%	25%	17%	12%	40%
% fixed-term contracts	2%	0%	0%	11%	22%	67%
% part-time contracts	0%	0%	0%	0%	0%	100%

*As of December 31st

DIVERSITY

A DIVERSE WORKFORCE ADDS VALUE TO AN ENTERPRISE by encouraging learning, providing experience and, at the same time, enriching the approach and carrying out of the projects being worked on.

Solunion has a global Diversity and Equal Opportunities Policy and is a signatory to several public commitments in this regard.



UNIVERSAL DIVERSITY

SOLUNION HAS ADHERED TO THE DIVERSITY Charter, which is a charter that enterprises and institutions sign, on a voluntary basis, to promote their commitment to the fundamental principles of equality and respect for the inclusion of all people regardless of their profiles.

By adhering to the Diversity Charter, we commit to the following:



To raise awareness about the principles of equal opportunity and respecting diversity, including them as Company values and spreading them among our personnel.



To advance in the construction of a **diverse workforce**, promoting the integration of professionals with diverse profiles regardless of their gender, sexual orientation, race, nationality, ethnic background, religion, beliefs, age, disability, or any other personal or social circumstance.

To promote **inclusion**, favouring effective integration, avoiding any type of discrimination (direct or indirect) in the workplace.



To consider diversity in all human resources policies, **managing diversity in a transversal way**, as the basis and principle of all decisions made in this area.

To promote **reconciliation** through a balance in work, family, and leisure time, establishing mechanisms that allow for the harmonisation of work and family and personal life of all personnel.



To **recognise the diversity of the clients**, which is also a source of innovation and development.

To extend and communicate the **commitment** to personnel, sharing and extending to the whole Company the responsibility that the organisation takes on by being a signatory of the Diversity Charter.



To **spread the commitment** among its supplier companies, inviting them to join the community of companies in Spain that adhere to the voluntary commitment promoted by the Charter.

To convey and make this commitment known to **administrations, business organisations, trade unions, and other social agents**.



To reflect the **activities in support of non-discrimination**, as well as the results obtained from the implementation of diversity policies in the Company's annual report.





GENDER DIVERSITY

GRI 405-1

SOLUNION IS INVOLVED IN SEVERAL INITIATIVES to promote women's leadership, and inclusive dialogue spaces that aim to promote gender diversity initiatives.

Solunion is a participant in the **EWI Network** (Empower Women in Insurance), a network of companies and professionals in the insurance sector that come together to achieve a common goal: to promote the presence of women in the management field.

EWI's mission is also to act as an Equality Observatory for the Insurance Sector, giving visibility and recognition to the most outstanding initiatives carried out in this field and monitoring their evolution and the achievement of the set objective.



Empower Women in Insurance is a sectoral initiative, open to men and women working in the sector with the ambition of changing the environment.



Likewise, Solunion participates in the PROMOCIONA Programme, a milestone that, for the first time, places us in the leading programme for promoting female talent in Spain.

Moreover, we are already implementing the Solunion Equality Plan, in order to comply with the legal requirement regarding, among other issues, the reduction of the pay gap.

	2019		2018	
	MEN	WOMEN	MEN	WOMEN
Executives	25	8	25	6
Managers	69	58	65	50
Sales force	57	33	55	25
Technicians	26	35	17	35
Administrative staff	80	132	73	132
Total	257	266	235	248
%	49%	51%	49%	51%

As of December 31

GENERATIONAL DIVERSITY

GRI 102-8

AT SOLUNION WE BRING TOGETHER DIFFERENT generations with different ways of understanding work, with different values, expectations, motivations, and beliefs. The challenges in this field are:

- Generating an inclusive culture and facilitating the transfer of knowledge between generations.
- Recognising and using the strengths and capacities to bring out the best in each staff member.
- Implementing work models that respond to the needs of the different generations.

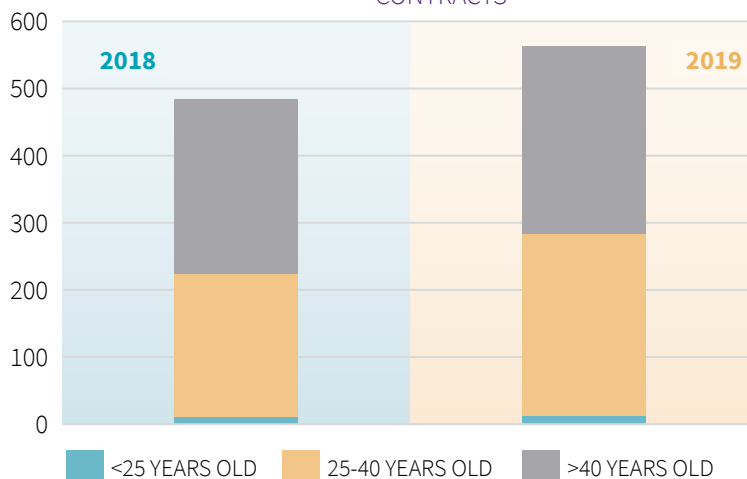


ObservatorioGT

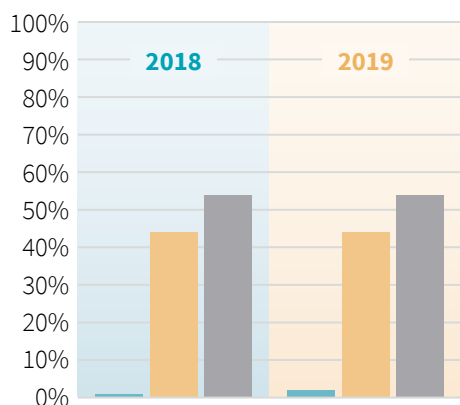
Generación y Talento

Solunion has joined the Generation and Talent Observatory, an organisation that promotes equal opportunity independently of the individual's age and promotes the best practices in managing generational diversity in large and medium-sized organisations.

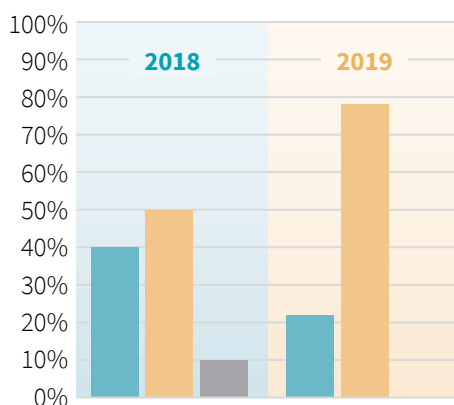
TOTAL OF EMPLOYMENT CONTRACTS



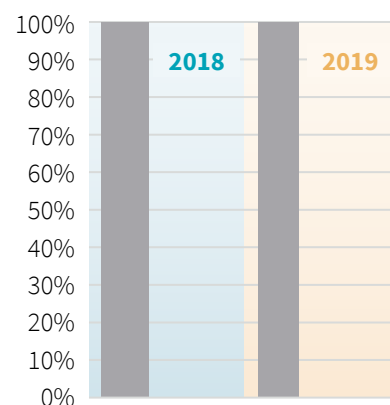
% PERMANENT CONTRACTS



% FIXED-TERM CONTRACTS



% PART-TIME CONTRACTS



	TOTAL 2019	< 25 YEARS OLD	25-40 YEARS OLD	> 40 YEARS OLD	TOTAL 2018	< 25 YEARS OLD	25-40 YEARS OLD	> 40 YEARS OLD
Total of employment contracts	523	11	233	279	483	9	215	259
% permanent contracts	98%	2%	44%	54%	98%	1%	44%	54%
% fixed-term contracts	2%	22%	78%	0%	2%	40%	50%	10%
% part-time contracts	0%	0%	0%	100%	0%	0%	0%	100%

*As of December 31st

FUNCTIONAL DIVERSITY

SOLUNION COLLABORATES WITH THE INSERTA Program of Fundación ONCE, in the search for the talent of people with disabilities.

This programme is aimed at companies that include in their strategic policies the implementation of a management system based on the principles that promote Social Responsibility, fundamentally through the voluntary integration of social concerns into their business operations and their relations with their stakeholders, and specifically promoting their commitment to the segment of people with disabilities, for which Fundación ONCE will make its specialised advice available to the enterprise.

Through this programme, the Fundación ONCE identifies strategic partners for the development of actions that enable the direct job placement of people with disabilities in the heart of enterprises of recognised prestige and belonging to the most diverse economic sectors, as well as putting in place in these companies an array of measures and actions that directly or indirectly contribute to the improvement of living conditions of people with disabilities as an element of integration and added value in the field of social responsibility.



Likewise, we have special employment workshops as suppliers and we carry out volunteer and awareness activities in favour of these groups by sponsoring actions for the work integration of disabled people: Collaboration in the construction and plant nursery activities of the Talisman Association; charity markets in the office; gifts from occupational workshops etc.

Nº OF EMPLOYEES WITH A DISABILITY

	2018	2019
Spain	3	3
Mexico	1	0
Colombia	0	0
Chile	0	0
Argentina	0	0

*As of December 31st



CULTURAL DIVERSITY

GRI 202-2

SOLUNION EMPLOYS 523 EMPLOYEES OF 15 NATIONALITIES, which gives the Group great cultural diversity and provides the talent necessary for the business.

The Group promotes international mobility. Throughout 2019, four employees have changed their job to another country.

24% of senior management and executives working in the Group's companies are of a different nationality to that of the country in which they work.

TALENT

AT SOLUNION, WE APPLY THE BEST PRACTICES IN identifying, attracting, and retaining the necessary talent for business development, ensuring the principles of equity and non-discrimination on any reason (disability, age, gender, prior professional career, etc.).

Solunion applies its Promotion, Recruitment and Mobility Policy to manage talent; to strengthen employees' commitment to Solunion's values by reinforcing the culture of effort and goal-oriented work; to obtain the best individual and Group results; and to promote comprehensive skills and abilities in people, identifying and properly training current and future managers and facilitating geographical and functional mobility.

INTERNAL MOBILITY

GRI 202-2, 404-1

MOBILITY REMAINS KEY TO EMPLOYEE DEVELOPMENT and to increasing employability.

In 2019, we have had 102 selection processes of which 39% were covered internally. 57.5% of internal processes have involved a promotion.

Through geographical mobility, three countries have been able to secure professionals from 15 other countries. There are currently 29 managers and employees working outside their home country.



LEARNING & KNOWLEDGE MANAGEMENT

GRI 103, 404-1, 404-2; L.11/2018

AT SOLUNION, WE ARE STRONGLY COMMITTED TO promoting the professional development of the people who make up the organisation through training, and making the means, programmes, and tools necessary available to enhance their skills and competencies.

All Solunion employees must personally involve themselves in their professional development, actively participating and taking advantage of the training offered by the Company to enhance their skills and keep their knowledge permanently updated.

Training is a decisive factor in increasing the Company's competitiveness and must meet people's needs according to their position and roles in the organisation, and must be aligned with the Company's objectives and strategy.

This is reflected in Solunion's Training Policy.

During 2019, 13,704.4 hours of training have been given, implying more than 26 hours of average training per employee.



	EXECUTIVES	MANAGERS	SALES FORCE	TECHNICIANS	ADMINISTRATIVE STAFF
Total training hours-2018*	1,058.19	4,248.64	2,011.36	2,622.80	4,997.37
Total training hours- 2019	1,687.60	3,679.90	1,882.50	2,460.40	3,994.00

*Colombia 2018 data not included.

*As of December 31st

REMUNERATION & RECOGNITION

GRI 102-35, 102-36, 102-37; 102-38, 201-3, 401-2, 404-3, 405-2; L.11/2018

AT SOLUNION, WE PROMOTE A MOTIVATING WORK environment that ensures the internal recognition of the effort culture, the necessary independence to enable creation, development and innovation, and a suitable framework of compensation.

Solunion has a global remuneration policy applicable to all Group companies, which seeks to establish adequate remuneration according to the role, position, and performance of its professionals, as well as to act as a motivating and satisfying element that allows the achievement of the objectives set and the fulfilment of the Company's strategy, as well as the adaptation to the legal framework of the sector.

Thus, its objectives include:

ENCOURAGE SOLUNION'S BUSINESS STRATEGY, ATTRACTING AND RETAINING TALENT.

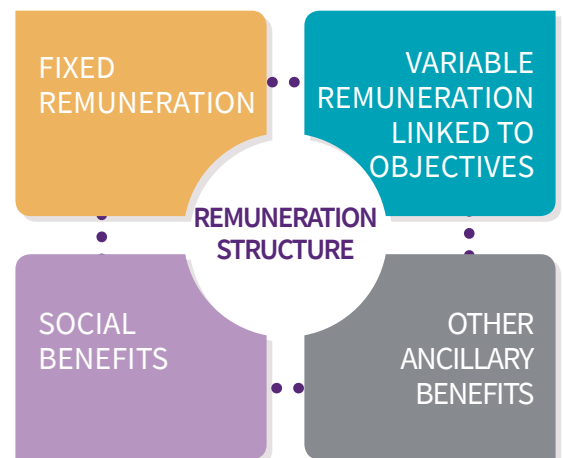
INCENTIVIZE EMPLOYEES TO CONTRIBUTE TO SOLUNION'S OBJECTIVES.

PROMOTE SOUND AND EFFECTIVE RISK MANAGEMENT BY ESTABLISHING REMUNERATION REQUIREMENTS FOR PRUDENT AND APPROPRIATE MANAGEMENT OF THE BUSINESS AND TO AVOID REMUNERATION MECHANISMS THAT ENCOURAGE EXCESSIVE RISK-TAKING BY SOLUNION.

AVOID CONFLICTS OF INTEREST.



The remuneration structure is composed on the following elements:



The allocation and settlement of the variable annual remuneration is carried out through the management by objectives model, which is implemented globally and determines the weight of the different categories of objectives for each occupational level.

All employees who are assigned variable remuneration by objectives are informed of this distribution of objective weights by type according to the level of the post they occupy. In this way, each person is aligned with the strategic objectives, assigning an increasing weight of this type of objective the greater the responsibility of the position, and, in the case of technical and administrative staff members, giving them a greater weight related to the specific roles with which they contribute to the general objectives.

Solunion has a global and standardised process of performance evaluation, in which 100% of the staff participates.

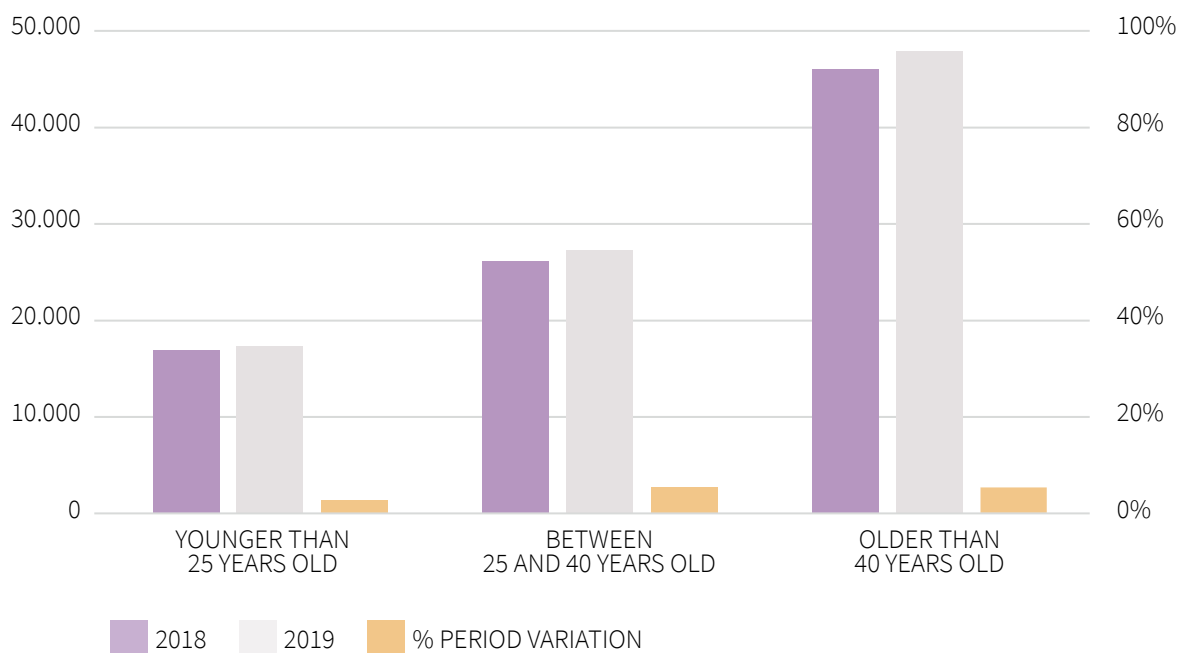
For Solunion, valuing and recognising the individual effort of each employee is key, and the performance assessment is the process through which the individual contribution of each employee to the strategy is valued and recognised.

Average salaries and their evolution broken down by gender, age, and professional classification or equal value:

PERCENTAGE OF EMPLOYEES THAT RECEIVE PERIODIC PROFESSIONAL PERFORMANCE & CAREER ASSESSMENTS

Spain	100%
Mexico	100%
Colombia	100%
Chile	100%
Argentina	100%

As of December 31st



	< 25 YEARS OLD	25-40 YEARS OLD	> 40 YEARS OLD
Average remuneration (€)-2019	€ 17,222.54	€ 27,246.05	€ 47,891.43
Average remuneration (€)-2018	€ 16,833.94	€ 26,168.55	€ 46,063.55
% period variation	2%	4%	4%

As of December 31st

	EXECUTIVES	MANAGERS	SALES FORCE	TECHNICIANS/ ADMINISTRATIVE STAFF
Average remuneration (€)- 2019	€ 94,134.56	€ 46,050.99	€ 35,153.51	€ 28,500.93
Average remuneration (€)- 2018	€ 91,358.03	€ 44,532.80	€ 33,390.51	€ 27,562.60
% period variation	3%	3%	5%	3%

As of December 31st



GENDER EQUALITY

GRI 102-37

EQUAL OPPORTUNITIES FOR MEN AND WOMEN

are a priority throughout the Group. Solunion guarantees the respect of this right and has made it one of the commitments considered in the Equality Policy. Monitoring equality in salary is one of the keys to guaranteeing the creation of an inclusive and respectful culture without differentiating on the basis of gender, age, race, or any other personal factor.

DIFFERENCE BETWEEN THE PAY GAP AND PAY EQUALITY

It is important to understand the difference between the concepts of the pay gap and pay equality:

- The gender pay gap shows the difference between the average wage received by men and by women. In a first phase, Solunion has taken into consideration the total staff, taking as a reference the average fixed remuneration of men and women. In order to find the adjusted pay gap, objective factors such as the level of the position held, professional category or seniority in the Company have been considered. In 2019, the gap adjusted considering these objective factors is a 24.7% (fixed retribution). This difference, which has its origin in the sectoral context of insurance, a traditionally masculine sector, translates into a higher average seniority of men compared to women. It is therefore an inherited gender difference that Solunion is combating by means of a remuneration policy and a selection process model that guarantees full equality.
- Equal pay gap is the right of men and women to receive the same salary for the same job. The remuneration structure for all professional and responsibility categories of the Group is designed under the criteria of gender neutrality.



Solunion has its Diversity and Conciliation Plan in force and throughout 2019 Solunion has worked on an Equality Plan in which measures are designed to guarantee, in its general labour scope, the right to effective equality of opportunities and treatment between men and women, and to avoid any type of gender-based labour discrimination in the fields of access to employment, promotion, professional classification, training, remuneration, reconciliation of work and personal life, and other work conditions.

With the implementation of this Plan, Solunion once again evidences its commitment to equal opportunities between women and men, leading a plan that guarantees the absence of any discrimination, direct or indirect, based on gender, sexual orientation, maternity/paternity, assumption of family obligations, and marital status.

We are promoting multiple initiatives with the goal of achieving effective equality between men and women at all levels. At Solunion, the difference in pay between men and women of the same level and role (gender salary equity) is very small. The aggregated data, that is, the total remuneration of men and women (gender pay gap), show that we still have work to do to increase the presence of women at executive levels and business functions, where remuneration is higher and diversity is still low. Changing this situation is a priority for Solunion.

	MEN	WOMEN
Average remuneration (€)- 2019	€ 44,221.54	€ 32,084.78
Average remunerations (€)- 2018	€ 43,744.94	€ 29,952.18
% period variation	1%	7%

As of December 31st

WORK-LIFE BALANCE

GRI 103, 401-2, 401-3

AT SOLUNION, WE PROMOTE HUMAN AND PROFESSIONAL development by providing a safe and healthy environment, which allows professional development and work-life balance. We also ensure the effective implementation of flexibility mechanisms that facilitate this balance and favour the human and social growth of individuals.

Solunion wants to promote and enhance an increasingly open work culture, based on trust and commitment, as one of the fundamental pillars on which its business strategy is based.

To this end, Solunion has implemented Flexible Work (SolFlex), a new way of working, applicable in all countries, in which we have incorporated numerous flexibility measures (in time and presence), beyond those currently established in the collective bargaining agreements and in internal arrangements in place, in addition to promoting many essential skills and abilities for the proper functioning of the system.



Flexibility regarding physical presence: employee can work from home in similar conditions to those of the Company's facilities, through the use of telematics means.

Flexibility regarding time: employee can adapt their working time within certain parameters, and with a focus on meeting their objectives and their level of customer service.

The number of cases of maternity leave in 2019 was 14 and the number of cases of paternity leave was six. 100% of women and 100% of men who took this leave returned to work. Of the 18 cases of maternity and paternity leave in the year 2018, 15 remain on the staff, representing a retention rate of 83.3%.

In Spain, which is Solunion's main country of operation, the number of cases of maternity leave in 2019 was 12 and the number of cases of paternity leave was six. 100% of women and 100% of men who took this leave returned to work. Of the 14 cases of maternity and paternity leave in 2018, 13 remain on the payroll, representing a percentage of 93%.



WORK-LIFE BALANCE MEASURES

	% OF EMPLOYEES BENEFITTED	NO. OF EMPLOYEES BENEFITTED
Solflex	99%	249
Part-time work	100%	1
Reduced work day	100%	13
Paid & unpaid leave	100%	251
Paternity leave	100%	6
Maternity leave	100%	14
Personal or academic leave	100%	4
Return after long-term leave	100%	1



HEALTH, WELL-BEING, & PREVENTION OF OCCUPATIONAL RISKS

GRI 403-1, 403-4, 403; L.11/2018

THE HEALTH, SAFETY, AND WELFARE OF WORKERS is fundamental both for the workers themselves and for Solunion's productivity, competitiveness, and sustainability.

According to the World Health Organisation, a healthy workplace is one in which workers and management collaborate in applying a continuous improvement process to protect and promote health, security, and well-being of all workers and the sustainability of the workplace. WHO considers that a healthy business

is one in which the employee finds greater security, as well as physical and mental health and well-being, which will improve their performance and job competitiveness.

That is why at Solunion we are committed to achieving a healthy working environment and well-being that allows all employees to carry out their work in the best physical, psychological and social conditions, reaching an optimum level of safety at work beyond mere compliance with regulations on occupational risk prevention.



GRI 403-2

	2019		2018	
	MEN	WOMEN	MEN	WOMEN
Nº. of work accidents that occurred	0	1	0	0
Nº. of workdays lost to accidents at work	0	15	0	0
Working hours lost due to accidents at work	0	115.5	0	0
No. of occupational illnesses	0	0	0	0
Hours of absenteeism*	3,786	17,751	4,165	12,379

*Absenteeism: Medical appointment, employee illness or that of immediate relatives; deaths of immediate relatives.

As of December 31st

In addition, we have adopted a model of prevention in which workers can actively participate in everything that may affect their safety and health at work, for which the legally established representative channels are in place.

SOME OF THE MAIN ISSUES ADDRESSED ARE:

 <p>EVACUATION PLANS AND EMERGENCY MANAGEMENT CONTROL</p>	 <p>FREQUENCY AND CONTENT OF EMPLOYEE MEDICAL EXAMINATIONS</p>
 <p>SYSTEMS OF SECURITY AND HEALTH MANAGEMENT AT THE WORKPLACE</p>	 <p>RETURNS AFTER LONG-TERM LEAVES</p>
 <p>JOB POST SPECIFIC STUDIES</p>	 <p>HEALTH SURVEILLANCE PLANS</p>

Beyond the prevention of occupational risks, work is being done on promoting health in a broad sense, envisioning the Company as an important health-promoting agent.

One of the key channels of a healthy enterprise model is awareness of health matters and of healthy habits and the prevention of occupational risks. For this reason, together with the Fundación MAPFRE in this financial year:

- Several **global campaigns have been launched with content shared** through the Intranet available to all employees. A campaign of information and prevention of strokes, healthy habits, etc.
- **Various awareness campaigns and workshops** have been held on healthy eating, active breaks, physical exercise at the office, guidelines for action in the event of choking, etc.
- Inclusion in **Elige Salud platform** for personalised monitoring of physical activity.



INTERNAL ATMOSPHERE: CLIMATE SURVEYS

MONITORING THE SATISFACTION OF EMPLOYEES through engagement surveys is fundamental for Solunion, since it allows us to keep progressing in our objective of being the best place to work.

This year at Solunion we carried out a global Satisfaction Survey with a participation of 91%; a very high percentage that evidences the high degree of involvement of employees and of commitment to the Company.

It is important to highlight that the level of commitment and satisfaction of the individuals in our organisation has increased by 3% with respect to the previous survey, carried out in the year 2017. Generally speaking, the aspects being measured have improved. 



BOUT THIS REPORT



1. SCOPE OF THE INFORMATION

SOLUNION HAS FOLLOWED THE GRI RECOMMENDATIONS in defining the coverage of this Report, taking into account the entities in which it has the capacity of control, those in which it has significant influence, and the activities significant to the Group from the financial, environmental, and social points of view.

For the purposes of this Report, the following definitions apply:

- “Solunion”, the “Company”, or the “company”, is the Spanish Company Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A., parent company of the Solunion Group.

- “Solunion Group” or the “group”, referring to Solunion (as the parent company) and to the Group of subsidiary companies over which Solunion has the capacity to control or jointly controls.

2. 2. PARAMETERS OF INFORMATION IN THE PRESENT REPORT

GRI 102-50, 102-51, 102-52

THE YEAR IS 2019. THIS IS THE FIRST REPORT PUBLISHED.

The Report will be published annually.

3. SCOPE OF THE ORGANISATION

GRI 102-6, 102-45

THE PRESENTATION OF THE COMPANY'S PUBLIC information has the following external conditioning factors:

- The financial information must meet the legal requirements established in its scope and form of presentation.

- The environmental and social information is presented in accordance with the new legal requirements in terms of content. Solunion has voluntarily chosen to use the GRI Standards for the preparation of this Report.

The financial information included in this **Non-Financial Information Statement. 2019 Sustainability Report** is derived from the Annual Financial Report 2019.

4. DEFINING THE CONTENT OF THE REPORT. MATERIALITY ANALYSIS

GRI 102-46, 102-47

MATERIALITY IS A PROCESS BY WHICH THE BUSINESS determines which issues, from a sustainability perspective, can most impact its activity, bearing in mind during the process the stakeholders that can be most affected by or can impact on said issues. The result of this process is what is referred to as “material issues”.

For Solunion materiality is fulfilling two roles: on the one hand, is it a requirement for the drawing up of the annual reporting, and on the other hand, it will contribute to internal sustainability management operations.

Solunion has indirectly identified its material issues, using the Global Reporting Initiative Standards (GRI) as a model for the drawing of its Annual Sustainability Report.

These guides are the result of a process involving various stakeholders from around the world, with representatives from business, trade unions, civil society, financial markets, auditors, and specialists from various disciplines in the field of business, regulators and government bodies in various countries.

Likewise, Solunion directly identifies, for greater precision, its own material issues by means of the development of its own materiality study, carried out with the advice of an independent external firm, with the purpose of identifying the specific aspects of interest related to the Company’s activity, by means of consulting internal and external sources. Through this process, Solunion identifies those financial, social, environmental and ethical issues that are relevant to its approach to sustainable development.

The ultimate goal is to identify the organisation’s material issues, which will then be reported on in its Sustainability Report.

The analysis corresponding to 2019 prioritises the issues of interest identified according to their importance for both the stakeholders and the Company’s strategy. Thus, 17 issues have been identified as “significant”, which are reflected in the following graph (page 113).

The border between non-material and material aspects is proposed, as shown in the previous graph, so that the resulting list of material issues is as follows.

FINANCIAL ISSUES

1	ECONOMIC PERFORMANCE	GRI-201
2	MARKET PRESENCE	GRI-202
5	ANTI-CORRUPTION	GRI-205
6	ANTI-COMPETITIVE BEHAVIOR	GRI-206

ENVIRONMENTAL ISSUES

14	SUPPLIER ENVIRONMENTAL ASSESSMENT	GRI-308
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SOCIAL ISSUES

15	EMPLOYMENT	GRI-401
16	LABOR/MANAGEMENT RELATIONS	GRI-402
17	OCCUPATIONAL HEALTH AND SAFETY	GRI-403
18	TRAINING AND EDUCATION	GRI-404
19	DIVERSITY AND EQUAL OPPORTUNITY	GRI-405
21	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	GRI-407
27	LOCAL COMMUNITIES	GRI-413
28	SUPPLIER SOCIAL ASSESSMENT	GRI-414
31	MARKETING AND LABELING	GRI-417
32	CUSTOMER PRIVACY	GRI-418
33	SOCIOECONOMIC COMPLIANCE	GRI-419

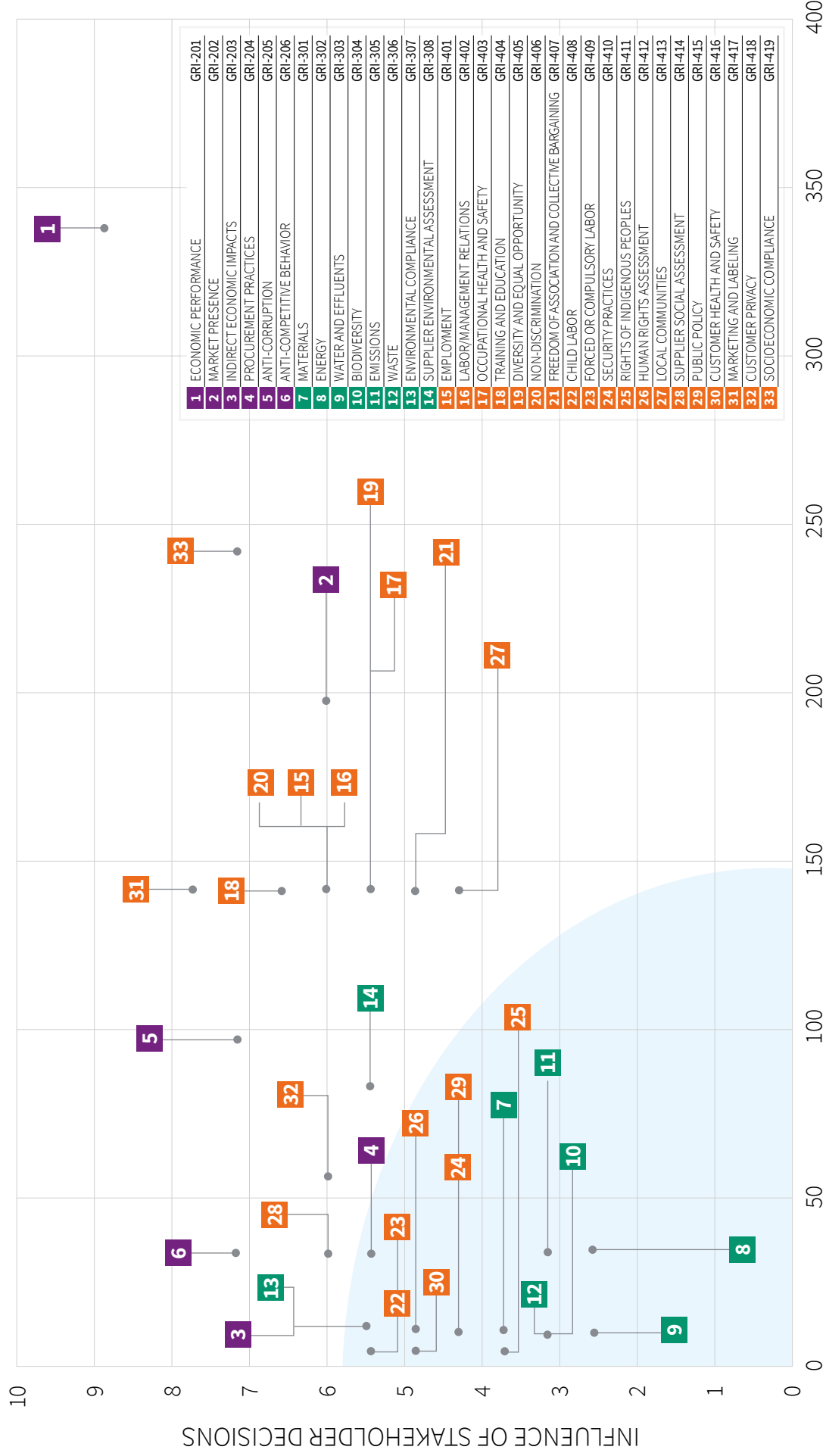
The coverage of material issues, that is, if the issues are significant within the organisation (internal impact on the Company or its employees) or outside of it (external impact on the Company, outside its control perimeter, or on external stakeholders), is thoroughly reflected on in the different sections of this report. In general, Solunion thinks that its material issues have both internal and external coverage, as they directly affect the Company, as well as the different stakeholders to which it relates.

In the various sections of this report, a specific response is offered to the issues identified.

Likewise, Solunion, in its commitment to transparency with its stakeholders, reports, in addition to the issues of the GRI Standards identified as material in the table above, other issues included in those Standards. All reported issues are specifically identified in the GRI Table of Contents included in this chapter of the Report.



MATERIALITY MATRIX



SIGNIFICANCE OF ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS

5. TABLE OF CONTENTS IN RELATION TO THE REQUIREMENTS OF THE ACT 11/2018

(NON-FINANCIAL INFORMATION STATEMENT)

IN THE CURRENT CONTEXT, THERE IS A GROWING demand from society in general, and from shareholders and investors in particular, for companies to explain how they achieve financial results and their assessment in terms of sustainability, in the understanding that adequate disclosure of non-financial information is an essential element in enabling the sustainability of financial activity.

Thus, after Directive 2014/95/EU came into force in 2014, it was transposed into Spanish law by Royal Decree-Law 18/2017, of November 24th, and in 2018 Act 11/2018, of December 28th on non-financial information and diversity was enacted. This new Act widens the legal requirements on non-financial information to be published to include management of environmental and social aspects, relating to the management of people, diversity, respect for Human Rights, and the fight against corruption and bribery, describing the risks, policies, and results linked to these issues.

The present **Non-Financial Information Statement. 2019 Sustainability Report** covers the demands derived the entry into force of the new legislation, and forms an integral part of the Company's Management Report.

This Report has been prepared following both the information requirements and recommendations of the consolidated set of GRI standards.

The table below shows the pages of this document where the information required by the new regulations can be found.

The reader of the **Non-Financial Information Statement. 2019 Sustainability Report** has also the Report on the Group Solvency and Financial Condition available in the section "Solvency Information" on the corporate website, which contains additional information useful for a better understanding of Solunion's performance in the year and its future prospects.

For the purpose of the provisions of articles 80 and 144 of Law 20/2015, of July 14th, on the Management, Supervision and Solvency of Insurers and Reinsurers and in accordance with that set forth in article 300 of the Commission Delegated Regulation (EU) 2015/35, of October 10th 2014, which supplements Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), Solunion and the Solunion Group's Solvency and Financial Condition Report (SFCR) are published.

The SFCR offers information in quantitative and qualitative terms in relation to the assessment of the Entity's solvency situation and its risk management system. The Report is structured into five sections in which the Entity's activity and results, its governance system, risk profile, valuation of its assets and liabilities for the purposes of Solvency II as well as the capital management are analyzed.





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6. TABLE OF CONTENTS IN RELATION TO THE PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

ISSUE	PRINCIPLES OF THE GLOBAL COMPACT	GRI INDICATORS- MOST RELEVANT STANDARDS
HUMAN RIGHTS 	PRINCIPLE 1 Businesses should support and respect the protection of internationally proclaimed human rights.	410-1 to 412-1, 412-2, 413-1, 413-2
	PRINCIPLE 2 Businesses must make sure that they are not complicit in human rights abuses.	412-3, 414-1, 414-2
LABOUR LAW 	PRINCIPLE 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	102-41, 407-1, 402-1
	PRINCIPLE 4 Businesses should uphold the elimination of all forms of forced and compulsory labour.	409-1
	PRINCIPLE 5 Businesses should uphold the effective abolition of child labour.	408-1
	PRINCIPLE 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	102-8, 202-1, 202-2, 401-1, 401-3, 404-1, 404-3, 405-2, 406-1
ENVIRONMENT 	PRINCIPLE 7 Businesses should support a precautionary approach to environmental challenges.	201-2, 301-1, 302-1, 303-1, -1 to 305-3, 305-6, 305-7
	PRINCIPLE 8 Businesses should undertake initiatives to promote greater environmental responsibility.	301-1 to 308-2
	PRINCIPLE 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	302-4, 302-5, 305-5
ANTI-CORRUPTION 	PRINCIPLE 10 Businesses should work against corruption in all its forms, including extortion and bribery.	102-16, 102-17, 205-1 to 205-3, 415-1



7. INDEPENDENT AND EXTERNAL VERIFICATION

SOLUNION CARRIES OUT AN INDEPENDENT, EX-ternal verification of its annual information, both of the Annual Accounts and Management Reports (individual and consolidated with its subsidiaries), through KPMG Auditores, S.L., and of the **Non-Financial Information Statement. 2019 Sustainability Report** through AUREN AUDITORES, S.L.P. The independent, external verification report for this document is included below.



8. CONTACT

THE REPORT, IN ADDITION TO PROVIDING RELEVANT information for the stakeholders with whom Solunion interacts, responds to the observations taken by them throughout the year. However, those interested in consulting or adding to the information provided in this document may contact Solunion through:

Social Responsibility and Sustainability Area:
rss@solunion.com

Communication Area:
comunicacion@solunion.com

Solunion's Corporate Portal:
www.solunion.com



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 or information, views opinions, the original language version of our report takes precedence over this translation.

INDEPENDENT VERIFICATION REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the shareholders of Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A.

According to article 49 of the Commercial Code we have carried out the verification, with the limited scope of certainty, of the attached Statement of Non-Financial Information (EINF) corresponding to the financial year ending 31 December 2019, for Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. and dependent companies (the Group), which forms part of the consolidated Management Report of the Group.

Responsibility of the directors

The drawing up of the EINF included in the consolidated Management Report of the Group, as well as the content of the same, is the responsibility of the directors of Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. The EINF has been prepared according to the content set out in the current commercial regulations and following the selected Sustainability Reporting Standards criteria of Global Reporting Initiative (GRI standards), according to what is stated for each area in the table "Índice de contenidos en relación con los requisitos de la Ley 11/2018 (Estado de información no financiera)" included in chapter 5.5 of said Statement.

This responsibility also includes the design, implementation and maintenance of internal monitoring necessary to ensure that the EINF is free of material misstatement, due either to fraud or error.

The directors of the dominant Company are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the EINF is obtained.

Our independence and quality control

We have complied with the requirements of independence and other ethics requirements set out in the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA) which is based on the fundamental principles of professional integrity, objectivity, competence and diligence, confidentiality and professional



conduct.

Our firm applies International Standard on Quality Control (ISQC) 1 and, as a result, maintains an overall quality control system that includes documented policies and procedures on compliance with the requirements of ethics, professional rules and applicable legal and regulatory provisions.

The working team was formed of professionals who are experts in Non-Financial Information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent verification report of limited certainty based on the work carried out, referring exclusively to the 2019 financial year. The data corresponding to previous years was not subject to the verification envisaged in the current commercial regulations. We have carried out our work in accordance with the requirements established in the current Revised International Standard on Assurance Engagements '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 with the Guidelines on verification engagements for Non-Financial Information Statements issued by the Spanish Chartered Accounting Institute.

In a limited certainty engagement, the procedures carried out vary in terms of their nature and the time they are executed, and have a more limited scope, that those carried out in a reasonable certainty engagement and, as such, the certainty obtained is substantially less.

Our work has consisted of the submission of questions to Management, as well as to the different units of the Group that participated in the preparation of the EINF, of the review of the processes for gathering and validating the information presented in the EINF and in the application of certain analytical procedures and sample review tests described below:

- Meeting with the personnel of the Group to ascertain the business model, the management policies and approaches applied, the main risks related to these issues and obtain the information necessary for the external review.
- Analysis of the scope, relevance and integrity of the content included in the EINF for the 2019 financial year in line with the materiality analysis carried out by the Group and described in chapter 5.4 "Definición del contenido del informe. Análisis de Materialidad", considering the content required by the commercial regulations in force.
- Analysis of the processes for gathering and validating the data presented in the EINF for the 2019 financial year.
- Review of the information on risks, and management policies and approaches applied in relation to the material aspects presented in the EINF for the 2019 financial year.





- Confirmation, by means of tests, based on the selection of a sample, of the information on the content included in the EINF for the 2019 financial year and the proper gathering of the same using the data supplied by the information sources.
- Obtaining a letter of representations from the Directors and from Management.

Conclusion

Based on the procedures carried out in our verification and the evidence obtained, we have not found any aspects that lead us to believe that the EINF for Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. and dependent companies for the financial year ending 31 December 2019 has not been prepared, in all significant respects, in line with the content included in the commercial regulations in force and following the criteria of the selected GRI standards, in accordance with what is stated for each area in the “Índice de contenidos en relación con los requisitos de la Ley 11/2018 (Estado de información no financiera)” table included as chapter 5.5 to said statement.

Use and distribution

This report has been prepared in response to the requirement established in the current commercial regulations in Spain, meaning that it may not be appropriate for other purposes and jurisdictions.

AUREN AUDITORES SP, S.L.P.

Original signed in Spanish by
Julio López

May 19, 2020





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