

NON-FINANCIAL
INFORMATION
STATEMENT









 **solunion**
SOMOS IMPULSO

2021
Sustainability
Report



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2021 Sustainability Report



C O N T E N T S

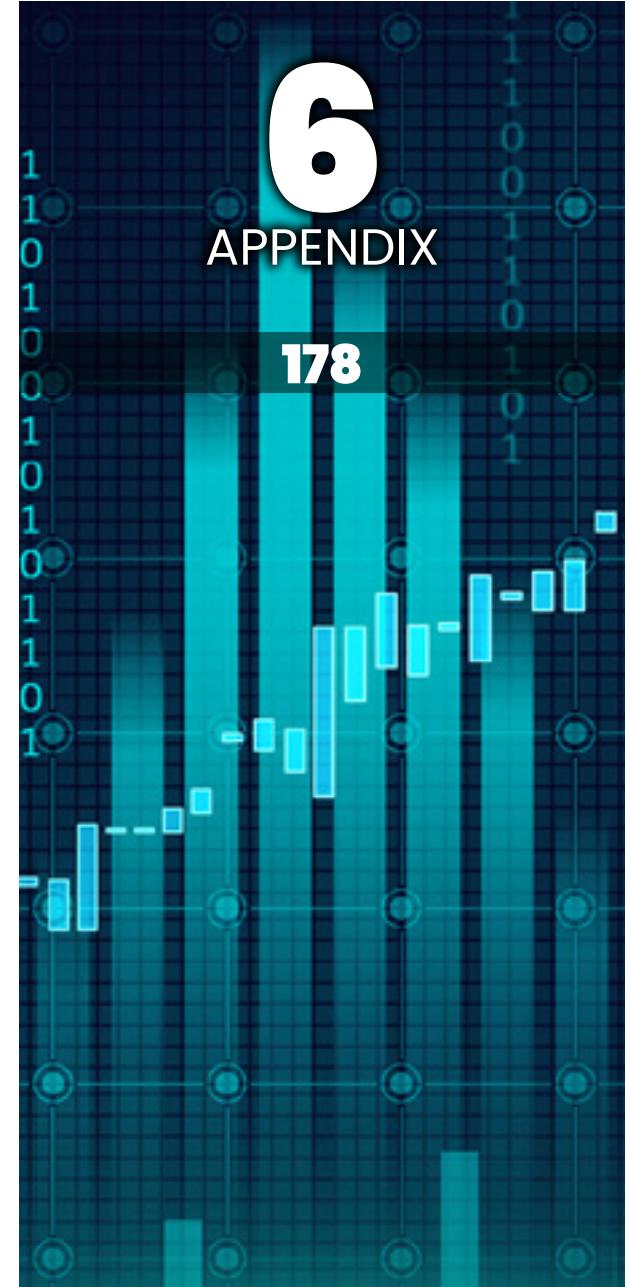




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INTRODUCTION

GRI 102-21, 102-50, 102-54




Since its creation, Solunion has been continuously consolidating its commitment to transparency and its defence of a sustainable and environmentally friendly growth model. Continuing with this commitment, Solunion presents its Non-Financial Information Statement. 2021 Sustainability Report approved by its Board of Directors on 29 March 2022.

Solunion publishes this Report to allow its stakeholders to check on the Company's performance in the area of sustainability over the 2021 financial year and obtain detailed information on its contribution to the Sustainable Development Goals of the 2030 Agenda of the United Nations, in line with the commitments made.

In this way, Solunion meets the growing demand from society in general, as well as from our two shareholders, for enterprises to explain the performance of non-financial aspects: in the Environmental, Social and Corporate Governance areas (ESG), with the understanding that good performance in all of them is an essential factor for a company's success.

This document forms part of the consolidated Management Report of Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. (hereinafter, "the Company" or "Solunion") for 2021 and is subject to the legal criteria for approval, filing and publication. With the issuance of this Report, Solunion complies with the provisions of Article 49 of the Code of Commerce as amended by Act 11/2018, of 28 December, on non-financial information and diversity, which transposes Directive 2014/95/EU into Spanish law, by reporting, in the detail required by said legislation, on environmental matters, social and employee-related matters, diversity, respect for Human Rights,




Solunion publishes this Report to allow its stakeholders to check on the Company's performance in the area of sustainability.

anti-corruption and bribery matters and describing, in particular, the risks, policies and outcomes related to all these matters.

The Non-Financial Information Statement. 2021 Sustainability Report has been prepared in accordance with the reporting requirements and recommendations of the Consolidated Set of Global Reporting Initiative (GRI) Sustainability Reporting Standards (Comprehensive option).

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).

It has also been prepared according to the SDG Compass criteria of the Sustainable Development Goals of the UN 2030 Agenda (SDGs).

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. 



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MESSAGE FROM THE CEO

GRI 102-14

W

orking with and for a purpose is essential as well as a priority for companies. We have a clear and unavoidable commitment to society and sustainability, to caring for people, to economic and social development, and to protecting the environment. In short, a commitment to our future: to

the creation of value in order to promote a better world to the extent of our possibilities, and by means of our actions.

2021 was, once again, a pandemic year. The entire world continues to face an unprecedented situation that has forced us to adapt to a way of life where people's protection and health takes precedence over all other considerations. However, the volatility and uncertainty, the permanent economic, political, and social changes in all spheres, have continued to test our capacity and resilience.

I would therefore like to begin this letter by thanking you. Thank you to our Solunioners, to the more than 575 people who make it possible for Solunion to maintain its positive growth in all markets, to meet the targets set out in our Atenea Strategic Plan, with the ambition and courage that is the hallmark of a team whose goal is to satisfy its customers and intermediaries, and its commitment to society.





I would like to dwell a little on Atenea, since our Strategic Plan 2020-2021 concludes in the best way possible: with the satisfaction of having advanced and fulfilled the targets we had set.

Atenea has helped us to boost our business, to develop and launch new products, services and lines of distribution, to evolve our technology and culture, and to generate value for our shareholders, customers, collaborators, and the market in general. But above all, it has taught us to work even better as a team, to implement a project methodology that works, to optimise our processes, and to seek creative solutions.

In 2022, we begin a new and ambitious adventure called Arion, our Strategic Plan 2022-2024, which will drive our growth and continue to reinforce our learning and initiatives, with our commitment to the trust placed in us by our shareholders, customers, intermediaries and collaborators.

Our commitment to sustainability

Solunion is firmly committed to the 2030 Agenda and to fulfilling the United Nations Sustainable Development Goals, especially those related to the organisation's core activities. Fulfilling the SDGs is also related to implementing the ten principles of the Global Compact in the business sector, as both frameworks have cross-sectoral relevance with regard to their goal to build more sustainable societies and markets.

Our commitment extends to all stakeholders and throughout our value chain, and this report pays special attention to the SDGs that are linked to our business strategy.

Solunion's Sustainability Report 2021 lists, as you can read in the following pages, the details of all actions that we have undertaken in environmental, economic and social matters, following the international standards of the Global Reporting Initiative (GRI).

Our commitment to society

Solunioners are a boost to Solidarity. In 2020, we launched the concept of #SolunionersSolidarios, in connection with all the volunteering and social action actions that we still carry on, despite the pandemic.

A few examples are our solidarity challenges of kilometres for food, our participation in the Entreculturas race, volunteering at home to provide school support, translations or virtual support days, EDUCO's "Feed the Youngest" campaign in Spain, and our collaborations with Paidi in Mexico, with Hogares Bambi in Colombia, and with Aventuras UP in Chile, together with the donations made to different organisations and associations, and sports scholarships for the most disadvantaged members of La Mina gymnastics club or Aravaca C.F., among others.

This brings me back to the beginning: to thank our Solunioners for their commitment. For showing with their actions and their high level of involve-

We have a commitment to our future: to the creation of value in order to promote a better world to the extent of our possibilities, and by means of our actions.

ment, that a better society is indeed possible and that people, despite all difficulties, are working to promote a much-needed equality, which begins with small individual actions.

At Solunion, we have a purpose: "to help our clients achieve their targets and to boost their growth by providing them with risk management solutions that are tailored to their needs". To grow and to enable growth, that's the key. Going forward, we'll continue our efforts to capitalise on the foundation that we've created, focused on generating value for our shareholders, customers, intermediaries, and our people. They give us the capacity for growth, they drive it and make it possible. ☺

Alberto Berges
Solunion CEO



3.1

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. We aspire to leadership in Spain and Latin America. With more than 5,000 clients, we have presence in 16 countries, more than 575 employees; we manage risk in more than 50 countries, collections capacity in more than 150 countries, and a premium volume exceeding €204 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 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 analyse, so that then we can create what businesses demand.

We are a team of professionals with extensive experience in credit and surety insurance. We put at the service of companies our commitment to excellence,

to their secure growth, to their projects, to offer them solutions that boost their business.

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.

For operational purposes, Solunion is established in Spain, Mexico, Colombia, Chile, Panama and Argentina and operates in the Credit branch through direct

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.

issuance in Spain, Chile, Mexico and Colombia, and through fronting agreements with its shareholders in Peru, Uruguay, Argentina, Panama, Ecuador, Guatemala, Nicaragua, Costa Rica, El Salvador, Honduras and the Dominican Republic.

In the Surety business, the Company carries out direct issuance in Spain and acts as a reinsurer in Latin American countries.

Solunion's structure in Latin America is divided into three regions:

- ▶ **North Latam Region**, with headquarters and scope of activity in Mexico.
- ▶ **Central America and the Caribbean Region**, with headquarters in Panama and area of activity in Panama, Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala and the Dominican Republic.
- ▶ **South Latam Region**, with headquarters in Colombia and area of activity in Colombia, Ecuador, Chile, Argentina, Uruguay, Paraguay and Peru.

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 150 countries and manage risks in almost any country in the world.

In the infographic on the previous page we show, in purple, the countries where we operate.

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.

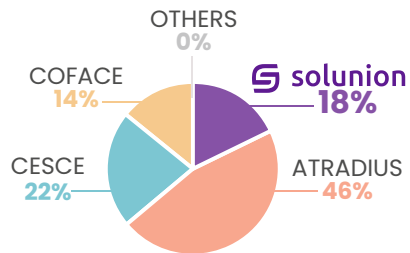
Led by our trajectory and strengthened by our character, we always look ahead, creating new opportunities and moving towards them together with our clients and mediators, together with the market.

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

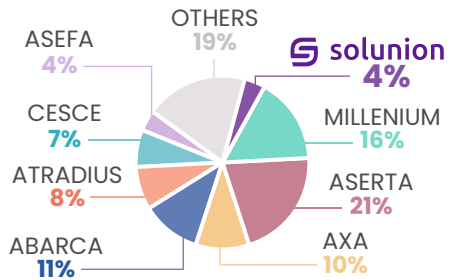


SPAIN

CREDIT
€670 M



SURETY
€154 M



ICEA data at December 2020.



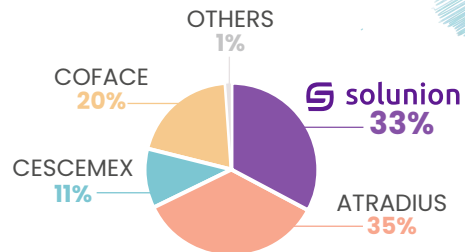
Our position in the market

We have a direct presence in Spain, Chile, Colombia, Mexico, Panama and Argentina, and we offer our products and services from the hand of MAPFRE in Ecuador, Peru, Costa Rica, Uruguay, Dominican Republic, Nicaragua, Honduras and El Salvador.

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

MEXICO

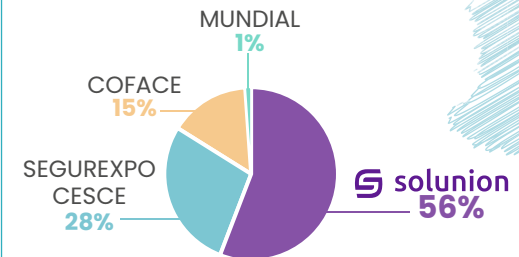
CREDIT
\$80.1 M



ALASECE Report. Data at September 2021, 12 months.

COLOMBIA

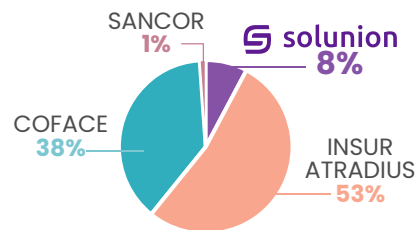
CREDIT
\$32.5 M



ALASECE Report. Data at September 2021, 12 months.

ARGENTINA

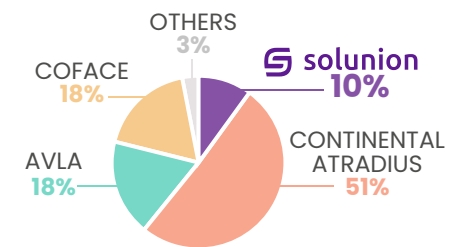
CREDIT
\$37.3 M



ALASECE Report. Data at September 2021, 12 months.
Solunion emission in Argentina is fronting through Allianz.

CHILE

CREDIT
\$100.3 M

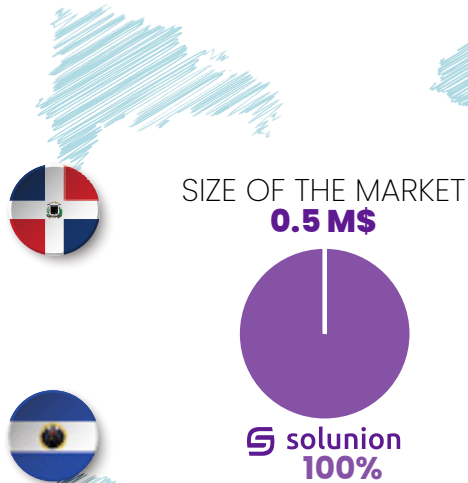


ALASECE Report. Data at September 2021, 12 months.

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:

DOMINICAN REP. ***



HONDURAS***



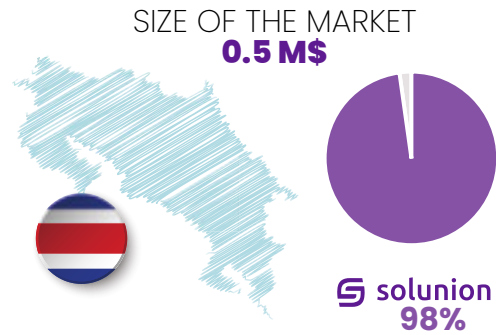
EL SALVADOR***



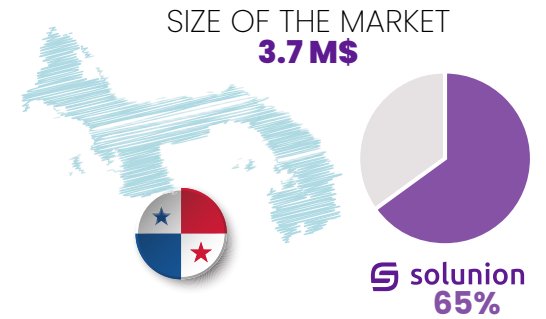
NICARAGUA***



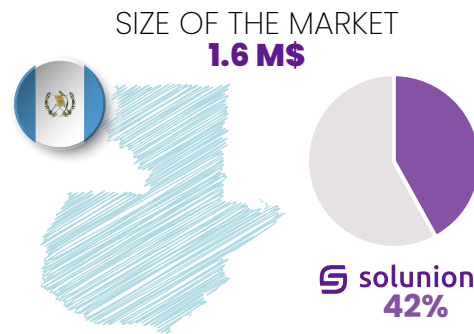
COSTA RICA*



PANAMA**



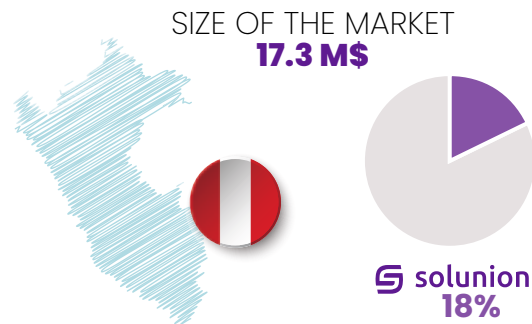
GUATEMALA***



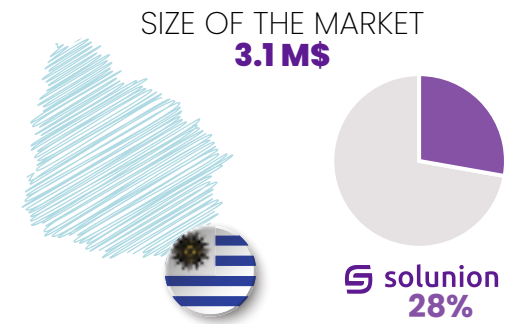
ECUADOR*



PERU*



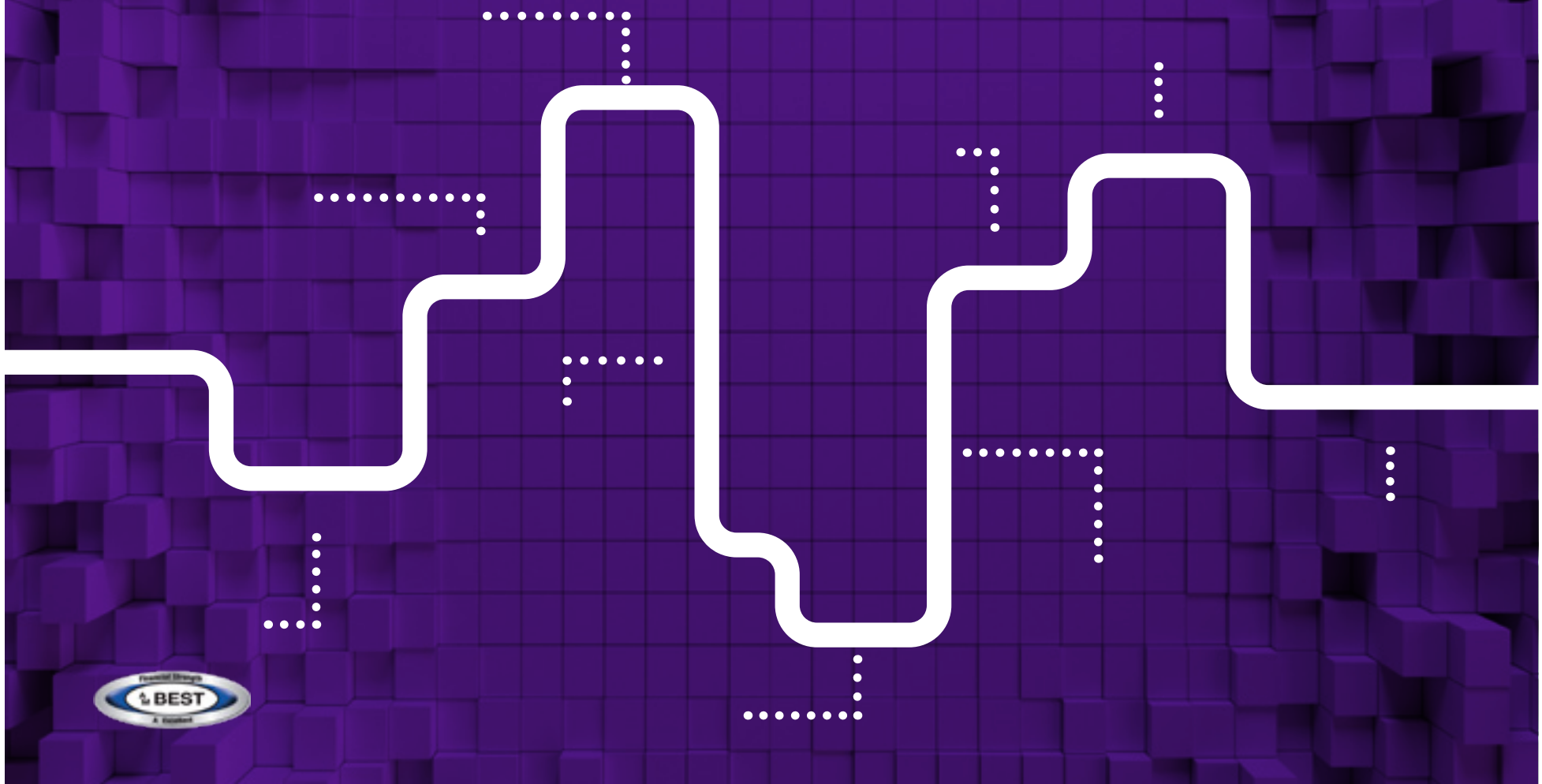
URUGUAY*



* ALASECE Report. Data at September 2021, 12 months.
 ** Superintendencia de Seguros y Reaseguros de Panama data December 2020.
 *** ALASECE Report. Data at December 2020 12 months.

3.2

2021 MAIN FIGURES



Our distinctive features

International debt recovery 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.

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.

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.

Our technology tools provide peace of mind and give us the agility to manage our products anytime, anywhere. We believe that technology is our best ally to boost our customers' business, and we rely on technology to anticipate possible unwanted situations.

Multi-channel distribution strategy

Our goal is to be the broker's preferred partner, intensify our distribution through the agency channel (MAPFRE agents, Allianz agents, exclusive agents in Spain) and continue to develop the bancassurance channel with new distribution agreements.

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.

Expansion and growth

We focus our expansion and growth strategy in four areas:

Expansion in products and solutions

Flexible and innovative, for all types of companies. Sectoral products, by company size and risk volume, with the aim of being the company with the most versatile, complete and adaptable product portfolio for every need.

Expansion to new markets

Hand in hand with our shareholders, advancing in agreements to be present in a greater number of markets.

Expansion in systems

Both in information systems and in strategy for the application of new technologies in the service of risk management.

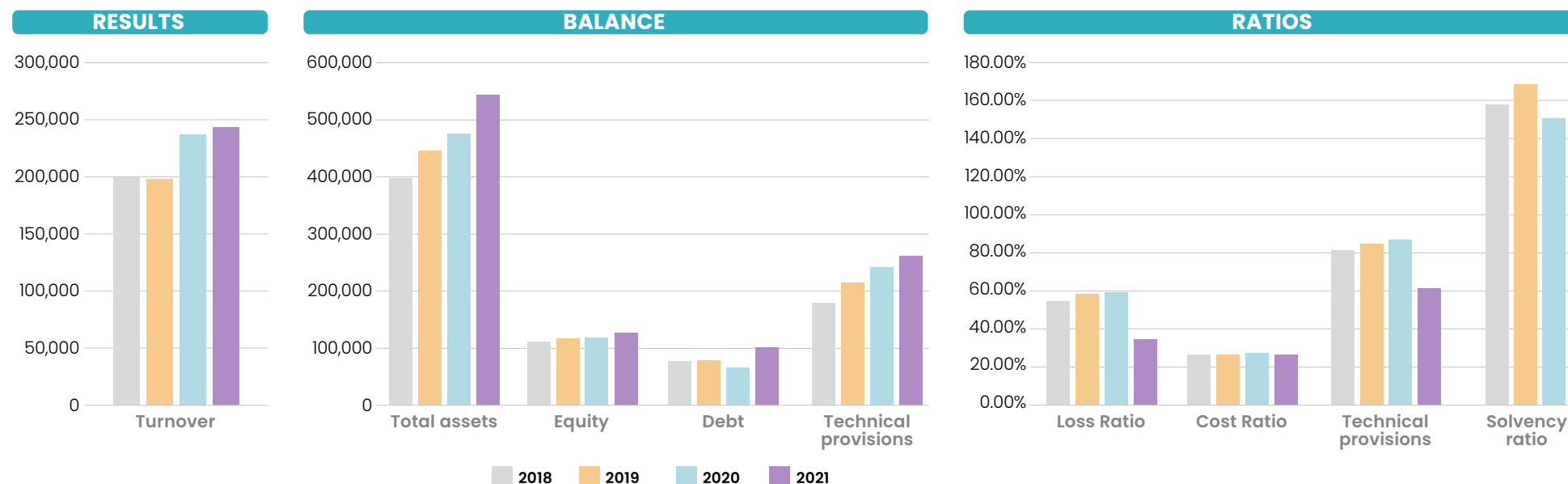
Expansion by channels

With a multi-channel distribution strategy, that involves boosting activity with each of the mediators (brokers, banks, agents) and increasing agreements with each channel in Latin America.

Turnover, assets and liabilities

GRI 201-1

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



CONCEPT (Thousands €)	dic-21	dic-20	dic-19	dic-18	Var.% 21/20	Var.% 20/19	Var.% 19/18
RESULTS							
Turnover	243,619	236,910	198,369	199,386	2.83%	19.43%	-0.51%
BALANCE							
Total assets	543,877	475,241	445,938	398,096	14.44%	6.57%	12.02%
Equity	126,314	118,388	116,673	111,292	6.69%	1.47%	4.84%
Debt	100,625	65,619	77,956	77,793	53.35%	-15.83%	0.21%
Technical provisions	261,722	241,201	214,820	179,948	8.51%	12.28%	19.38%
RATIOS							
Loss Ratio	34.72%	59.45%	58.31%	54.71%	-41.59%	1.95%	6.59%
Cost Ratio	26.66%	27.36%	26.51%	26.82%	-2.56%	3.19%	-1.15%
Combined Ratio	61.38%	86.81%	84.83%	81.53%	-29.29%	2.34%	4.04%
Solvency ratio		150.7%	168.4%	158%		-10.51%	6.58%

Thousands €

Net income

GRI 201-1



Employees

GRI 102-7

The **576** group had **employees** as the end of **2021**, with the following breakdown per country



Year 2021  **576**  EMPLOYEES



Year 2020  **562**  EMPLOYEES



Year 2019  **523**  EMPLOYEES



Year 2018  **483**  EMPLOYEES





Corporate and governance structure, ownership and legal form

GRI 102-5, 102-7

SOLUNION 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, S.A.U., 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, Panama, Spain and Mexico. In December 2017, shareholders expanded the scope of the agreement to include the joint development of Surety insurance.

MAPFRE is a global insurer with a presence on five continents and the leading multinational insurance group in Latin America, and Euler Hermes is the world's number one Credit insurer and one of the leaders in Surety and Collections.

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



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 analyses 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.



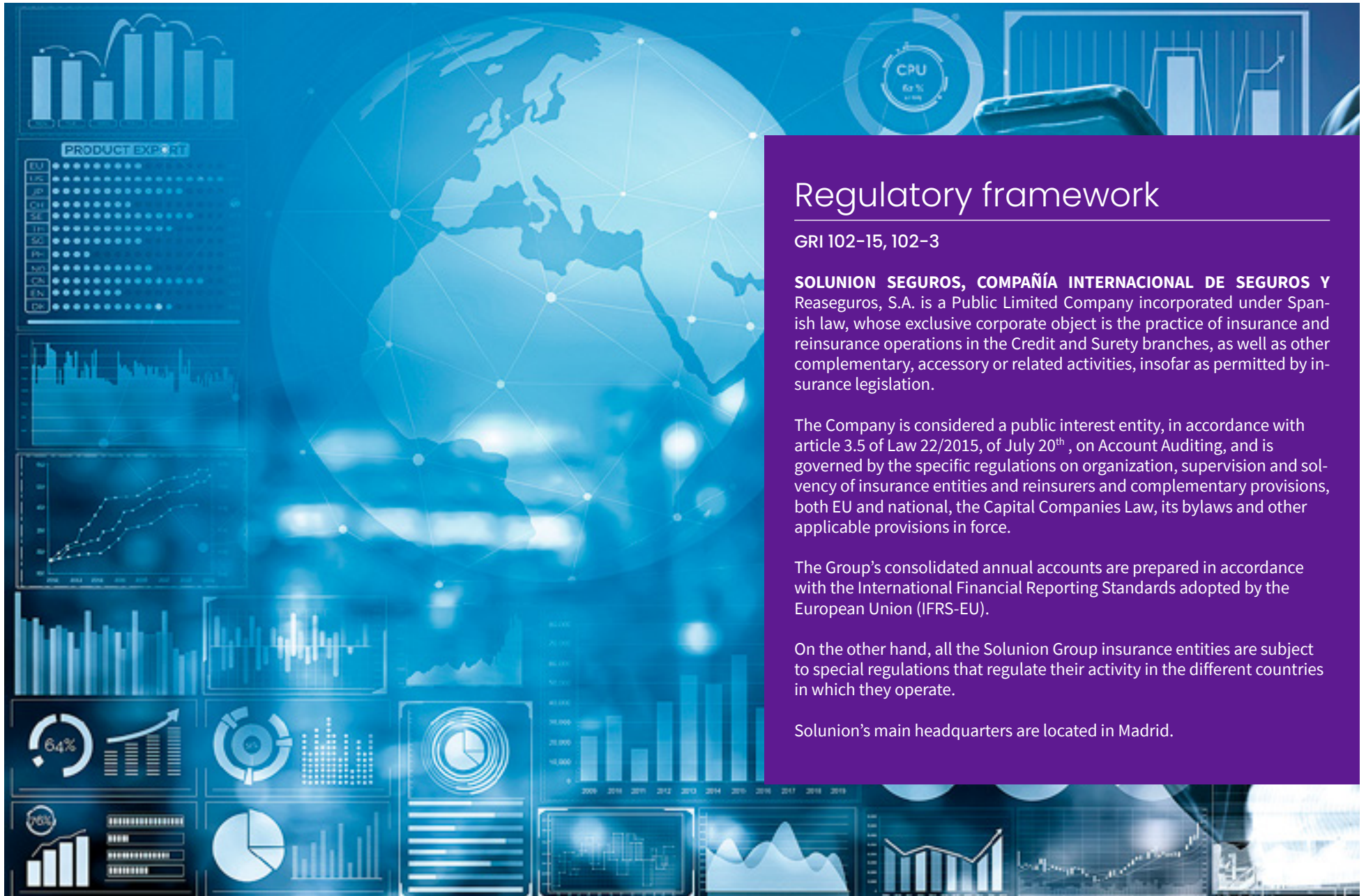
50%

S solunion
SOMOS IMPULSO



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.

50%



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 EU 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.

3.3

ECONOMIC ENVIRONMENT

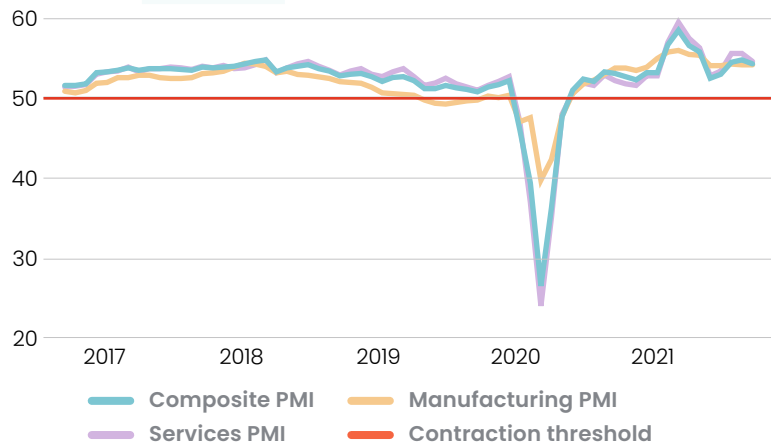
GRI 102-15

Source of graphics: MAPFRE Economics.

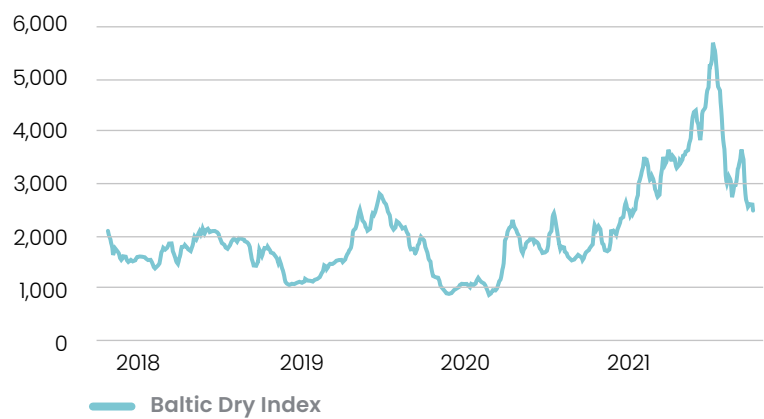
The global economic recovery in the first half of 2021 demonstrated a solid acceleration due to the easing of restrictions caused by the pandemic, and monetary and fiscal policies that contributed to an environment of growth. However, in the second half of 2021, we have witnessed inflationary pressures in all markets, supply chain delays in various industries, widespread increases in energy and raw material prices, and increased uncertainty caused by Omicron, the new COVID-19 variant.



GLOBAL: EVOLUTION OF GLOBAL PMIs

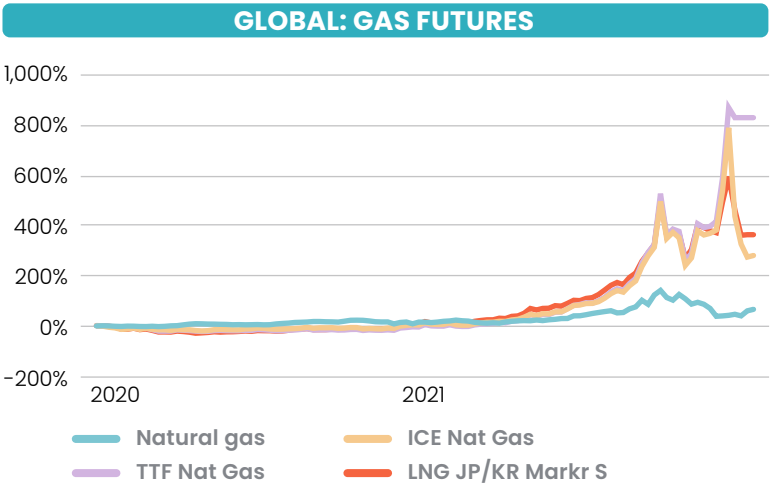


GLOBAL: EVOLUTION OF GLOBAL TRADE (CARGO FREIGHT CONTRACTS)

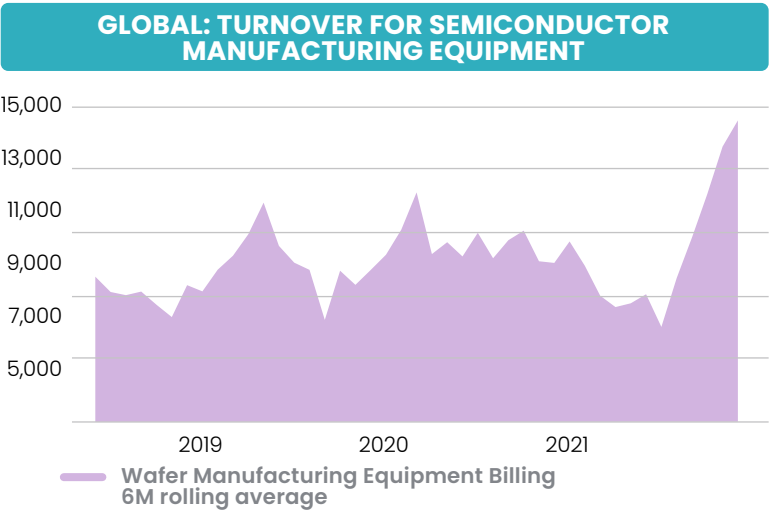
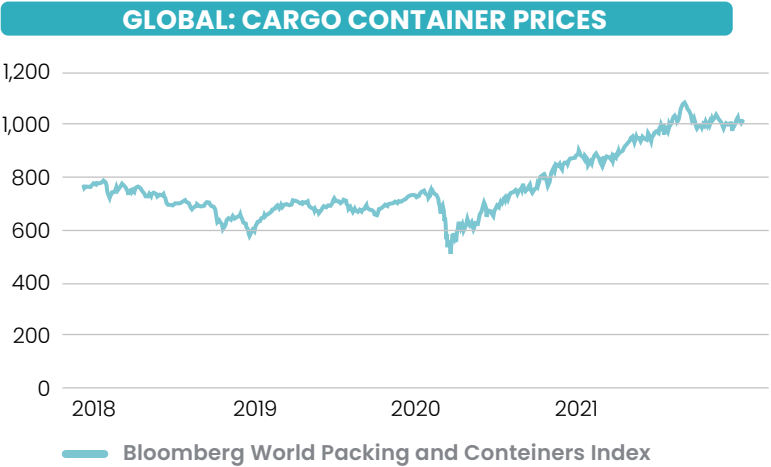


By 2022, our forecasts expect supply chain pressures to remain in place throughout the year and inflation will not start to moderate until 2023. On top of all these factors, there are the geopolitical dynamics caused by the conflict in Ukraine.

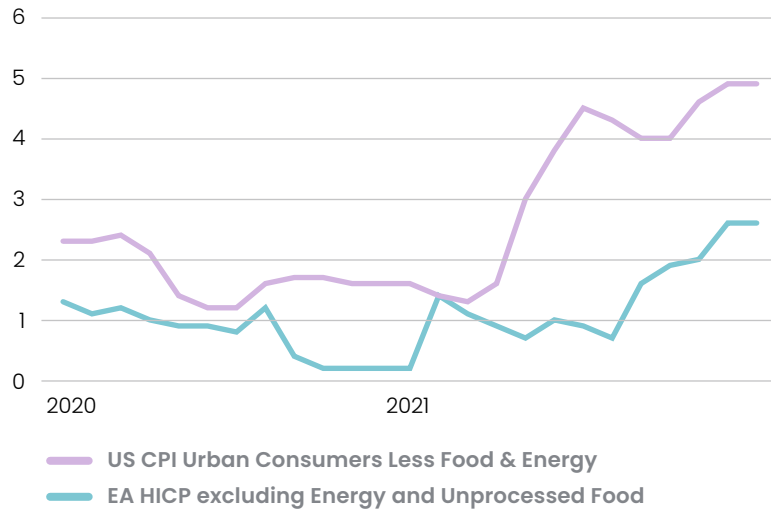
Moreover, demand, which started the year strong, will moderate from the second quarter onwards for both consumer goods and services, compounded by bottlenecks and supply chain tensions. Until energy prices (oil, gas, electricity) start to moderate towards the end of 2022, the pressure on many industrial sectors will not ease.



At the sector-based level, industries that are highly dependent on shipping and semiconductors will continue to have their margins reduced, since the price increases cannot be passed on to end-consumers.



EUROZONE AND THE UNITED STATES: CORE INFLATION INDICATORS



Finally, in terms of measures to contain inflation, we expect interest rates to be hiked across the board. Some countries have already begun, such as Russia (seven hikes for a total of 425 basis points), Brazil (which has already hiked 725 bp) or Mexico (with a hike of 150 bp). With regard to the US, it has already started to reduce asset purchases and we expect several interest rate hikes throughout 2022.

In short, the economic recovery will be delayed by a few quarters, so that in developed economies, the fiscal and monetary levers will progressively lose strength as geopolitical tension eases.

For emerging markets, these leverages have virtually disappeared. Monetary leverage due to the need to raise interest rates and thus contain inflation, and fiscal ones due to rising public debt and depleted fiscal space. Together with this situation, these markets will face a potential loss of foreign investment due to the greater attraction of investing in developed economies. In any case, all countries remain exposed to the same global challenges and risks, which will influence the growth rate in the coming years.

SHORT-TERM RISK BALANCE: VULNERABILITIES AND GLOBAL RISKS*



3.4

SOLUNION & COVID 19



The situation caused by COVID-19 continues to affect every aspect of Solunion’s personal and professional life, the health of the world’s population, global economic performance and financial markets. Despite these uncertainties and after its performance in 2020, Solunion has proven to be well prepared, both in terms of its ability to maintain operations and its level of service, as well as its capital position in times of crisis.

As we’ve faced the challenges associated with COVID-19 at Solunion, we continue to take steps to protect the health and safety of our employees, clients and collaborators in every country where we operate. That remains our top priority. ☺

3.5

GENERAL INFORMATION ABOUT THE GOVERNANCE SYSTEM

GRI 102-11, 102-14, 102-16, 102-18, 102-19, 102-20, 102-22, 102-23, 102-24 102-26, 102-28, 102-29, 102-32, 102-35, 102-36, 102-37, 103, 405-1



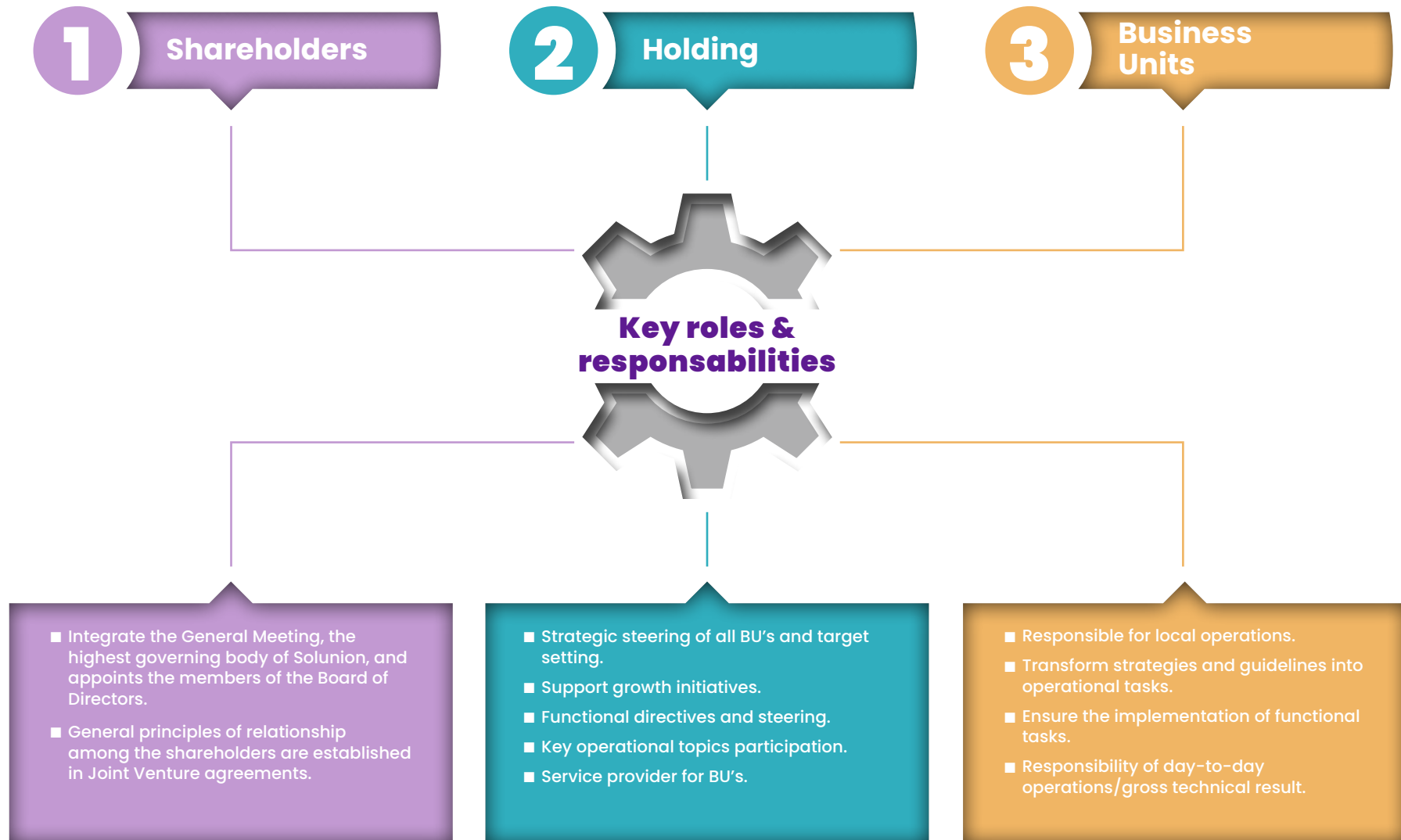
Corporate Governance

GRI 102-35

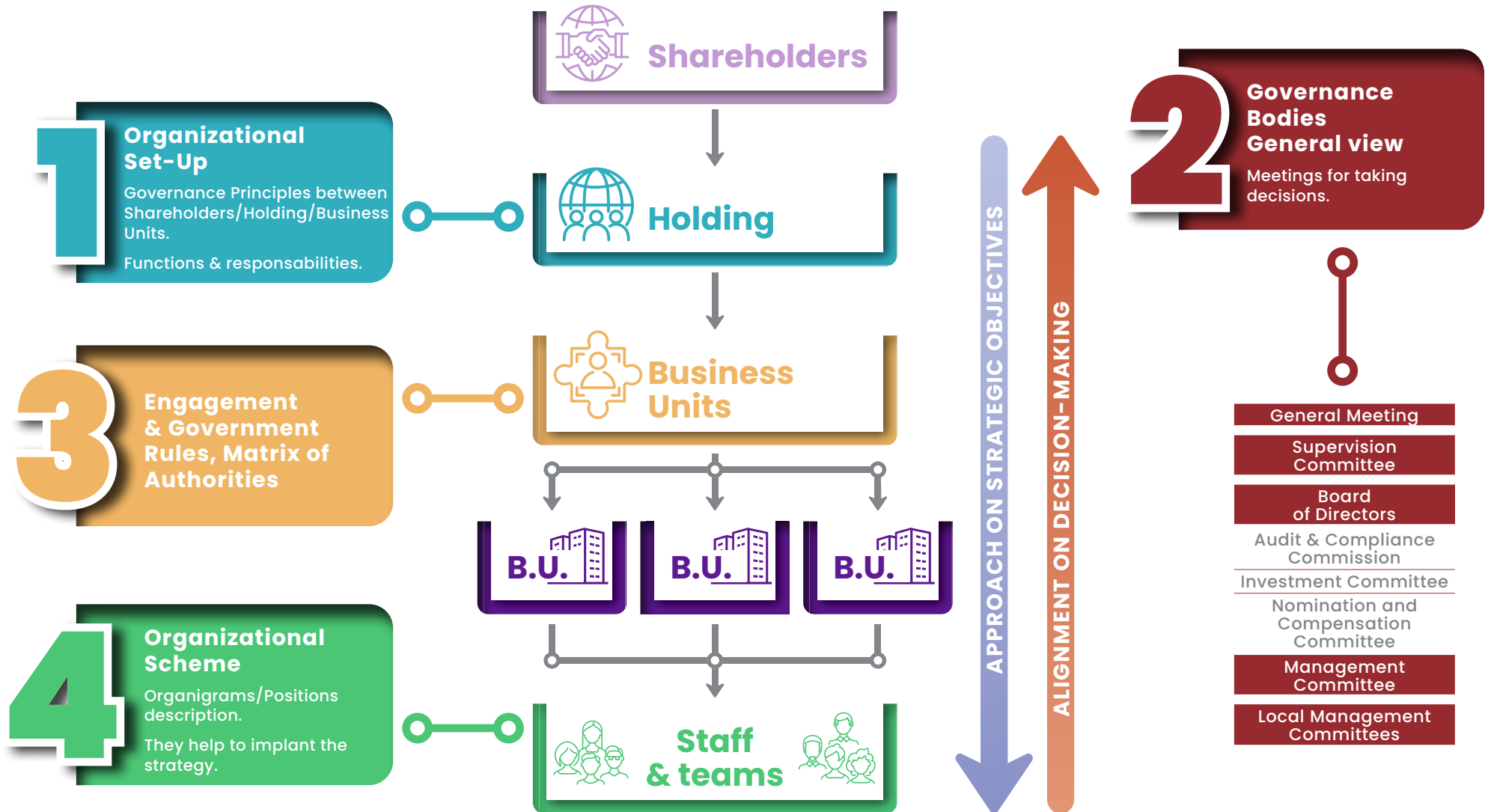
THE GOVERNANCE SYSTEM OF SOLUNION HAS THE AIM OF GUARANTEEING its sound and prudent management in accordance with a common model of operation and organisation for the Group that establishes hierarchical and functional dependencies, a structure of governance for common risk management, key functions, 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

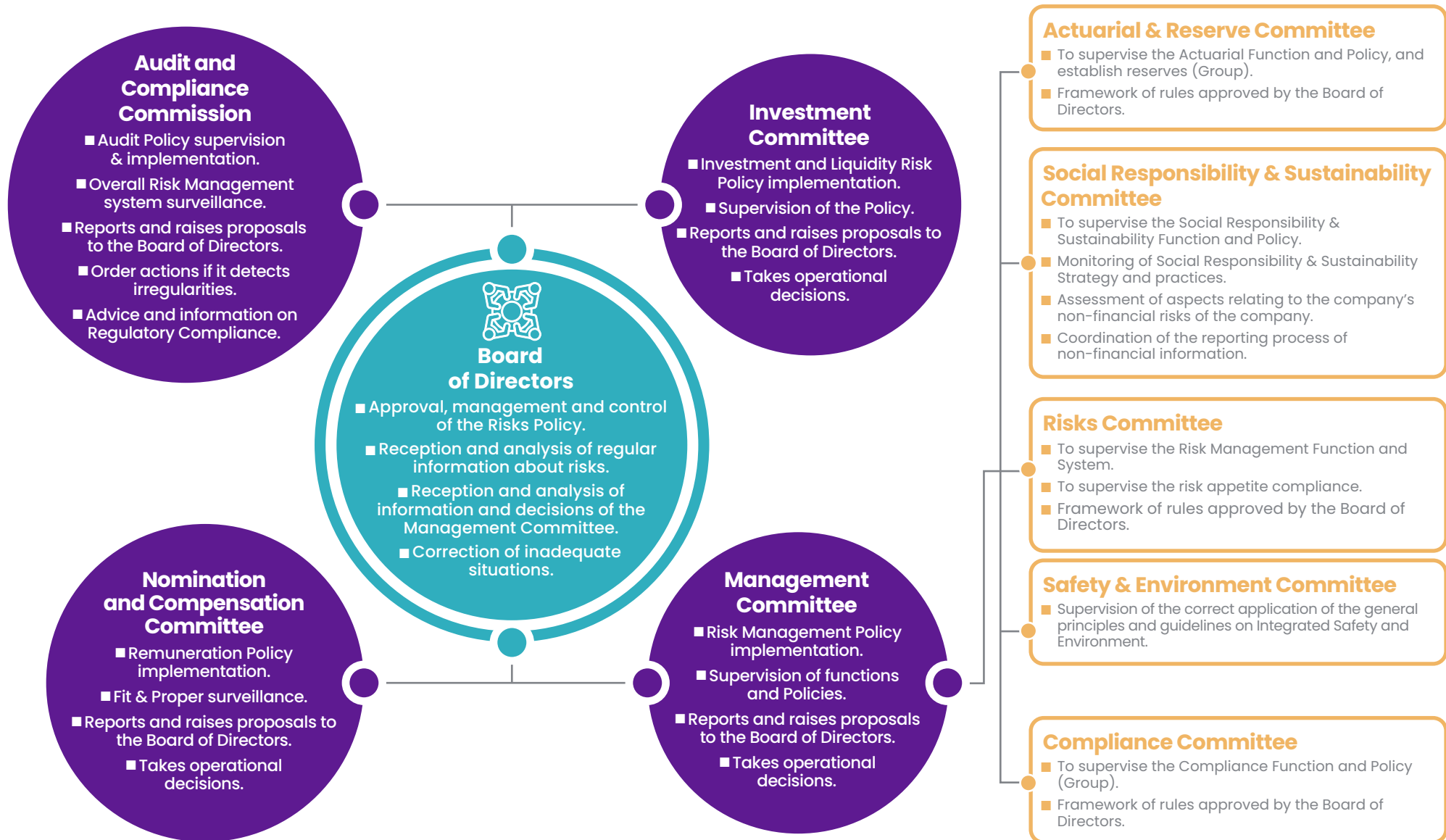
(Shareholders, Holding, and Businesses Units)



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

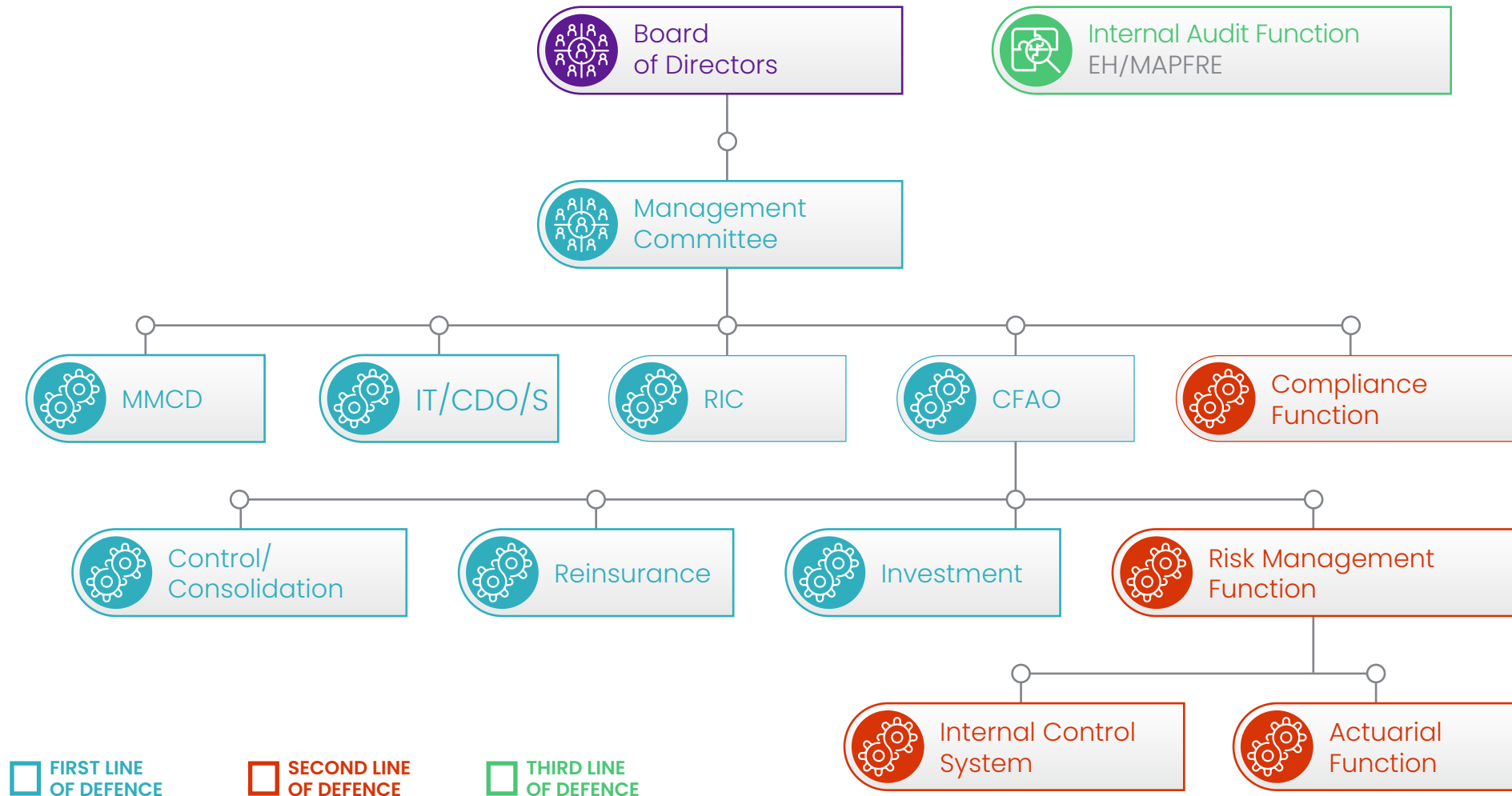


3. Common structure of risk management governance for Solunion

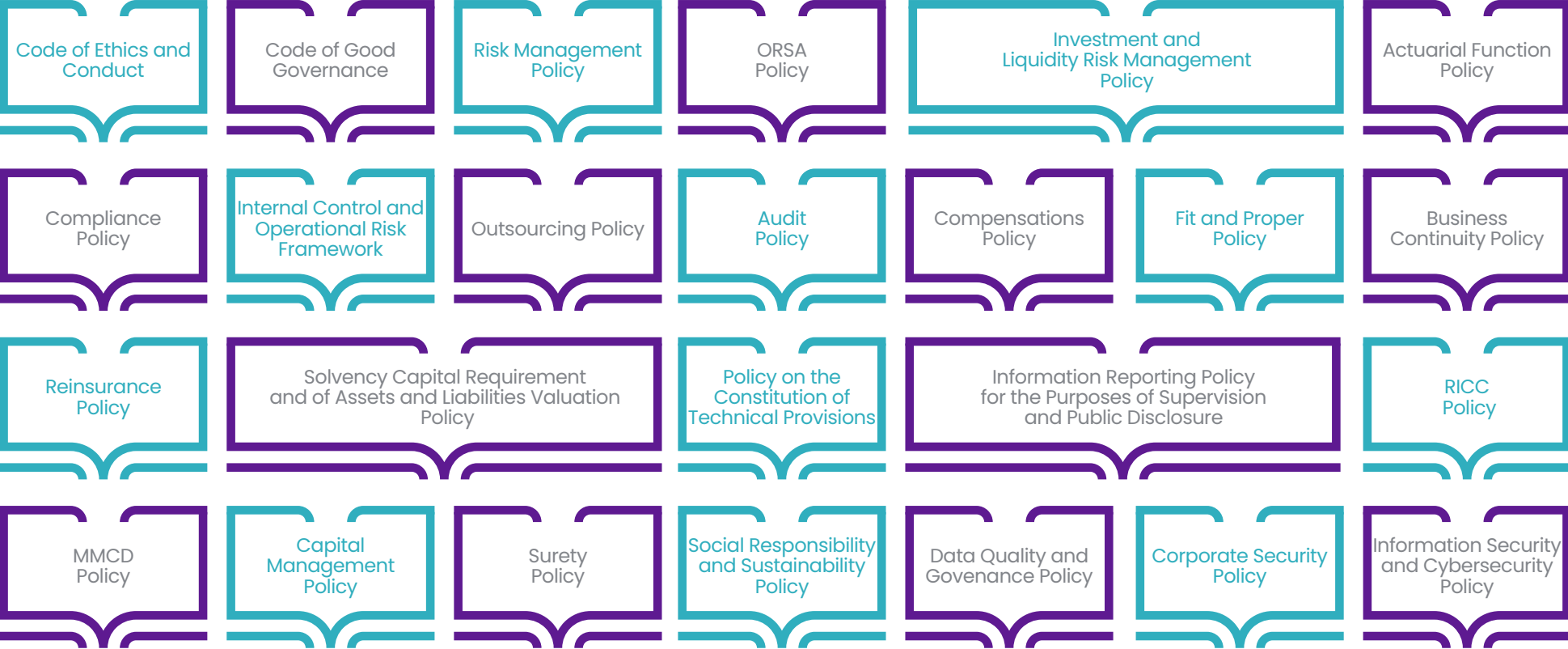


4. Key roles of the governance system

I Risk Management, II Compliance, III Actuarial, and IV Audit, that are made up of a system with three lines of defence.



5. Written Policies of corporate governance



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 102-28, 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.

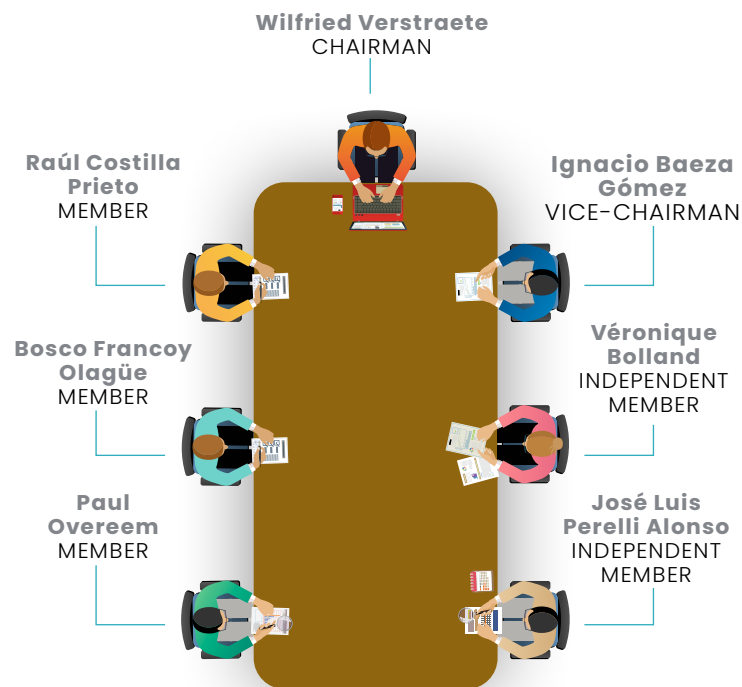
The **BOARD OF DIRECTORS** is the body in charge of managing, administrating and representing the Company, as well as of supervising of Solunion's Management with the common purpose of promoting the corporate interest. It has full powers of representation, arrangement and management, its acts are binding 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 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 and their duties are set out in Solunion's Code of Good Governance.

The position of Director is remunerated, and the remuneration consists of a fixed allowance for membership of the Board of Directors and, if applicable, the Committees, under the conditions established by the General Meeting. Directors who hold executive positions or functions in the Company or in the Groups of its shareholders are excluded from the remuneration system.

The maximum gross annual remuneration for all Directors in this capacity has been set at €88,000, of which €38,000 corresponds to membership of the Board of Directors and €12,000 to the chairmanship of the Audit and Compliance Committee.

Due to the resignation of one Director, whose vacancy has been filled with effect from 1st January 2022, the Board of Directors consisted of seven members as at 31st December 2021:



Support Committees to the Board of Directors

GRI 102-22, 102-36

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

Audit & Compliance 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 and **F** Compliance matters, including the identification and assessment of compliance risk and the prevention and correction of illegal or fraudulent conduct.

It is made up of three members of the Board of Directors, two of which shall be Independent Directors, elected bearing in mind their financial or accounting experience, and one of them will be appointed taking into account their knowledge and experience in accounting, auditing or both. Shall be elected for a period of three years, and a Chairman, who shall be Independent Director, will be designated among the members. The Secretary will be the Board of Directors' 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

GRI 102-29

General Direction

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.



Management Committee

Solunion Management Committee assists the Solunion CEO in supervising the management of the Business Units and the effective ordinary management of the global operations of Solunion in their strategic, operational and coordinating aspects.

It is made up of the General Manager (CEO) of Solunion, who chairs the Committee and the Corporate Managers for Finance and Administration (CFAO), for Risks, Information and Claims (RICC), and Commercial and Marketing (MMCD) of Solunion, who have the status of being full members and with voting rights. The Corporate Directors for Communication, for People, Sustainability & Procurement, for Legal and Compliance, for Surety, for Information Technology, for Organisation and Processes, WA Region Director and the Director of Corporate Affairs of Solunion 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.



Support Committees for the Group's Management Committee

In the performance of its duties relating to the governance of risk management, the Risk, Actuarial and Reserves, Social Responsibility and Sustainability, Security and 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; and **III** submit to the Board of Directors proposals for the revision of the Risk Management Policy.

Actuarial and Reserves Committee

Asesora y emite recomendaciones al : 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 People, Sustainability & Procurement, 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.



Support Committees for the Group's Management 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, Sustainability & Procurement 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; and **IV** settling questions which, due to their complexity, are brought to it for their interpretation by the Group's Head of Compliance.



Safety and 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 & Procurement, 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.

Support Committees for the Group's Management Committee

Local Administration Bodies

The Boards of Directors, Directorates 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.



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.

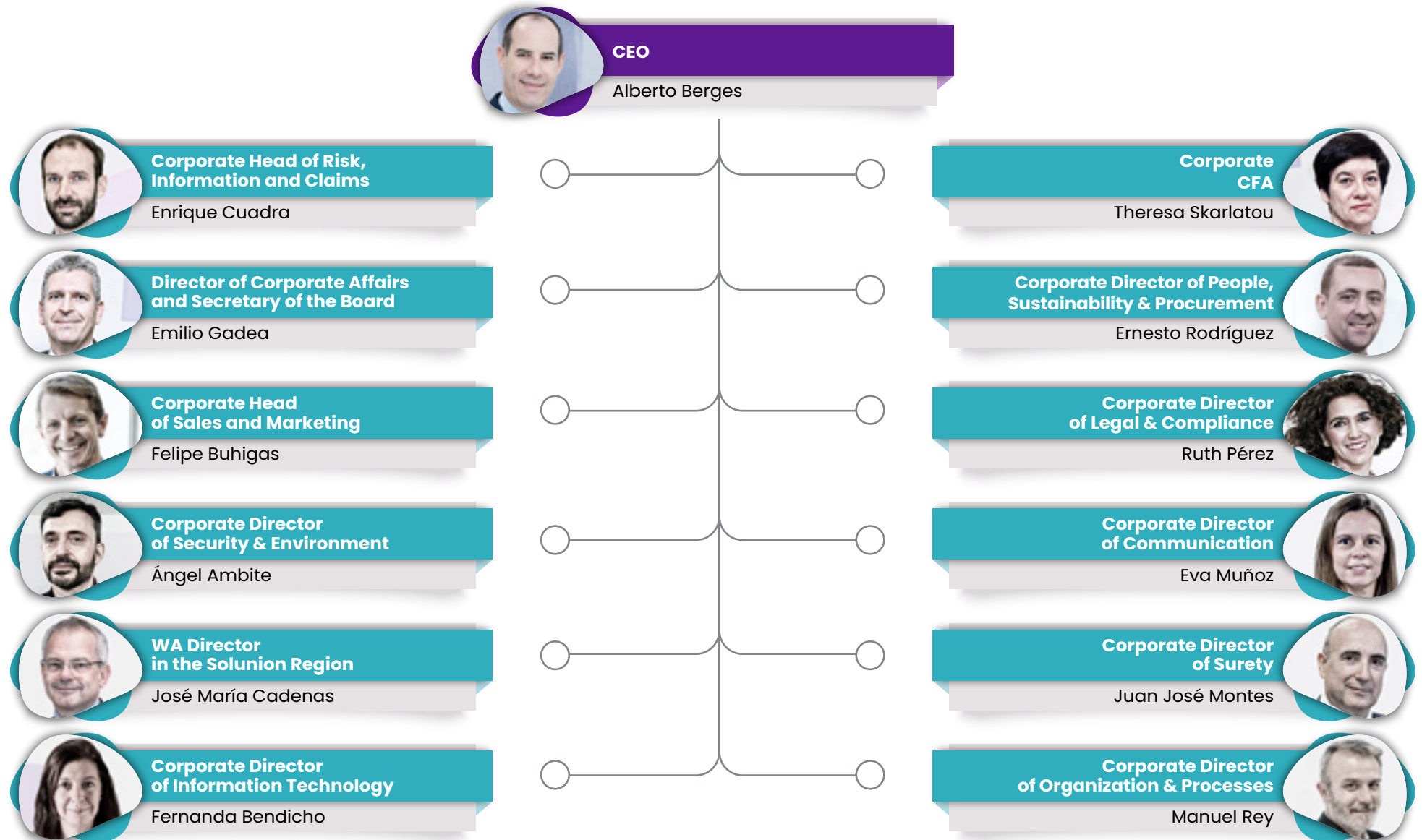
Support Committees of the Local Management Committees

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.

Regional Managers

The Regional Managers supervise and coordinate and drive the business development in Solunion Regions, especially the fronting activities in countries where Solunion has no direct presence.

Structure of Solunion's Holding Management



3.6

BUSINESS MODEL

GRI 102-15, 103

Our proposal

Why we are here

We want to accompany our clients so that they achieve everything they set out to do.

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 position

What we offer

For Solunion, to explore is to be excited to innovate, to improve what already exists, and look for new opportunities for growth.

WE OFFER SOLUTIONS IN CREDIT INSURANCE, SURETY AND COLLECTION SERVICES for companies in Spain and Latam. We provide our clients with

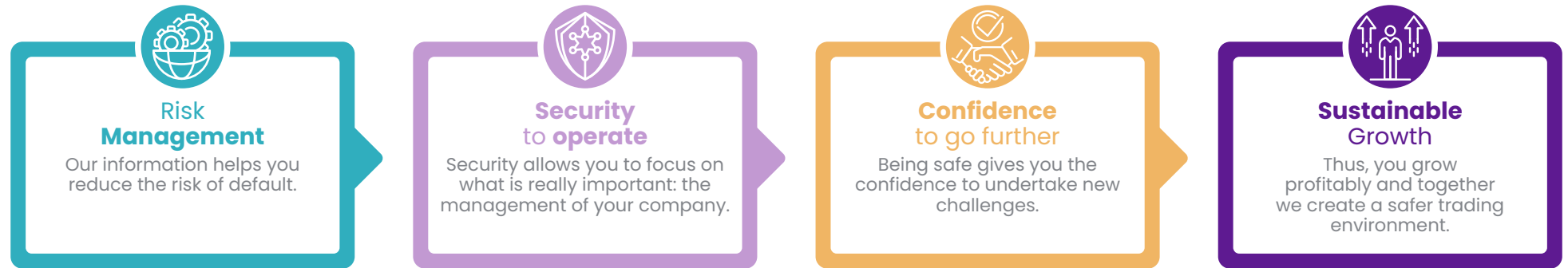
an international risk-monitoring network, from which we analyse the financial stability of businesses, countries and sectors of activity, addressing the needs of our policyholders worldwide. We have the largest commercial distribution network in all of the countries where we carry out our activities.

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 analyse, so that then we can create what businesses demand.



How do we do it?



Our way of looking after our clients

Solunion contributes to the profitable development of companies through a comprehensive service of risk prevention, recovery of unpaid debts and compensation for losses incurred.

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 analyse 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 that of real Commitment. Our commitment to you 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 with someone else will take you further.

Sustainability

We include Environmental, Social, and Governance (ESG) criteria in our analysis of companies ([see page 110](#)).

Credit insurance

Protection against commercial risk

Proper business risk management is the foundation for safe and secure business growth.

Risk management

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

Debt Recovery

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 the cover of the policy.



This helps you enter into new business contracts more easily.



This covers the risk of default and reduces the financial risk.



This 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.

Credit insurance, broadly speaking, works like this:

1

The insured requests Solunion to **classify the clients** with whom he operates or will operate on credit and indicates the coverage he wants Solunion to assume.



2

Solunion carries out a study of the **patrimonial solvency and financial situation**, sanctions, and reputational analysis of the clients in order to assess the risk and decide whether to accept the amount and term of the operation.



3

In the case of non-payment, the insured submits a **Notice of Default** together with all the documentation related to the unpaid credit.



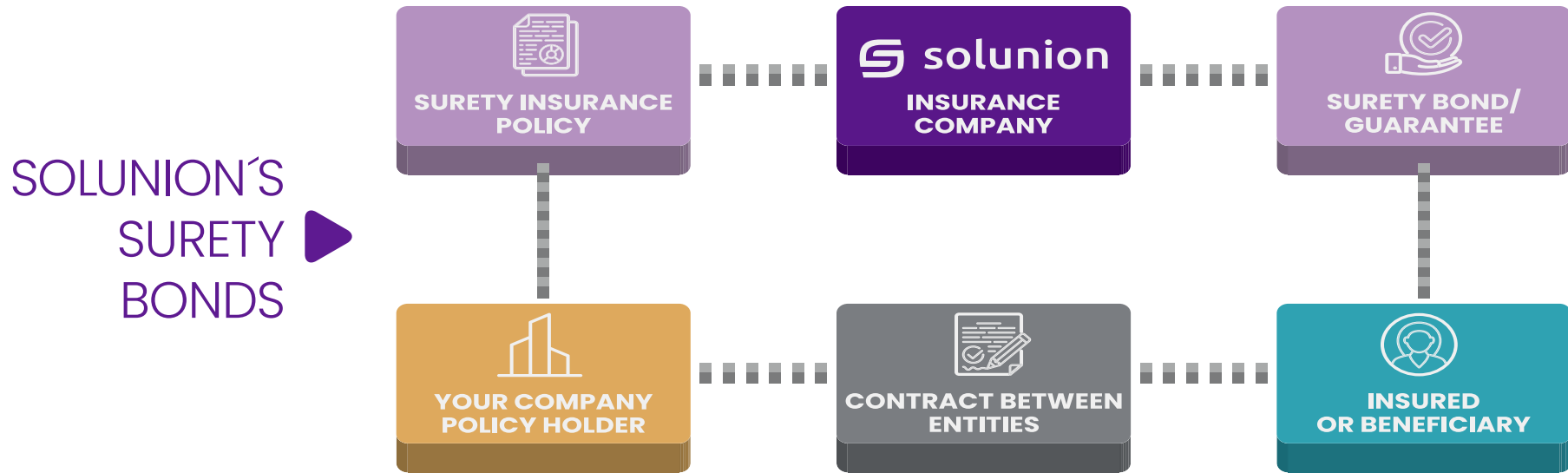
4

The claim is studied, **coverage is established, and recovery actions are initiated**, with the aim that the insured does not suffer any final loss.



Surety Bonds

Surety insurance guarantees the fulfilment of the legal or contractual obligations that the company has with its clients (the insured).



At Solunion we offer

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

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



Recovery

We specialise in commercial debt recovery.

The key to effective debt recovery is to anticipate debt recovery management at the earliest stages.

We offer recovery services worldwide.

GradeCheck

Choose your suppliers, partners or customers with the assurance of being well informed.

We accompany you and provide you with the information you need for your business decisions.

Customised solutions



Solutions for small and medium-sized enterprises

Products specifically designed for **SMEs seeking a safe growth**, providing them with the autonomy to manage their sales and coverage against defaults.



Global solutions

Products **tailored to all types of companies**, regardless of their size, their sector of activity, or the market in which they operate. Streamlined and with little administrative burden.



Special solutions

A product for every situation: long-term projects, one-off operations, multinational companies, or companies that require extra protection.

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



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 bold 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

Solunion always looks 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 making 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, address and resolve our clients' concerns, through our mediators and our 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. Which is why we engage with all our stakeholders in every project and strive to surpass their expectations and our own.

Our agile, personalised service with high quality standards, driven by our track record, allows us to offer the best and most intelligent solutions for our clients.

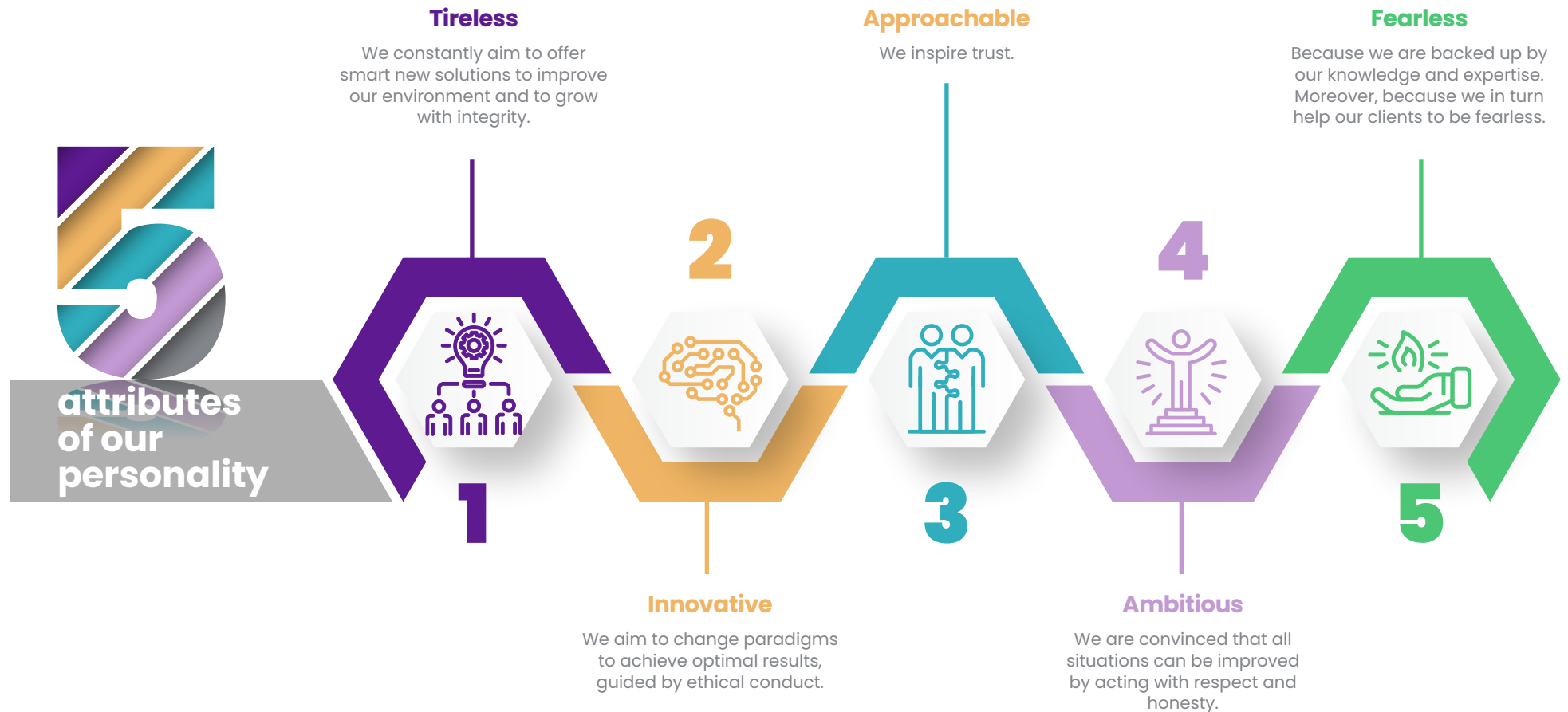
Keeping our promises is part of who we are.

Solunion's character

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 respon-

sibility 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.

Solunion has established, through 12 Compliance Commitments (applicable to all the administrators and directors, including the natural per-



sons 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 services), 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.

Protected personal data

We are approachable because data deserve trusted treatment.

Fair competition

We are tireless because we are growing in a free market laden with opportunities.

Ethical courtesy

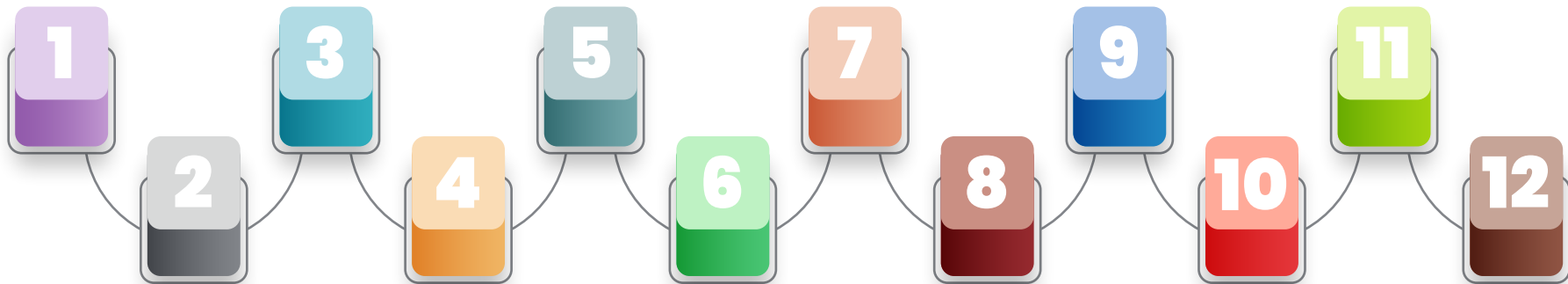
We are fearless because we believe that our quality is the greatest gift.

No fraud or bribery

We are approachable because it is trust in our propriety that sets us apart.

Respect for international regulations

We are ambitious because we aspire to join in creating a market with greater integrity.



Confidentiality of information

We are tireless because we protect information and make sure others do too.

Transparency in communication

We are fearless because our knowledge drives our words.

Competitive Suppliers

We are innovative because we open our offer to new suppliers.

Interest without Conflict

We are approachable because we speak transparently.

Prevention of money laundering

We are fearless because we guarantee ethics in all our relationships.

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 Brokers](#) and the [Code of Ethics and Conduct for Stakeholders](#), which apply to all customers, suppliers, and third parties 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 and 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 sustain-

able 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.

Likewise, Solunion acquires certain public commitments that guide its actions:

- ▶ **By subscribing to initiatives of a different nature related to the environmental and social dimension of its activity.**
- ▶ **Through their membership in certain business or social organizations, identifying with their objectives and purposes.**

These policies and commitments serve as a guide for the Company and its human team to manage their activities and, more specifically, the material issues discussed in this document.



Social Responsibility & Sustainability Policy

GRI 102-16, 102-40, 414-1, 414-2



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 aim 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 and complying with the public commitments assumed by the company.

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.

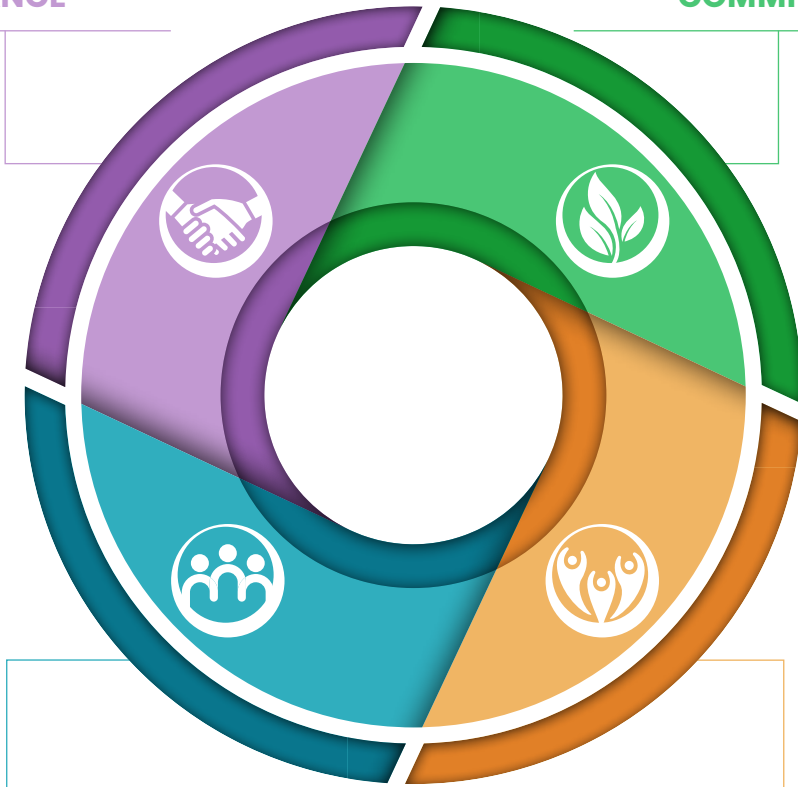
This sustainable development strategy is based on a long-term vision that seeks a better future without compromising present results and rejecting actions that contravene or hinder them.

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.

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:

COMMITMENT TO RESPONSIBLE AND SUSTAINABLE GOVERNANCE

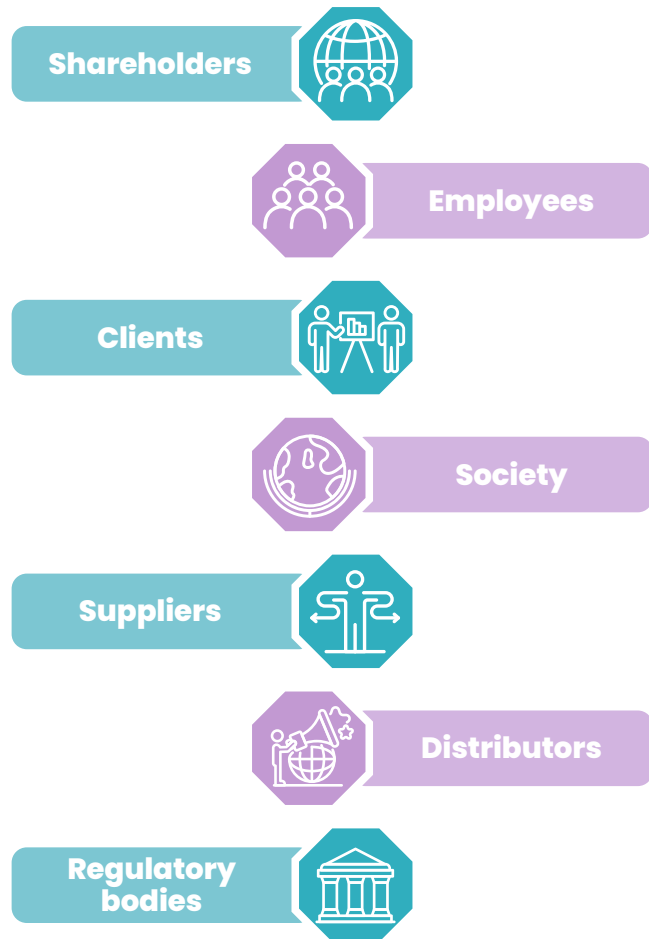
ENVIRONMENTAL COMMITMENT



COMMITMENT TO THE PEOPLE WHO MAKE UP THE ORGANISATION

SOCIAL COMMITMENT

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



The Policy is accessible to employees and collaborators on the 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, the 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, on values, and to 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 and in its versions for Brokers or for Stakeholders.

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, analyses, 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 and 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:

- 1** The definition of the strategy against the risks it takes.
- 2** The inclusion of risk analysis within the decision-making processes.
- 3** The establishment of general patterns, some basic principles, and a general framework of risk management that allow their consistent application in the Group.
- 4** The dissemination of the Risk Management Policy amongst the Directors 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:**



Integration of ESG aspects as risks and opportunities at Solunion

APPROPRIATE MONITORING OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE factors (ESG) results in additional information on social movements and transformations and expectations of stakeholders, and also of the market, that affect the organisation. This knowledge helps to identify and evaluate potential (ESG) risks and business opportunities.

At Solunion, these ESG risks, together with the traditional risks of the insurance activity, are integrated naturally in the management and control processes that we have implemented.

We use different risk analysis and evaluation systems, which are complementary and allow us to integrate ESG risks:

Own Risk and Solvency Assessment (ORSA), integrated in the Risk Management System, which has mechanisms for identifying, measuring, overseeing, managing and reporting on the Group's short and long-term risks over the period covered by the strategic plan, as well as for measuring the adequacy of capital resources in accordance with its real solvency needs. Every year, the Corporate Risk Department coordinates preparation of the ORSA report that is submitted for approval by the Board of Directors.

Materiality analysis that analyses ESG aspects in relation to their significance for the stakeholders concerned and the impact that these have for Solunion. This analysis makes it possible to identify potential risks for Solunion and implement the corresponding prevention and mitigation measures ([see Chapter 5. About this Report](#)).



3.7

OUR 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.

For this reason Solunion 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.

Atenea has been our 2020-2021 strategic plan, an ambitious plan that has guided our activity in this period and has set the steps and goals to transform Solunion.




Solunion has developed its Atenea strategic plan with a purpose, an ambition and four transformational pillars: Profitable and Sustainable Growth, Innovation, Efficiency and Commitment, around which initiatives have been 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 our 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.

The purpose of this strategic plan has been to accompany our clients to achieve their objectives and encourage them to grow, providing risk management solutions adapted to their needs.

Now, we are entering a new phase: **Atenea** has successfully concluded to give way to **Arion**, our new **Strategic Plan**, truly ambitious and promising, which will mark our growth **from 2022 to 2024**. 

3.8

SOLUNION'S CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

GRI 412-2



In September 2015, the Member States of the United Nations adopted the 17 Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development. These goals are designed to, inter alia, end poverty, combat inequality and injustice, and address climate change. The Agenda's success will be a consequence of the collaborative efforts of the whole of society. Companies have been included in this process for the first time, in their role as promoters of innovation and drivers of economic development and employment. A strong and visionary business leadership is essential if we are to achieve the necessary transformation required by the SDGs.

Solunion has incorporated the Sustainable Development Goals (SDGs) approved by the UN in 2015 into its business strategy and its governance and sustainability system. The success of the Agenda will be a consequence of the collaborative efforts of society as a whole, it is a shared challenge that can help generate a new social contract. Strong and visionary business leadership is essential to achieving the radical and necessary transformation required by the by the SDGs.

Solunion is aware that the SDGs offer a new vision that allows us to translate global needs and ambitions into projects oriented towards global solutions. They propose a new viable model for long-term growth, and they will contribute towards companies developing stronger strategies. Integrating the SDGs into business plans strengthens the identification and management of material risks and opportunities and costs, the creation and access to new markets and innovation in business models, making them more efficient, thus aligning the company's strategy and expectations with its employees, clients, suppliers, investors and the communities in which it operates.

For this reason, at Solunion we are committed to working on incorporating the Sustainable Development Goals (SDGs) in our daily work and we are aware of the need to achieve the SDGs and to align their goals within our daily work.

At Solunion we focus our efforts on the SDGs where we may make the biggest contribution, according to the materiality analysis conducted. These are Decent Work and Economic Growth (Goal 8), and Gender Equality (Goal 5), although we also contribute to Health and Well-Being (Goal 3), Sustainable Consumption and Production (Goal 12), and Promoting Peace, Justice and Strong Institutions (Goal 16).

References to SDGs in this report

THIS REPORT CONSTITUTES A SUMMARY OF THE COMPANY'S ANNUAL performance in terms of sustainable development, its strategy on this issue and the main actions and projects undertaken.

With the aim of facilitating the analysis from the point of view of the contribution to the 2030 Agenda, it is important to establish the relationship between the activities that Solunion describes over the report and the different SDGs



that are promoted by performing such activities. For this purpose, each section identifies the SDGs to which the Company contributes, taking as reference the association made by the *SDG Compass* tool, the Guide for business action on the SDGs, as well as the document published by GRI and UN Global Compact "GRI-UNGC Business Reporting on SDGs. An Analysis of Goals and Targets", but only including those SDGs on which the Company believes that it makes a significant contribution.

More detailed information on Solunion's contribution to the SDGs and associated targets, as well as the related GRI content and performance information, can be found in item [5.6 Table of contents in relation to Global Compact Principles & SDGs](#).

SDG awareness-raising actions

SOLUNION HAS WANTED TO DISSEMINATE AMONGST ITS EMPLOYEES and raise awareness about the importance of achieving the SDGs, and the capacity that, as a company and as individuals, their actions have. Particularly noteworthy among all the activities performed are the following:

Comunicación y promoción de la campaña denominada **“ODS- 17 objetivos para cambiar el mundo”**, donde se define cada uno de estos Objetivos, la posición de Solunion y las actividades que cada persona puede realizar en su vida diaria para mejorar este, y se solicita la participación de todos para mejorar nuestro desempeño y alcanzar nuevas metas.

Providing all Solunioners with **training courses** on UN Global Compact, the Sustainable Development Goals, Human Rights Mainstreaming, Circular Economy, Gender Equality and Climate Change, prepared by the Global Compact on our Online Training Platform, Soltrain. These courses have also been made available to our mediators through Team Solunion.

Various **social responsibility campaigns** have been generated, defining their link to the SDGs.

All the **volunteer campaigns** have been linked to the SDGs that they seek to improve, as well as the social contributions made by the group.



COVID-19 and the SDGs

COVID-19 HAS HAD A MEDIUM TO HIGH IMPACT ON SHORT AND LONG-term progress regarding the SDGs. The world has not been advancing towards these goals at the required speed or scale, and we now witness COVID-19 undoing our progress towards the SDGs. This pandemic has underlined our interconnectedness and the need for greater action. A failure to deal with one crisis increases the magnitude and intensity of others.

Companies have an important role to play in an interconnected solution. A much more profound, faster and ambitious response is needed to spark the social and economic transformation required to achieve our 2030 goals.

The key to making a significant contribution and to support the achievement of the SDGs is to proceed and operate in line with the Ten Principles of the UN Global Compact.

The coronavirus crisis has already changed the world. Now is the time to propose innovative and disruptive solutions. To rethink how we do business and to use leadership as a lever to accelerate positive change. This should be used to set business targets, but also to limit the negative impacts, generate other positive ones, and activate changes between the people who belong to the company and those of the value chain

SDG Ambition

THIS YEAR SOLUNION HAS PARTICIPATED IN SDG AMBITION, AN ACCELERATOR that seeks to challenge and support companies that participate in the UN Global Compact to set ambitious corporate targets and accelerate the integration of the 17 Sustainable Development Goals (SDGs) into core business management.



SDG Ambition enables companies to go beyond incremental progress and to intensify transformational change, unlocking business value, building business resilience and enabling long-term growth.

Thanks to it, we've learned:

1 To give **strategical priority** to actions that will accelerate our contribution to the 2030 Agenda.

2 How to **set goals in line with absolute benchmarks** that may seem aspirational today but are essential to spearheading the transformation of economies and societies.

3 How to **approach sustainability management differently** and design new systems that integrate the SDGs.

4 To **define the business case** for sustainability.



SOLUNION'S

MAIN ACTIONS
AND ACHIEVEMENTS
IN RELATION TO THE

SDGs



1 NO
POVERTY



We guarantee **adequate wages and working conditions and recruitment and promotion processes** without discrimination, giving vulnerable groups the opportunity to develop their career in an equal manner and to have access to a life of dignity.

We provide **ongoing training** to Solunioners and our stakeholders on Human Rights.

We have **equality and diversity policies**, giving the opportunity to develop equally in the workplace.

We evaluate suppliers to ensure proper working conditions.

We pay fair prices to all suppliers.

We organize **volunteer actions and social action programs** to help groups at risk of poverty.

We boost the local economy where the company has operations, supporting small local businesses and training and hiring people in vulnerable situations.

We open businesses and activities in developing countries **under inclusive business and sustainability criteria**, offering decent and safe jobs to the local population, allowing them to progress socially.

We make **investments in developing countries**, expanding the business under sustainability criteria.

We reduce the environmental impact of our activities and operations in order to avoid environmental and economic crises that affect the population.



We provide Solunioners with **decent working conditions**.

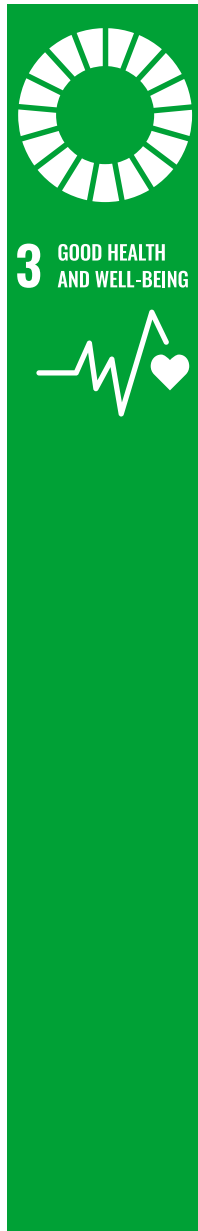
We have at our disposal a **nutritionist and food programs** that include healthy and nutritious food.

We work on **reducing the environmental impact** of our operations to avoid environmental crises that affect the proper nutrition of the population and we make use of the company's resources to help in crises and natural disasters.

We conduct **awareness campaigns** to raise awareness about the problems caused by hunger and the importance of responsible consumption.

We donate to food banks and soup kitchens.

We collaborate as volunteers in projects that promote the reduction of hunger in the countries where we operate.



We have **occupational health, hygiene and safety management systems** in all the company's facilities, to comply with legislation and to reduce occupational accidents and illnesses.

We take special occupational health and safety **precautions** for **vulnerable groups**.

We provide beneficial access to **private health insurance** for our employees and their families, helping to make public systems more efficient.

We work to **reduce the environmental impact** of our operations to avoid polluting air, water and soil.

We have developed our **own Health and Well-being model** based on 5 core aspects: Physical Well-being, Mental and Emotional Well-being, Financial Well-being, Environmental Well-being and Social Well-being.

We **promote health by raising awareness in terms of wellness, sport and healthy habits**:

- We have conducted and continue to plan several **global campaigns** with common content, raising awareness, and face-to-face and online workshops on: healthy eating, active breaks, office-related exercise, guidelines for action in case of choking, anti-smoking campaigns, and campaigns promoting information, how to prevent strokes, etc.
- We have a **Healthy Company Platform**, whose main goal is to improve our health and quality of life by offering information, resources and suitable material to teach habits of self-care.
- We have access to the **Trientrenos Platform**, its experts, and its weekly training sessions and talks on sport and nutrition in order to promote a personalised monitoring of physical activity.
- We're part of the **Spanish Network of Healthy Companies**.



4 QUALITY EDUCATION



We offer **training and continuous learning** opportunities and incentives to our Solunioners and collaborators.

We have developed the **corporate culture at Solunion under the prism of sustainability** and have included in our internal policies commitments to Human Rights, the environment, transparency and gender equality and we have drawn up a training programme around these issues.

We encourage and **provide time for Solunioners to volunteer** with groups at risk of vulnerability to train them and improve their employability.

We train and raise awareness of the Sustainable Development Goals and the 2030 Agenda.

We recruit **interns** and encourage collaboration agreements with universities and business schools in order to train and strengthen the technical knowledge of young people.

We hire and train young people or people in vulnerable situations in the countries where we operate.

We run **campaigns on the 2030 Agenda** and its specific targets.

We support and conduct workshops and events where **good practices**, technology and innovations in the area of sustainability are disseminated.

We make **donations to foundations and organisations engaged in education**, especially in relation to disad-vantaged groups.

We participate in **development cooperation projects focused on education.**

Companies play a leading role in promoting and investing in education, through training employees and stakeholders and investing in external education.



5 GENDER EQUALITY



On the basis of the business culture, we promote equality and integration through the **Diversity and Equal Opportunities Policy and our Equality Plan.**

The remuneration structure of all Solunion professional categories under its responsibility are designed under the **criterion of gender neutrality.**

We facilitate **the work-life balance** of both women and men through flexibility at work.

We have a **zero-tolerance** policy towards any form of workplace-related violence.

Solunion is a signatory to the **UN Women's Empowerment Principles** and participates in several **initiatives to promote women's leadership** and inclusive dialogue spaces aimed at promoting initiatives on gender diversity:

- Solunion is a member of the **EWI Network**, which encourages the promotion of female talent in the insurance sector.
- Solunion also participates in the **PROMOCIONA Programme**, a milestone that places us for the first time in the leading female talent promotion programme in Spain.
- Solunion has signed up to **"Target Gender Equality"**, a Global Compact initiative to accelerate women's representation and leadership at Solunion.

Through **Corporate Volunteering**, we collaborate in the education of underprivileged girls.



We **optimise** the use of water in our offices.

We **minimize** Solunion's impact on water pollution.

We **ensure** that Solunioners have access to clean drinking water and adequate space for personal hygiene in the facilities.

We **raise** Solunioners' awareness of the importance of efficient water use and sustainable water management.

We have integrated the **Guiding Principles on Business and Human Rights** at Solunion with the aim of ensuring that the company's operations have no impact on the Human Right to water and sanitation of stakeholders.

We work on **waste prevention, reduction, reuse, recycling and recovery policies, adapting sustainable practices and reflecting them in our sustainability report.**

We participate in workshops on **responsible management and consumption.**



Our **electricity consumption is 100% renewable** wherever possible.

We reduce the pollution in our offices through **energy efficiency and renewable energies.**

We train Solunioners in **energy efficiency** and help in establishing savings and consumption guidelines.

We restrict the underwriting of risks based on fossil fuels.

We use company activities **to promote** sustainable infrastructure, technological capacity and innovation.

We control the use of energy when Solunioners travel, **promoting sustainable mobility.**

We are working on gradually replacing the use of **fossil energy with renewable energy** in Solunion's activities and operations.

We have established **criteria for energy efficiency** and the use of renewable energies in the company's buildings and facilities.

We implement internal **energy savings and efficiency measures.**

We participate in **workshops** on renewable energies and energy efficiency.





8 DECENT WORK AND ECONOMIC GROWTH



By complying with tax laws and regulations in the countries we operate, we also boost their economic growth.

We make **efficient use of natural resources** in the company's activities, thus reducing our environmental impact and promoting sustainable economic growth.

At Solunion we are very clear about our **commitment to stable and quality employment**:

- With over 98% of permanent contracts, Solunion **guarantees decent working conditions** to all the people forming part of the organisation, ensuring non-discrimination in hiring, remuneration, benefits, training and promotion.
- 100% of Solunion's employees are covered by **collective bargaining agreements**.
- Through our **culture of Human Rights in the company**, implemented through the United Nations Global Compact Ten Principles and our Codes of Ethics and Conduct, we promote the right to decent work for all and avoid discriminatory practices or practices that undermine people's dignity.
- We have implemented **supervisory procedures** that allow us to identify with due diligence possible situations of risk of Human Rights violations (ethics whistleblowing channel, prevention of corruption, etc.) and establish mechanisms to prevent and mitigate such risks (standardised performance appraisal process, job satisfaction and climate surveys, development evaluations and harassment protocol).
- We have established **fair policies** for selecting suppliers and have thus improved economic inclusion throughout the supply chain, and we have specific approval processes that include aspects related to Human Rights, non-discrimination and compliance with environmental and labour regulations.
- We respect the **right to freedom of association, to organise and bargain collectively** of the people who make up the organisation, as well as the role and responsibilities of workers' representatives in accordance with the laws in force in each country, and we encourage the communication and dialogue of employees with workers' legal representatives.
- We **have health and safety management systems** in place at all company facilities and we work on promoting health through raising awareness on health, sport and healthy habits.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We consider **innovation to be part of the business culture**, and we work to transform products, facilities, services, production processes and internal management using sustainability criteria.

We have **sustainable, resilient and quality facilities** to ensure the well-being of all Solunioners and our collaborators, particularly people with disabilities and other vulnerable groups.

We use company activities to **promote** sustainable infrastructure, technological capacity and innovation.

We provide all Solunioners with access to information and communication technology (**ICT**) to ensure smooth communication.

We use disruptive technologies in the company with a sustainability approach, such as **big data and artificial intelligence**.

We promote the **use of renewable fuels as an alternative to fossil fuels** in the company's activities and operations, adopting environmentally sound processes.

We adapt Solunion to a low-carbon economy, **reducing CO2 emissions and pollution and promoting energy efficiency**.

We promote business relationships with small and medium-sized enterprises through the value chain, promoting technological capacity and innovation management among them in order to promote sustainable industrial growth.

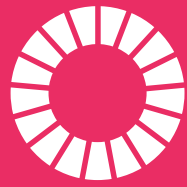
We invest in R&D&I, to encourage technological development and innovation in the company's activities.

We expand the company's business to developing countries under the prism of sustainability at an economic, social and environmental level.

We use the company's activities to **promote** sustainable infrastructure, technological capacity and innovation.

We develop **new products that are more sustainable** and/or specialised in sectors of the population with specific needs.

We build alliances between companies in the sector to promote sustainable innovation throughout the value chain.



10 REDUCED INEQUALITIES



We have implemented a **culture of Human Rights** in the company, through the United Nations Guiding Principles on Business and Human Rights in order to avoid having a negative impact on such rights.

We provide Solunioners with **decent working conditions and encourage their professional development**.

We implement policies and procedures that make qualifications, skills and experience the basis for the hiring, placement, training and promotion of Solunioners at all levels.

We are committed to **transparency** in order to avoid corruption and tax evasion practices, which have a direct impact on inequality.

We provide **the same job opportunities** to all workers, irrespective of any individual characteristics.

We are trained in **non-discrimination** policies and practices, including disability awareness.

We have adapted our offices to guarantee the health and safety of employees, clients and other visitors with disabilities.

We boost the local economy where the company operates, using local suppliers, protecting the environment and supporting local businesses.

We comply with tax laws and regulations in the countries where we operate.

We create **scholarships** for people living in vulnerable situations in order to provide them with the skills, tools and knowledge necessary to find employment.

We have allocated resources to **humanitarian aid**, to combat the inequality generated by natural disasters and wars.

We undertake **volunteer and social action projects** with a focus on vulnerable areas or people, nationally and internationally.



Investment in education expands companies' business opportunities, creating new markets and customer bases, and bringing about a more skilled workforce, increasing companies' productivity and growth.



11 SUSTAINABLE AND CITIES COMMUNITIES



We promote **sustainable mobility**: we promote **flexible start and finish times** and encourage teleworking, thereby helping to reduce congestion and pollution in cities and rural communities.

We provide **decent working conditions and wages** to ensure access to adequate, safe and affordable housing and basic services.

We encourage the **use of efficient and sustainable vehicles** that have a low impact on the environment and low-polluting fuels.

We reduce pollution in our offices through energy efficiency and renewable energies.

We have arranged common **spaces for everyone in our offices** and adapted them to be **accessible** for people with disabilities.

We work to improve **the safety** and efficiency of our offices, limiting the use of materials and resources. If we reduce our consumption, people will have more resources, such as water, at their disposal.

We promote **the use of sustainable materials** with low environmental impact.

We apply **circular economy principles** that allow us to reduce and recover waste, reducing the amount going to landfills.

We perform **appropriate waste management** in the company, raising Solunioners' awareness of these issues and putting in place the necessary processes.

We participate in events and workshops on **sustainable and resilient cities** in order to promote sustainable economic development, a high quality of life and sound management of natural resources in cities.

We support development **cooperation** and humanitarian aid **projects** aimed at providing housing and basic services in human settlements and protecting people who have suffered from natural disasters.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We work on **waste prevention, reduction, reuse, recycling and recovery** policies, adapting sustainable practices and reflecting them in sustainability reports.

We encourage the **use of renewable energies** in our offices.

We optimise the use of water in our offices.

We minimize Solunion's impact on air, water, soil and noise pollution.

We use **biodegradable, recyclable or reusable materials**, collaborating with the value chain.

We encourage **practices** that have a **positive** impact on the environment, society and the economy.

We promote **eco-labelling on the company's products** and provide transparent and reliable information to consumers and other stakeholders.

We promote business with **local suppliers** under sustainability criteria, reducing the impact of the transport of products and services on the environment and promoting a sustainable local economy.

We are trained in sustainable production and consumption practices and guidelines.

We draw up a **sustainability report**, which you can find on our website, to report on the company's contributions and implications in terms of sustainability.

We participate in events related to **sustainability reporting**, to promote transparency and reporting of Solunion with its stakeholders.

A more educated population will have access to better job opportunities and wages and thus higher disposable incomes, which benefits markets and the welfare of society.



13 CLIMATE ACTION



We measure our **carbon footprint** across all company activities to set public short and long-term emission reduction targets.

We educate Solunioners and collaborators in the fight against **climate change**, to train them in their positions and raise awareness about the phenomenon.

We perform an **analysis of climate change risks and opportunities**.

We **gradually reduce** the use of fossil fuels in the company's operations and replace their use with that of renewable energy sources.

We invest in **technologies that are more sustainable** and less carbon-intensive and gradually introduce them into the company's activities and facilities.

We promote **sustainable mobility** to reduce emissions from land, air and sea transport.

We set **criteria for energy efficiency**, use of renewable energy, reduction of emissions and resilience to climate disasters in the company's buildings and facilities.

We introduce **circular economy criteria** in the company's activities, using natural resources and raw materials efficiently, using recycled materials, encouraging reuse, and reducing and recovering waste.

We disclose our actions and results on climate change, through the **sustainability report** and other media.

Through the **Principles for Sustainable Insurance**, we promote sectoral approaches to climate change with the aim of identifying specific solutions and practices.

We **disseminate good practices** in workshops and conferences in the fight against climate change.



14 LIFE BELOW WATER



We implement **business practices that prevent pollution** and overexploitation of oceans and seas.

We have adopted **circular economy criteria** for reducing and reusing plastics or packaging that may have an impact on marine ecosystems, extending these criteria to the supply chain.

We **reduce the use of toxic substances, and non-biodegradable materials**, preventing them from reaching marine and coastal ecosystems.

We **are gradually reducing the use of fossil fuels** in the company's operations, replacing their use with that of renewable energy sources.

We invest in **technologies that are more sustainable** and less carbon-intensive and gradually introduce them into the company's activities and facilities.

We include **mitigation and adaptation actions** to climate change in the action plans.

We **are aware** of the importance of combating climate change and protecting marine and coastal ecosystems.

We **share good practices** related to the sustainable management of oceans and seas in the company's activities.



We are implementing business policies and practices aimed at ensuring **sustainable management** of natural resources in the organization and across the supply chain and that minimise our impact on terrestrial ecosystems and biodiversity.

We respect the environmental laws of the countries in which we operate and comply with international **environmental performance** regulations.

We avoid buying materials that pose a risk to endangered animal or plant species and **buy sustainably managed forest products** or those with a high content of recycled material.

We leverage technology to **reduce the use of paper** in the process of issuing policies, claim statements and invoices in digital format.

We measure our **environmental footprint**, quantifying our carbon footprint in line with international standards.

We are trained in responsible practices with regard to terrestrial ecosystems and biodiversity.

We report on the company's actions in the area of biodiversity and on research, conservation, education and awareness actions, through our **sustainability report**.

We have undertaken **corporate volunteer projects for cleaning, reforestation and restoration** of ecosystems and protection of flora and fauna.



Through our **culture of Human Rights in the company**, implemented through the United Nations Global Compact Ten Principles and our Code of Ethics and Conduct, we promote justice and transparency, eliminate corruption and bribery and avoid discriminatory practices that undermine people's dignity or rights.

Our monitoring and audit procedures allow us to identify, with **due diligence**, possible situations of risk of Human Rights violations (ethics whistleblowing channel, prevention of corruption, etc.) and establish mechanisms to prevent and mitigate such risks (Know your Client, supply assessment protocol, harassment protocol, etc).

We comply with national legislation in the countries where we operate and with international Human Rights legislation.

We use the company's activities to promote peace, Human Rights and the rule of law, by establishing restrictions on the underwriting of certain activities that might violate rights and through corporate volunteering.

We are trained in transparency and Human Rights and in the fight against corruption and have implemented mechanisms that allow all stakeholders to inform the organisation of possible breaches in these areas.

We promote respect for Human Rights in the supply chain, through training, evaluating and introducing contractual clauses in relation to suppliers.

Our **commitment to ethical courtesy** governs the gifts we receive and offer.

We maintain a **transparent relationship in accordance with international law** with the governments of the countries in which we operate, in order to prevent corruption and bribery.

We are **respectful** of all types of property (intellectual, financial or material).

We have implemented processes to make the **participation of all employees** in decision-making a reality.

We participate in workshops, events and conferences to promote **respect for Human Rights** by the business sector.



17 PARTNERSHIPS FOR THE GOALS



We align our social responsibility and sustainability strategy with the **Sustainable Development Goals** and integrate them into our culture.

We have identified the **Goals related to the company's core business**, to work on them as a matter of priority.

We measure progress in Solunion's contribution to the SDGs.

We include the SDGs in Solunion's sustainability report, explaining our contributions to sustainable development.

We raise awareness and train in the SDGs, establishing common values throughout the organisation.

We foster employee participation in the company's achievement of the SDGs, through joint collaboration activities or by opening a channel for receiving ideas.

We expand the message of the SDGs outside the organisation, among suppliers and among the entire business sector and the public.

We maximise **contributions to the developing countries** in which we operate by creating decent jobs and promoting the transfer of knowledge, technical capacity and technology.

We are transparent about our tax practices.

We perform **volunteering actions** focused on the contribution of the SDGs.

We align our social action activities with the 2030 Agenda.

We collaborate with other insurance companies to seek **innovation under sustainability criteria** and specific ways of contributing to the SDGs.

Promoting partnerships to **develop and share technology**, knowledge and business models under sustainability criteria.

We support the development of local businesses.

We participate in conferences, events and workshops to share **good practices on SDGs**.

We open businesses and **activities in developing** countries under inclusive business and sustainability criteria, offering decent and safe jobs to the local population, allowing them to progress socially.

We make **investments in developing countries**, expanding the business under sustainability criteria.

We collaborate with companies at all links of the value chain to share knowledge and contribute towards innovation, modernisation and sustainability.



With our daily work, at Solunion we protect our clients by means of improved understanding, selection, quantifying and managing of commercial risk, thus contributing to the sustainable economic growth of nations and to social stability and encouraging and boosting job creation and maintenance in companies.



SOLUTION'S RESPONSIBLE COMMITMENTS AND PRACTICES



Creation of sustainable value and 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:



These commitments are transversal and are present throughout the Company's business process, based on the generation of financial, social, and environmental wealth.

4.1

COMMITMENT TO RESPONSIBLE AND SUSTAINABLE GOVERNANCE



Ethical Conduct: main compliance and prevention measures

Compliance: GRI 102-11, 102-33, 102-17, 102-33, 102-34, 103, 205-1, 205-2, 205-3406-1, 408-1, 410-1, 412-3, 415-1, 418



WE UNDERSTAND COMPLIANCE AS THE STANDARD THAT PROTECTS Solunion's solvency, integrity, and reputation and allows us to achieve our strategic goals, and above all, sustainable, profitable, honest 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 working people.

In 2019, a new Code of Ethics and Conduct was drafted, assuming 12 Solunion Personality Commitments. The Criminal Risks Manual was updated and specific Criminal Risks Manuals were drawn up for each Business Unit. Risks were monitored and important communication and training actions were carried out, with a global communication plan in Spain and Latin America.

Needless to say, 2020 was a bit of a special year, and the biggest task was undoubtedly to ensure Solunion's compliance with all local regulations issued by various governments in connection with COVID-19. However, and despite the confinement, we were able to launch the "Compliance Awards" Campaign, which enabled further training in the Commitments of the Code of Ethics and Conduct.

Thanks to its actions conducted in 2021, Solunion has been able to correctly comply with Article 66 of Act 20/2015, of 14 July, on the Regulation, Supervision and Solvency of Insurance and Reinsurance Entities.

The Management Bodies of all Solunion entities have been advised by Compliance of the regulatory changes that have taken place during 2021, sending, whenever necessary, specific reports on amendments introduced in the respective countries in which it operates. Additionally, Compliance closely follows the guidelines issued by the insurance regulators in each country of activity.



At the same time, and in line with the targets of previous years, Compliance has conducted important actions for communications and training, with a global communications plan covering Spain and Latin America.

This year we have reissued the 'Code of Ethics and Conduct for Brokers', based on the principle of magnanimity, an attitude that encourages us to undertake initiatives in a true spirit of service to society, and launched a campaign to share our ethical standards with our employees.



The campaign consists of videos and educational games through which intermediaries can learn more about the different contents of the Code of Ethics.



Solunion is a member of, and actively participates in, the *Instituto de Oficiales de Cumplimiento* (IOC) and the World Compliance Association (WCA). These associations bring together professionals in compliance, a concept that is essential in a global market that is increasingly complex and with more stringent regulations.

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 the staff through the corporate intranet and is published on the corporate website.

Likewise, both Solunion employees and third parties may consult any doubts 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.

Whistleblowing Channel: Our Canal Impulso Compliance

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



SOLUNION HAS A WHISTLE-BLOWING CHANNEL ACCESSIBLE TO ALL EM-ployees of the Company, so that they can report any conduct they consider to be in breach of Solunion's Code of Ethics and Conduct, local laws or internal regulations.

Any Solunion employee who wishes to report, using a channel that is different from the usual channel used for submitting information to their hierarchical superior, facts that may be contrary to the Commitments that Solunion has included in its Code of Ethics and Conduct, set out in its Policies and implemented through the processes of each Department and Area, as well as applicable general sectoral regulations, may do so through a specific section of Solinside (our intranet) referring to the Compliance Boosting Channel or through the mailbox: canalimpulso@solunion.com.

This same email address is available to our clients, suppliers 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 Impulso Channel Policy (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.

This channel implemented six years ago, was updated this year in order to bring its contents in line with the requirements of EU Directive 2019/1937 and to ensure the protection of the whistle-blower.



An internal campaign has also been conducted to explain the use of the channel.

No report was received through the Whistleblowing Channel in 2021.

Complaints and claims

GRI 102-33, 102-34, 417-2, 417-3



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.

In 2021, this service received a complaint concerning the consequences suffered by an insured party due to the identity theft of one of its customers.

The decision was not in the customer's favour, as the claim was not regarding a non-payment on a business transaction covered by the policy, but arising from a crime of identity theft, which is not the object of the policy.

Internal control and operational risk

GRI 102-3, 102-30, 102-31 (L.II/2018)



SOLUTION 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. No critical concerns regarding the governing bodies were reported in 2021.



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 Solunioners, 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, at Solunion, 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:

1

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

2

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.

In the year of our creation, at Solunion we drew up and approved a Protocol for the Prevention and Treatment of Harassment and Discrimination in the company, through which we defined the principles and guidelines for action that should govern in order to prevent and, where appropriate, correct this type of conduct. There is a protocol for the treatment of such cases. This protocol has been reviewed and renewed this year to update it and include cases such as cyberbullying.

No reports of harassment were received in Solunion during this year.

Anti-corruption

GRI 102-33, 102-34, 415-1, 414-1, 414-2



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 the Anti-Fraud Policy and Procedures, as well as the Ethical Courtesy Commitment, any corrupt practices that comes to that employee's knowledge.

Both the Anti-Fraud Policy and Procedures, as well as the Ethical Courtesy Commitment make these points explicit.

Solunion also does not allow other persons or entities to use these practices with their staff. We therefore include a specific section in our Code of Ethics and Conduct for Brokers (commercial agents or intermediaries) and in the Code of Ethics and Conduct for Stakeholders.



No cases were reported in 2021 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.

No Fraud or Bribery Commitment

GRI 102-33, 102-34



AT SOLUNION, WE COMBAT FRAUD AND CORRUPTION THROUGH ETHICAL principles, which guarantee that our internal activity (staff) 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 Canal Impulso Compliance 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 and Procedures.

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 90](#)).

Interests without Conflict

GRI 102-25



AT SOLUNION WE ARE COMMITTED TO INTERESTS WITHOUT CONFLICT, that is why we seek to manage possible conflict situations in the most transparent, comprehensive and honest way possible.

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 a framework for action with clients and collaborators that favours dialogue in search of an ethical and objective decision and is articulated in our Conflict Prevention and Management Policy.

Ethical courtesy

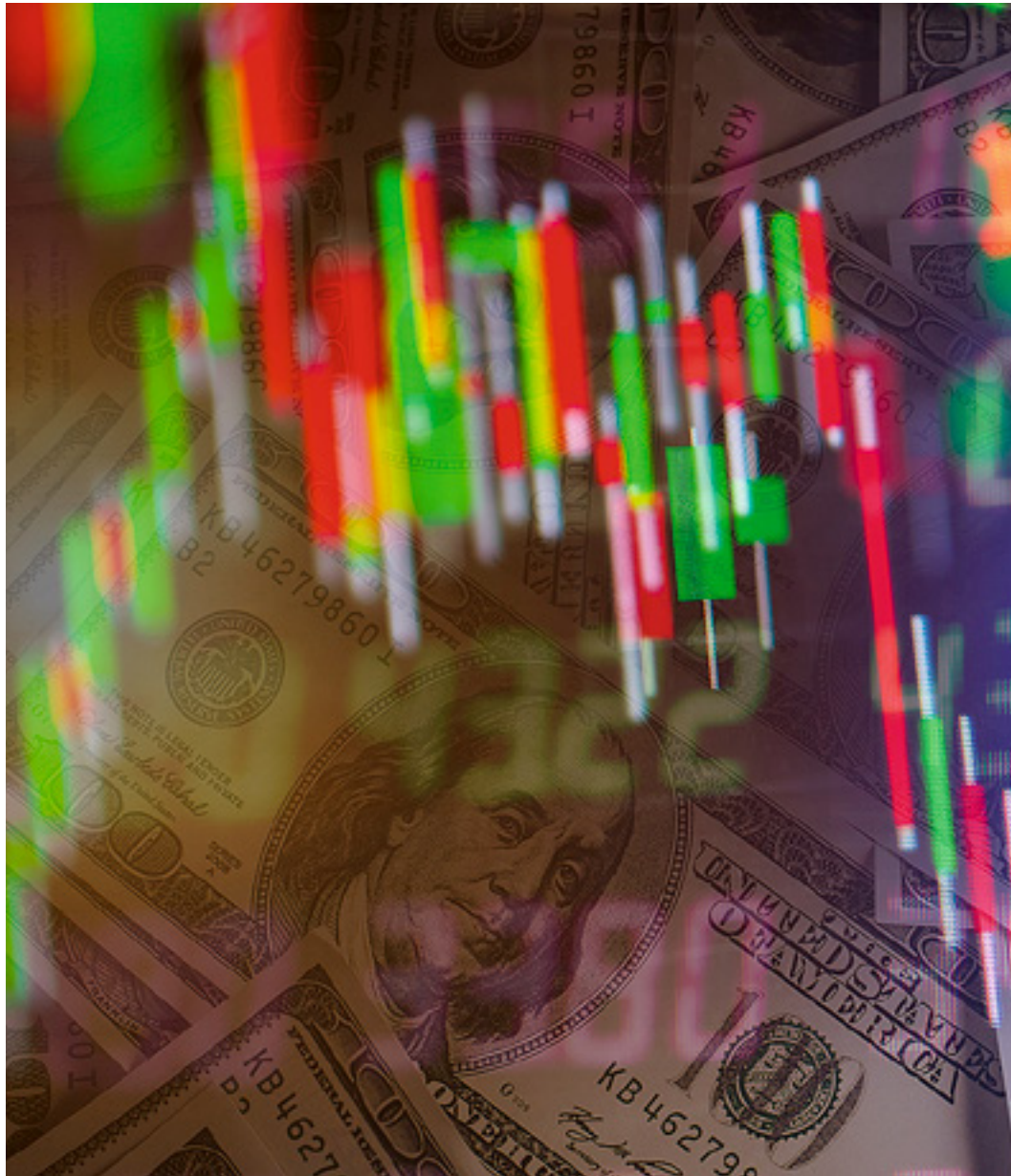


AT SOLUNION, WE WISH TO AVOID ANY UNETHICAL PRACTICES INTEND-ed inappropriately to influence the freedom of our decision-making. We therefore only accept or give gifts from/to our suppliers or clients if they are consistent with the applicable laws, are socially acceptable, are offered or received in 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 to courtesy from the perspective that the quality of our services and the professionalism of our team are the main reasons to count on us. Influence peddling or 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.

All employees and agents of Solunion entities bound by the regulations on the prevention of money laundering and terrorist financing receive specific training on the subject (with varying degrees of depth depending on the level of risk in the area of the activities they carry out), with details of how to proceed in the event of detecting any suspicious transaction.

Fair competition

GRI 206-1, 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.

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
	AEDRH	Asociación Española de Directores de Recursos Humanos
	DIRCOM	Asociación de Executives de Comunicación
	WCA	World Compliance Association
	IOC	Instituto Oficiales de Cumplimiento
	CEE	Club de Exportadores de Spain
	CEIE	Club de Exportadores e Inversores Españoles
	CAMESCOM	Cámara de Comercio Española en Mexico
	CAMESCOM	Cámara de Comercio Española en Chile

Respect of International Law

GRI 419-1



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 2021.

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.

The company's management strategy integrates secure ways of working with regard to data and information, assuming a commitment to customers, suppliers and society in general, in order to guarantee the essential attributes of information: confidentiality, integrity and availability.

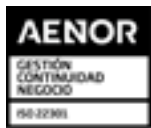
We are aware of the importance of protecting personal data. Therefore, we treat data confidentially, in a lawful, transparent, and trustworthy, with the necessary security measures for their protection, and we protect the personal data to which we have access in the performance of our work, whether they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

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 2021, 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.

Solunion also has procedures, tools and highly specialized personnel to ensure that new corporate information systems and initiatives incorporate security criteria from the outset aimed at minimizing risks, protecting data privacy and increasing incident detection and response capabilities.



IN 2021, SOLUNION WAS AWARDED THE AENOR CERTIFICATION IN BUSINESS CONTINUITY BASED ON THE UNE-EN ISO22301/2020 STANDARD.



This credential, valid for the next three years and issued by AENOR following an independent assessment of our activity, ensures that all our areas in Spain, Holding and WA have a business continuity management system that complies with the standard in all its processes, and always placing employee health and well-being at the center of the strategy.

This achievement is the result of teamwork, which helps us to continue to meet the highest quality standards in all our procedures.



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.

Inclusive language guide



AT SOLUNION, WE ARE COMMITTED TO STIMULATING CHANGE IN AN EN-vironment that promotes and encourages diversity, free of stereotypes and references of inequality that only act to slow down social and business growth.

That is why in 2020 we launched an inclusive language guide that was devised with the main aim of inspiring and promoting among Solunioners the use of inclusive and integrating language in our communications.

For egalitarian communication, we need the speech and the image that accompanies it to be aligned and coherent with what we are transmitting. A non-sexist message, for example, corresponds to a neutral image, free of all types of bias and stereotypes. The same applies if we are talking about generational diversity or nationality.

Our guide its devised as a practical document and it offers guidelines for using language and images which is in accordance with our respect for diversity, which favours awareness and social inclusion of all groups and which are a reflection of our business culture and drive for equality.



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.

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 2021 amounted to a total of 39,851.45 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.

Since its implementation, at Solunion we continue to make a mark and 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	Spain (€)			
		2021	2020	2019
	Corporate tax	1,973,002.17	571,705.24	879,607.59
	VAT	6,702,840.86	6,797,250.77	*
	Payments to Social Security	4,508,012.50	4,470,110.09	*
	Rest of taxes and fees	62,544.37	92,385.89	*
	TOTAL	13,246,399.90	11,931,451.99	*
	Mexico (MXN)			
		2021	2020	2019
	Corporate tax	6,757,968	22,708,387	9,989,252
VAT	68,524,811	63,919,310	*	
Payments to Social Security	10,191,069	9,473,914	*	
Rest of taxes and fees	26,963,659	24,025,034	*	
TOTAL	112,437,507	120,126,645	*	
Colombia (COP)				
	2021	2020	2019	
Corporate tax	613,008,000	1,255,600,000	2,846,612,000	
VAT	4,802,686,282	6,393,666,711	*	
Payments to Social Security	1,348,040,833	943,809,000	*	
Rest of taxes and fees	195,054,035	187,671,226	*	
TOTAL	6,958,789,150	8,780,746,937	*	

Chile (M CLP)			
	2021	2020	2019
Corporate tax	262,462	22,460	41,572
VAT	1,843,469	1,248,284	*
Payments to Social Security	147,888	344,309	*
Rest of taxes and fees	2,398	37,941	*
TOTAL	2,256,218	1,652,994	*
Argentina (ARS)			
	2021	2020	2019
Corporate tax	8,078,358.98	5,973,011.93	7,853,596.95
VAT	-593,954.98	88,154.47	*
Payments to Social Security	6,563,106.89	7,824,819.11	*
Rest of taxes and fees	985,350.05	342,434.60	*
TOTAL	15,032,860.94	14,228,420.11	*
Panama (PAB)			
	2021	2020	2019
Corporate tax	438,396.96	0.00	**
VAT	122,745.66	80,856.40	**
Payments to Social Security	147,892.38	27,233.76	**
Rest of taxes and fees	41,458.25	84.00	**
TOTAL	750,493.25	108,174.16	**

*Data not provided in 2019

**No activity in 2019



Framework for integrating ESG aspects into our investment processes



SOCIALLY RESPONSIBLE INVESTMENT IS CONSTANTLY EVOLVING, following the pace of major global trends in relation to the risks and opportunities of ESG factors.

Solunion is committed to socially responsible investment in the process of selecting its investments. Both our shareholders and our investment managers are signatories to the UNEP Finance Initiative's Principles for Responsible Investment (PRI).



KEY PERFORMANCE INDICATORS FOR RESPONSIBLE INVESTMENT

	2021	2020
External asset managers that are PRI signatories (%)	100%	100%
Group assets managed by PRI signatories	100%	100%

In order to comply with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088, the activities that contribute to meeting the European Union’s environmental objectives are reported below.

RELATING TO BALANCE SHEET ASSETS:

	Exposure to total assets (%)	Eligible	Non eligible
1 Share in total assets of exposures to economic activities covered by the taxonomy	92.66%	28.80%	71.20%
	Investment portfolio exposure	Exposure to total investments	
2 Share in total assets of exposures to central governments, central banks and supranational issuers and derivatives.	64.65%	59.91%	
3 Share in total assets of exposures to undertakings that are not required to disclose non-financial information in accordance with Article 19a or 29a of the Accounting Directive (Directive 2013/34/EU).	2.03%	1.88%	

The calculation has been made on the basis of Solunion’s entire investment portfolio.

The data used for the analysis corresponds to Solunion’s IFRS Consolidated Balance Sheet Assets at 31 December 2021.

In terms of the nature of the headings of Total Assets on the Balance Sheet, the analysis focuses on the “Investment portfolio” heading, which reflects the investment portfolios derived from the insurance activity and which mainly includes the securities in the available-for-sale portfolio. These investments represent 92.66% of the total investments made by the group.

Investments are all direct and indirect investments, including investments in equity investments and collective investment undertakings, loans and mortgages, tangible fixed assets and intangible assets.

The internal portfolio data reporting system and the information available in EU Taxonomy Compass have been used to obtain the data.

To determine which part of the investments analyzed correspond to eligible or ineligible activities according with the taxonomy, the information on the investments in Solunion’s portfolio and their NACE codes has been cross-referenced with the NACE codes of economic activity (at the maximum possible granularity, in some cases only being possible to determine the division and not the group or class of the asset) classified for the two environmental objectives required by the regulations as of 1 January 2022 (“Climate Change Mitigation” and “Climate Change Adaptation”). From the cross-referencing of both lists, a classification of eligible and non-eligible activities within Solunion’s portfolio has been obtained, taking into account the exclusion in Article 7(1) of Regulation (EU) 2020/852.



Risk Management Function

GRI 102-15, 102-30, 102-31, 102-33, 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).

Internal audit

GRI 102-33, 102-34



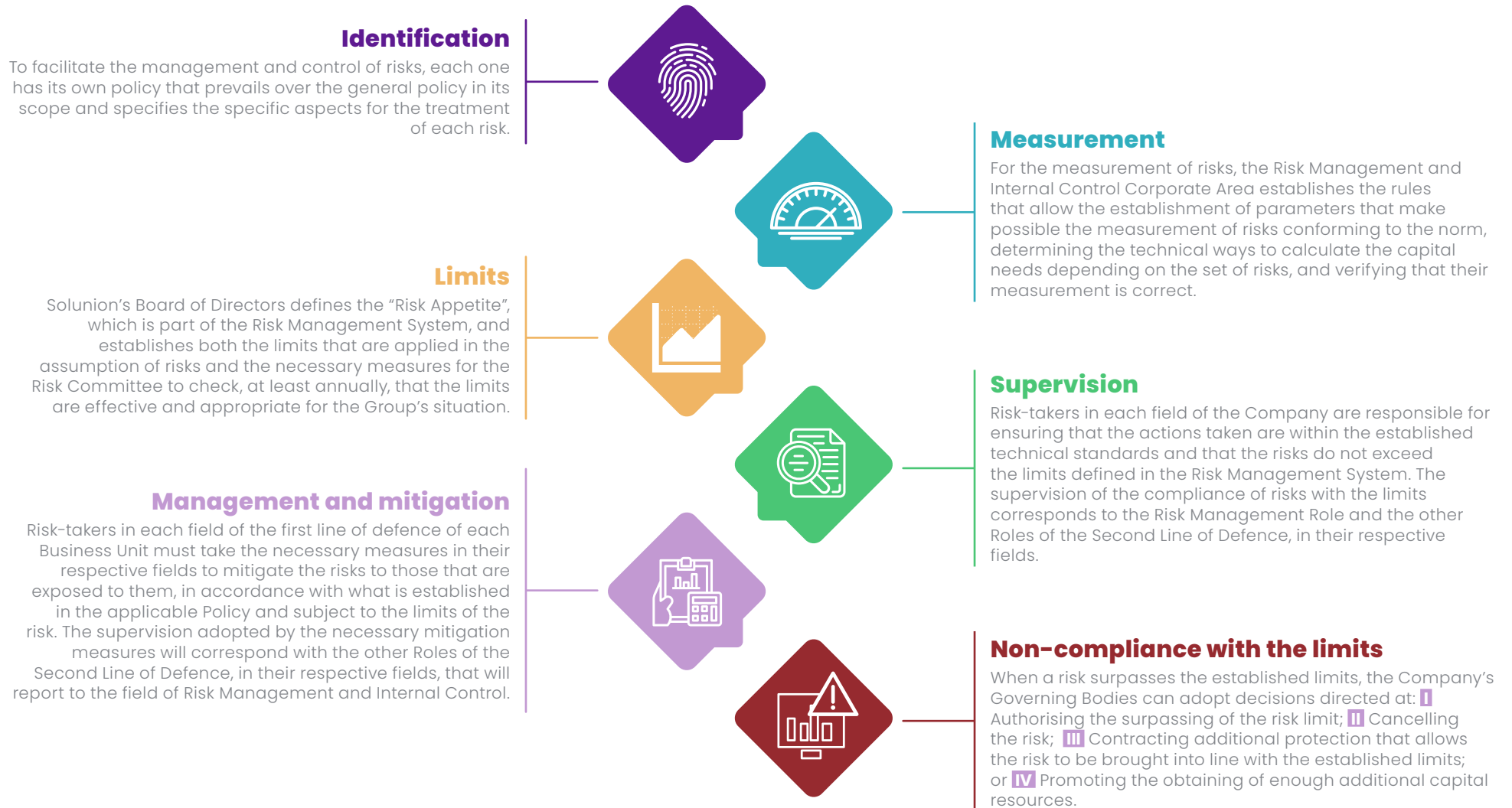
THE INTERNAL AUDIT FUNCTION CONSTITUTES THE THIRD LINE OF DEFENCE of the Risk Management model and must provide an independent guarantee of the adequacy and effectiveness of the Internal Control System and other elements of the Governance System.

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.



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



International Commitments related to sustainability



Principles for Sustainable Insurance

In 2020, we signed up to the Principles for Sustainable Insurance (PSI), a commitment driven by the UNEP FI (United Nations Environment Programme Finance Initiative) which establishes a common framework for the insurance industry to address environmental, social and governance risks and opportunities.



The Principles for Sustainable Insurance are a foundation upon which the insurance industry and society as a whole can build a stronger relationship — one that puts sustainability at the heart of risk management in pursuit of a more forward-looking and better managed world.

This commitment will allow us to develop and expand the insurance and risk management solutions we need to maintain profitable and sustainable growth, promote a fair and ethical business and commercial environment, and build the business future we all want.



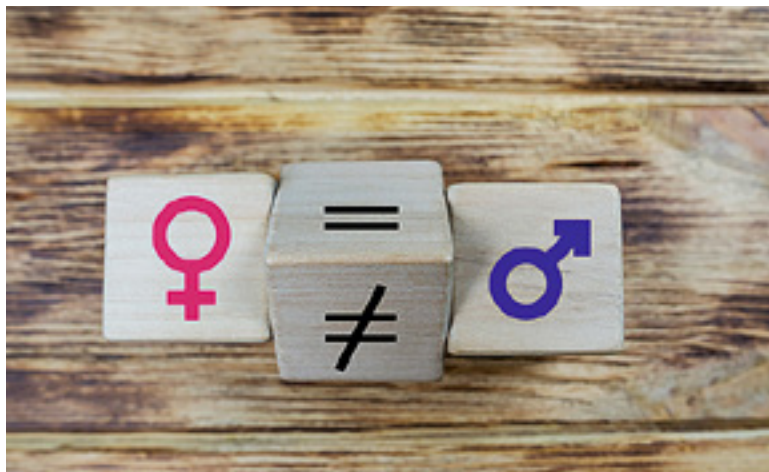
Signing of the United Nations Global Compact

GRI 102-12, 102-32, 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 412-1, 412-2, 412-3, 413-1



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.

Likewise, and with regard to the principles related more specifically to the protection of workers’ rights, Solunion’s adherence 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:

1 Avoid discriminatory practices or those that diminish the dignity of others.

2 Reject child labour and forced or compulsory labour.

3 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.

4 Offer a dignified employment.

5 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.



As a member of Forética, the representative of the World Business Council for Sustainable Development (WBCSD) in Spain, Solunion will participate in sessions on sustainability trends, business leadership platforms focused on environmental and social aspects, and various initiatives intended to promote aspects of good governance.

This is a clear commitment to strengthening the environmental, social and governance aspects of the organisation, in order to increase our ambition, speed up action and strengthen the partnerships required for an inclusive and sustainable recovery.



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 & 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 2021, neither the Compliance Committee nor the Social Responsibility and Sustainability Committee received any Human Rights complaints.

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.

Forética

Solunion has joined Forética, Spain's leading business association for sustainability and social responsibility, in order to continue its commitment to sustainability and to include it in company management processes.



Measures adopted to guarantee the respect of Human Rights

GRI 102-41, 402, 413-1, 414-1, 414-2

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:

% OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENT

COUNTRY	%
Spain	100%
Mexico	100%
Colombia	100%
Chile	100%
Argentina	100%
Panama	100%

(As of December 31st)

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

02 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 81](#)).

03 Specific channels and means for the protection of rights and the management of customer complaints ([see page 81 and following](#)).

04 Environmental, Social, and Governance (ESG) risk analyses, which help identify, evaluate and monitor our business conduct risk and ESG risks related to, among others, Human Rights, labour, environment and corruption. ([see page 110 and following](#)).

07 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](#)).

06 Internal systems and proceedings established to detect situations of corruption, fraud prevention, and money laundering prevention ([see page 85 and following](#)).

05 Carrying out ESG studies for our clients as well ([see page 110 and following](#)).

08 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.

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

10 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.



10 Principles

LINKAGES

17 SDG



THE TEN PRINCIPLES of the United Nations Global Compact

HUMAN RIGHTS

- 1** Support and respect the protection of internationally proclaimed Human Rights.
- 2** Not be complicit in Human Rights abuses.

LABOUR

- 3** Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4** Support the elimination of all forms of forced and compulsory labour.
- 5** Support the effective abolition of child labour.
- 6** Support the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- 7** Support a precautionary approach to environmental challenges.
- 8** Undertake initiatives to promote greater environmental responsibility.
- 9** Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- 10** Work against corruption in all its forms, including extortion and bribery.

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.

Solunion assumes, as part of its commitment, to raise awareness and provide training in this area and offers all Solunioners specific online courses designed by the Spanish Net-work of the United Nations Global Compact to train staff in the Global Compact Principles, the Sustainable Development Goals, the Integration of Human Rights, the Circular Economy, Gender Equality and Climate Change, in addition to its own awareness-raising campaigns.

4.2

ENVIRONMENTAL COMMITMENT

GRI 103, 201-2, 301-1, 301-2, 302-1, 302-4, 303-1, 301-2, 304-2, 305-1, 305-2, 307-1



TaThe pandemic has highlighted the urgent need to address the environmental challenges facing the world. This will not only benefit the environment, but also the health and well-being of our society. 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.

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, including light pollution, and we have not yet taken preventive actions with regard to noise pollution, although we plan to do so in the future.

No environmental non-compliance has been reported during 2021.

Specifically, Solunion's strategy includes the following initiatives:

1 Insurance activities: Underwriting restrictions in the coal industry and in-depth analysis of mining, oil and gas, nuclear energy, hydropower, agriculture, fisheries and forestry; and 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.

2 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.

Optimisation of office space, increased use of green energy and more environmental management systems are some of the initiatives we are working on.



Circular Economy Pact

IN 2017, THE MINISTRIES OF AGRICULTURE AND FISHERIES, FOOD AND Environment and of Economy, Industry and Competitiveness of the Government of Spain promoted the Circular Economy Pact with the aim of involving the main economic and social agents in Spain in the transition towards this new economic model.



Making progress in reducing the use of non-renewable natural resources, reusing in the production cycle the materials contained in the waste as secondary raw materials provided that human health and environmental protection are guaranteed.



Promoting the analysis of the life cycle of products and the incorporation of eco-design criteria, reducing the introduction of harmful substances in their manufacture, facilitating the separability of the goods produced, extending their useful life and enabling their recovery at the end of it.



Encouraging the effective application of the waste hierarchy principle, promoting the prevention of waste generation, encouraging reuse, strengthening recycling and promoting its traceability.



Promoting guidelines that increase the innovation and overall efficiency of production processes by adopting measures such as the implementation of environmental management systems.



Promoting innovative forms of sustainable consumption, including sustainable products and services, as well as the use of digital infrastructure and services.



In January 2020, Solunion signed the letter supporting the Pact by which we commit to promote the transition to a circular economy through the following actions:



Promoting the incorporation of indicators of the social and environmental impact resulting from companies' operations in order to evaluate beyond the financial profits generated within the companies, as a consequence of their commitment to the circular economy.



Encouraging the use of common, transparent and accessible indicators that make it possible to know the level of implementation of the circular economy.



Disseminating the importance of moving from the linear economy to a circular economy, promoting the transparency of processes, awareness and understanding of citizens.



Facilitating and promoting the creation of appropriate channels to facilitate the sharing of information and coordination with administrations, the scientific and technological community and economic and social agents so that synergies favouring the transition may be created.



Promoting a model of responsible consumption, based on transparent information on the features of goods and services, their duration and energy efficiency, by using measures such as the use of the eco-label.

We calculate, verify and register our carbon footprint

SOLUNION HAS CALCULATED AND REGISTERED ITS FOOTPRINT IN THE Register of Carbon Footprint, Offsetting and CO2 Capture Projects of the Ministry for the Ecological Transition and Demographic Challenge (*Ministerio para la Transición Ecológica y el Reto Demográfico del Gobierno de España*), as it did last year.

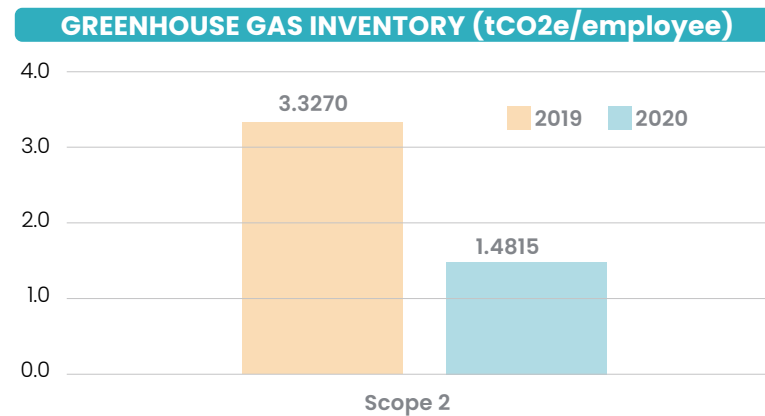
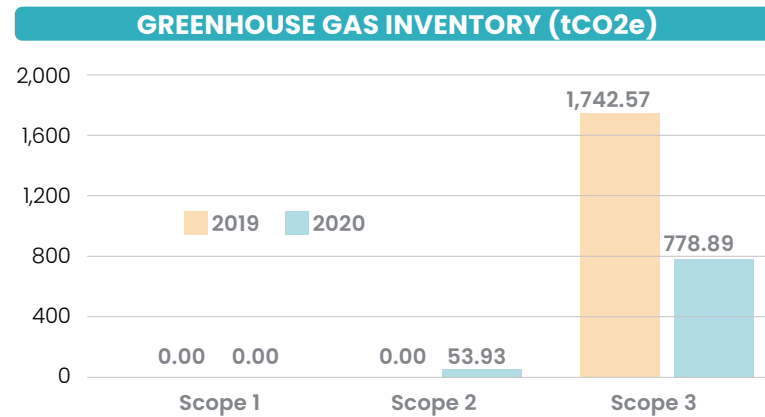
The Register, created by Royal Decree 163/2014, of 14 March, reflects the efforts of Spanish organisations to calculate and reduce the greenhouse gas emissions generated by their activity.

The analysis has been carried out according to the guidelines laid down in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard,







published by GHG Protocol and includes Scope 1 and 2 (mandatory reporting), but also emissions generated by Solunioners' daily commute, business travel, and paper consumption and waste (categories included in Scope 3).

With this action, we seek to make an inventory to analyse the greenhouse gases generated by our activities, in order to define short and long-term reduction targets. Along these lines, we have drawn up a plan to minimise our carbon footprint for reduced environmental impact on climate change, which includes actions such as our Sustainable Mobility Plan.



In 2021 we presented our **Sustainable Mobility Plan**, a compendium of measures focused on promoting the protection and care of the environment and health, as well as promoting road safety among all Solunioners, our customers and suppliers.

This plan is structured around five primary lines of action:

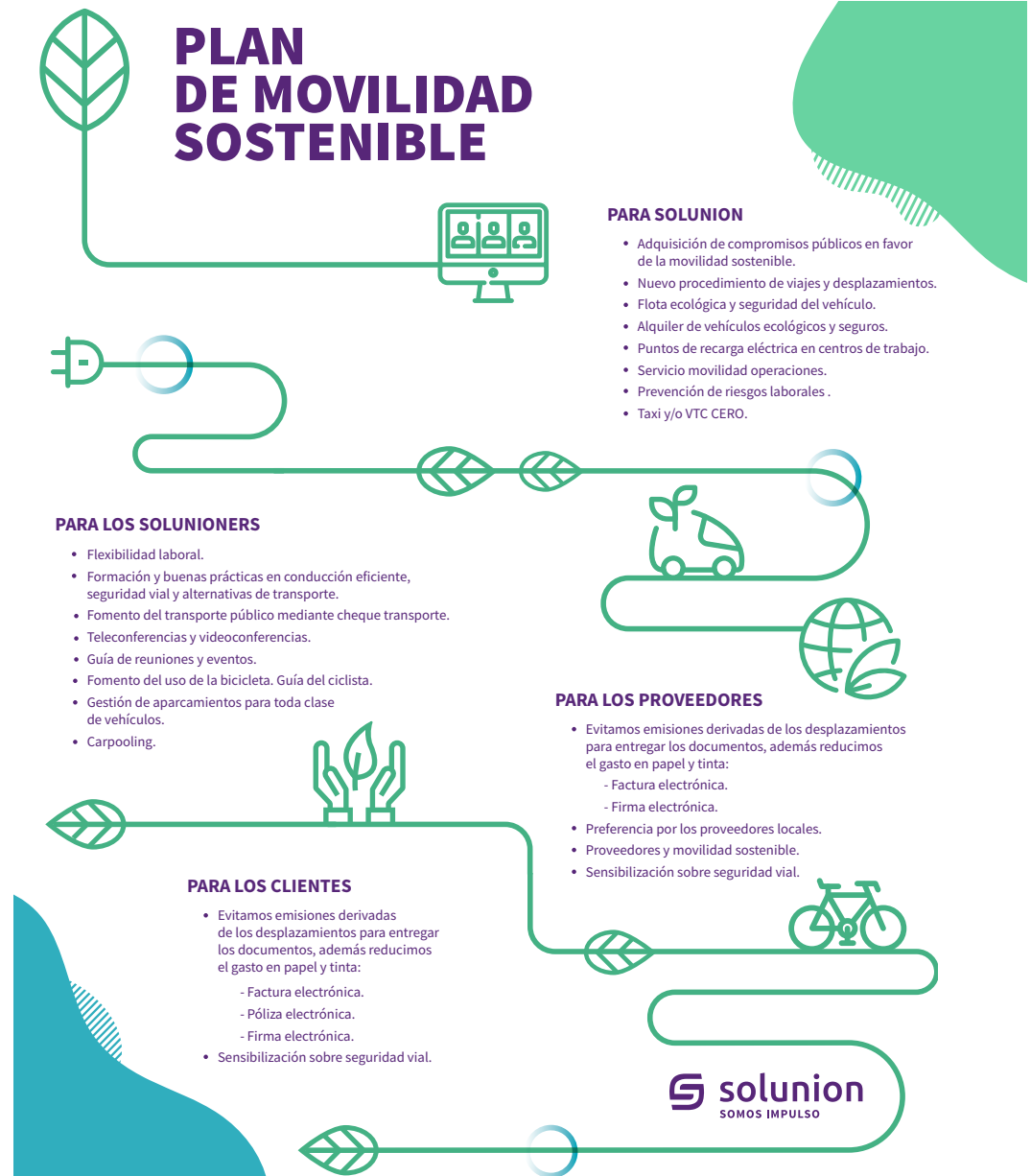
- 1  To reduce emissions.
- 2  To promote energy efficiency.
- 3  To improve people's quality of life in the areas in which we operate.
- 4  To contribute to reducing road accidents.
- 5  To raise awareness among Solunioners.

Environmentally and socially responsible purchasing at Solunion

ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE PURCHASING TAKES into account social and ethical aspects when making decisions regarding the purchase and contracting of services and supplies, in addition to quality and price criteria.

By purchasing in this way, we add value to our consumption, at the same time contributing to environmental protection, promoting decent employment and reducing inequality.

For this reason, this year we've prepared a document that seeks to provide Solunion and Solunioners with a set of useful resources in our commitment to incorporate this issue into our management framework.





Main achievements solunion



Drafting of the **Sustainable Mobility Plan**.



Guide for Environmentally and Socially Responsible Purchasing.



We've reduced our commutes thanks to the use of new technologies and the implementation of remote working.



Participation in **SDG Ambition**.



100% renewable electricity in Spain.



The company conducts **specific actions for classifying, managing and processing waste**. We have specific containers for employees to separate waste into organic, plastic, batteries, glass and paper.



Installation of **low-consumption light fixtures** in our central offices.



Our main offices are located in a **building with a Zero Waste target**. In order to prevent it being sent to a landfill, a new, more spacious and better-organised waste storage room has been set up, equipped with a refrigeration room for organic waste. These rooms are equipped with containers, in addition to staff from the waste management company itself to assist in the segregation and control of the waste disposal.



Installation of **electric recharging points** in workplaces.



New travel and commute procedure.



Improving the vehicle fleet.



Installation of a **night-time shutdown system** at our head office.



With regard to the paper and cardboard used, we have a **periodic collection service** by an authorised handler for their processing, as well as special containers for confidential documents that are treated on site by an authorised handler for their subsequent processing, destruction and recycling in accordance with current legislation.



With regard to **WEEE equipment**, computer material that is no longer to be used and used toners are promptly delivered to an authorised handler for treatment in all countries.



Global participation in WWF's Earth Hour by shutting down our offices.



CO2 Neutral Website.



Zero-plastic policy.

Solunion's main activity is carried out in our offices in Madrid, Mexico City, Medellin, Santiago, Panamá City and Buenos Aires. Solunion has these facilities under lease, which includes the consumption of electricity (except in Madrid, San Cugat, Buenos Aires and Mexico City), refrigerants and water (except in Chile) resulting from carrying out the activity by calculating a ratio per square metre provided. We do not

use heating fuels as our heating systems are electric (included within electricity consumption). 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 optimizations and saving measures of these resources as possible.

CONSUMPTION



	2021*	2020**	2019***	2018****	Period variation
Normal electrical energy (MW)	68.73	93.3	0	0	-26.33%
Electrical energy from renewable sources (MW)	255.75	200.2	251	120	27.75%

*Only identified and not included in office rent in Madrid, San Cugat, Buenos Aires, Mexico City and Panama City. Argentina's consumption in January and October 2021 has been calculated by estimation. Consumption in Panama started in March 2021.

**Only identified and not included in office rent in Madrid, San Cugat, Buenos Aires and Mexico City.

***Only identified and not included in office rent in Madrid and San Cugat.

****Only identified and not included in office rent in Madrid.



	2021	2020	2019	2018	Period variation
Water (m ³)	311,01	178,48	353,29	336,35	74%

*Only possible to report Santiago de Chile office.



	2021	2020	2019	2018	Period variation
Recycled or Certified Paper (kg)	1.038	913	4.263	0	14%
Paper (kg)	0	57	6.359	13.898	-100%
Total Paper (kg)	1.038	970	10.622	13.898	7%

Includes all countries.



	2021	2020	2019	2018	Variación periodo
Tóner (units)	22	21	57	80	5%

*Only Spain and Mexico, in other countries consumption and recycling management included in included in printer leasing.

WASTE (AS OF DECEMBER 31ST)



	2021	2020	2019	2018	Variación periodo
Paper and Cardboard Waste (kg)*	680	525	860	1,000	30%
Waste electrical and electronic equipment - WEEE (kg)	187.2	-	388	1,079	100%

*Only discriminated and not included in building waste management in Madrid and Barcelona offices.

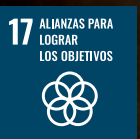
WEEE waste included in Zero Waste Building management.

(As of December 31st)

4.3

SOCIAL COMMITMENT

GRI 103



Our business at Solunion is to protect our clients by better understanding, screening, 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.

Solunión'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, SOLUNIÓN'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.



To contribute to the identification and assessment of these risks, at Solunion we carry out a Know Your Customer (KYC) process, and we always check and document that the operation 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 our 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 415-1



Solunion has identified Regulatory Bodies among its stakeholders and maintains two types of relationships with them:

1 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.

2 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.

Mexico's National Insurance and Bonding Commission (CNSF) released its Information Quality Scoreboard (SCI), which assesses the quality with which insurance and surety companies provide their statistical information.

Solunion Mexico is among the top-rated companies, sharing reliable and transparent information.





We are convinced that only by fully knowing our clients' needs, can we offer them the personalised service they deserve:

- ▶ We provide value-added products and services to meet 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.

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 by offering them a quality service with high added value and accompanying them in their development in national and international markets.

We work with more than 5,000 customers around the world, who demand transparency, personalised attention, easy-to-use tools and quick responses with simple management products adapted to their business.

We work to ensure that you have the best experience with Solunion, prioritising our actions and investments for the benefit of your satisfaction.



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 guidelines 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.

We observe, analyse, propose, create, test and start again. A never-ending process, thanks to which we can offer the best features, so that our products and policy services can be managed in a comfortable and simple way, from anywhere.



Omni channel distribution

We distribute from different channels.

Our goal is to be the broker's preferred partner, intensify our distribution through the agency channel and continue to develop the bancassurance channel with new distribution agreements.

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.



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](#).



5. SUPPLIERS

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



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 Purchasing & Contracting 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, to ensure sustainable supply chain management on an ongoing basis and to preserve the reputation of the group.

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.

The procurement process is audited on a regular basis. The recommendations and opportunities for improvement that arise during these reviews are analysed and implemented, in order to maintain continuous improvement in the processes.

Regardless of this, 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 Stakeholders 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: canalimpulso@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.

Our distribution channels are an essential way to market our products, connect with our customers and position ourselves as a reference partner for the business community.

Team Solunion

In order to promote this alliance, we have created a specific training and documentation space, Team Solunion Soltrain, which can be accessed through our learning platform. From this digital ecosystem, they will be able to consult an extensive library with all the material about the Company, our commitments, our products and services, learn about Solunion's business agenda, access the economic news and, in addition, detailed information about our brand and we will also provide them with dynamic training on sales, negotiation or leadership.



Portal PY

Through the PY portal, our distributors perform a more agile and simple management in the generation of new business. They can give quotes to companies and, if accepted, issue the policy directly, all digitally.

Our strategic initiatives and their actions, such as the creation of a specific ecosystem for our partners and collaborators, have very specific objectives that drive the transformation of Solunion and our growth in the market.

SOLUNION HAS BEEN RECOGNISED AS THE BEST CREDIT INSURER IN THE 2021 ADECOSE BAROMETER.

The study makes an annual assessment of how satisfied the country's main brokerages are with the insurance companies they work with.

This 2021 acknowledgement is Solunion's seventh since it commenced operations in 2013, and it demonstrates the importance of the service and the brokerage channel for the Company.



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 575 people to which must be added a high number of indirect jobs related to insurance distribution (agents and brokers) 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.



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 PY

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

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 Uno

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

World Policy

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

Póliza Compromiso

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

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.

Productos TCU

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**.

Familia CAP

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



Fair competition

GRI 206-1, 417-1, 417-2, 417-3



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. 92](#)).

For this reason, and in accordance with our Commitment to Fair Competition, 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 region, 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.



STAKEHOLDERS

RELATIONSHIP CHANNELS		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 Media	Social networks							

Publications



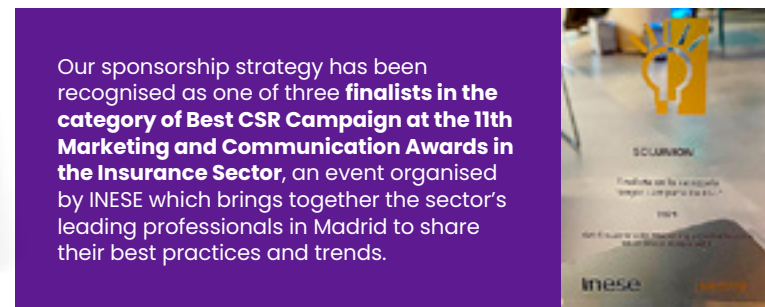
TOGETHER WITH OUR TWO SHAREHOLDERS, EULER HERMES AND MAPFRE, we produce different sectorial publications and country analyses, with the objective of making a name for ourselves as a reference of information, both for the specialised media and for our clients.

This past year we have launched in Spain our sectoral reports and insolvency assessment reports, which are designed to provide our clients with useful information to facilitate decision making, to help them prospect for customers and markets, and to manage the commercial risks of their business.



Our sponsorships

THE COLLABORATION WITH OUR SPONSORED ATHLETES IS LINKED TO our purpose. They all represent, share and amplify our values and our identity as a company.





Aspar Team

Our partnership with the Aspar Team goes beyond just a sponsorship agreement.

We make a winning team. Partners who share the same values and the drive to go further.

Our partnership began in 2020. Since then, we have accompanied all the team's riders in the different categories (Moto2, Moto3, MotoE...), sharing their audacity and spirit of improvement on each circuit.



Trientrenos Alejandro Santamaría

Alejandro has been a professional triathlete since 1996, and has won Spanish, European and World Championships in various categories. Thanks to Trientrenos, all Solunioners have the opportunity to participate in initiatives that help us lead an active and healthy lifestyle thanks to various initiatives carried out within the framework of our partnership.

Dani Caverzaschi and Martín de la Puente

Two leading players of wheelchair tennis who perfectly embody our values: daring, strength, self-improvement, and courage.

Dani is a true benchmark, on and off the court. Since the start of our collaboration, he's been a continuous source of joy for us, demonstrating their strength, determination and and courage. Among other awards, Dani received two Olympic diplomas at the Paralympic Games in Tokyo.

Martin is, along with Dani, another of our champions in wheelchair tennis as well as life. His spirit of self-improvement is a perfect representation of the values of Solunioners and, despite his youth, he's one of the best tennis players in the world. Together with Dani, he won the Olympic diploma in Tokyo in the double's category. Additionally, both players rank among the world's top 10 in wheelchair tennis.



Lucía Sainz

She's ranked number 5 on the World Padel Tour, a ranking she topped in 2020, and represents our winning spirit every time she competes on court. Her ambition, restlessness and **commitment** keep her at the top.

We collaborate with La Mina Gymnastics Club

La Mina Gymnastics Club is a club for practicing and training in artistic gymnastics, with a vocation for social service. It aids teenage boys and girls at risk of exclusion who live in the La Mina neighbourhood and the surrounding areas of Barcelona, giving them the opportunity to learn values and take advantage of new opportunities by way of sport.

Solunion contributes to the acquisition of training material for the school and to other requirements arising from the school's general activity.



Together with Aravaca C.F. we help children through football

We provide **scholarships** to 20 children from underprivileged groups, so that they can form part of the schools' teams.

Volunteering

GRI 413-1



At Solunion, we contribute to the sustainable socio-economic development of the countries where we operate by carrying out activities related to our professional experience and the volunteering of the people who make up the organisation.

Solunion offers its collaborators various volunteering opportunities within the framework of its Corporate Volunteer Programme integrated into the Social Responsibility and Sustainability strategy, aligned with the Sustainable Development Goals, and which we conduct in collaboration with Fundación MAPFRE in Spain, Mexico, Colombia and Chile.

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 conduct both professional volunteering by contributing our skills as professionals as well as volunteering to improve people's quality of life in other tasks.

In 2021, 200 SolunionerosSolidarios consisting of employees and their family members in Spain, Mexico, Colombia and Chile, participated in more than 30 activities related to education, nutrition, health, and emergency aid, amongst others, directly and indirectly affecting more than 15,000 people. 34.7% of the global workforce has had a volunteer experience.

This year and due to the ongoing health crisis, this aid has been more important than ever.

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

In 2020 we extended it to Mexico and Colombia, and in 2021, it was implemented in Chile, Argentina and Panama. [📄](#)

4.4

COMMITMENT TO THE PEOPLE WHO MAKE UP THE ORGANISATION

GRI 102-8, 103

3 SALUD Y BIENESTAR

4 EDUCACIÓN DE CALIDAD

5 IGUALDAD DE GÉNERO

8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO

9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA

10 REDUCCIÓN DE LAS DESIGUALDADES

16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS

17 ALIANZAS PARA LOGRAR LOS OBJETIVOS

We recognise our people 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.

The management of the pandemic, with policies both inside and outside the company, has been decisive in recent months when it comes to taking care of workers and their families.

In these exceptional times, Solunion's interventions by means of measures that promote well-being have been decisive: health initiatives, awareness raising and training, and protocols for collective safety, personal protection, for especially vulnerable workers, and risk levels, strategies for prevention and action in the event of positive or possible positive cases, and initiatives for communication and return to activity.

People, the key to success

THE PEOPLE WHO MAKE UP SOLUNION ARE THE KEY TO ITS GROWTH, THE TRUE ARCHITECTS OF THE COMPANY'S SUCCESS. Talent management, progress, and the ability to adapt to change are the differentiating hallmarks whose development 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 teamwork between the different areas.

People 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 fulfilment of objectives, we evaluate behaviours 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 equal opportunities.

We work to continually improve flexibility conditions for better work-life balance, in an environment of equality where mixed teams, diversity and equal opportunities are encouraged.

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, 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

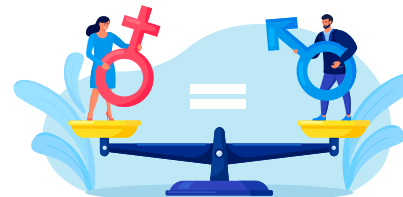
Providing a work environment in which staff members are informed about the strategic objectives of the Company and have the possibility to improve both personally and professionally.



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** which we have reviewed this year. 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 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 people development within a framework of trust and equality, advocating equal opportunities in the following ways:

- 1** Guaranteeing equal opportunities in the work environment.
- 2** Encouraging training.
- 3** Promoting a stable and safe work environment.
- 4** Listening and maintaining a permanent channel for dialogue.

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.

Collaboration, partnership and mutual respect are unwavering pillars of our day-to-day work.

Milestones and recognitions

Empresa familiarmente responsable (Family-Responsible Company)

Since the end of 2020, **all Solunion countries have been certified as a Family-Responsible Company (efr in Spanish)**, a noteworthy distinction for our subsidiaries in Spain, Mexico, Colombia, Chile, Panama and Argentina, which recognises the good practices implemented by our organisation in terms of work-life balance.

In 2021 we have received, for the second time, the Family Responsible Company Certification (efr) in all the countries in which we operate. This is a very important recognition **that highlights our work in terms of work-life balance**, equal opportunities and priorities in which we are involved on a daily basis. These values are a part of our identity, our business strategy and our working model.

The efr Certificate is a management model designed by the Fundación Más Familia, with which we are further involved in generating a work culture based on flexibility, respect and mutual commitment to ensure the work-life balance of our people. Additionally, **through this certification, we are committed to maintaining a style of direction, leadership and management that places our people, all Solunioners, at the centre.**



Top Employer 2022

For the third year, Solunion has been **officially recognised as Top Employer Spain** by the **Top Employers Institute**.

The Top Employer certification validates our best practices in areas such as Talent Strategy, People Planning, Talent Acquisition, Onboarding, Learning and Development, Performance Management, Leadership Development, Career and Succession Management, Compensation and Benefits, and Culture.

This achievement **is a recognition of our commitment to Solunioners as the central axis of our strategy**, and motivates us to continue to build and promote, together, a working environment in Solunion that gives us the required tools for our professional and personal development in a diverse, inclusive and conciliatory framework.



Ranking of the Best Companies to Work in Spain

This year, Actualidad Económica magazine ranked Solunion **32nd among the 100 best companies to work for in Spain**.

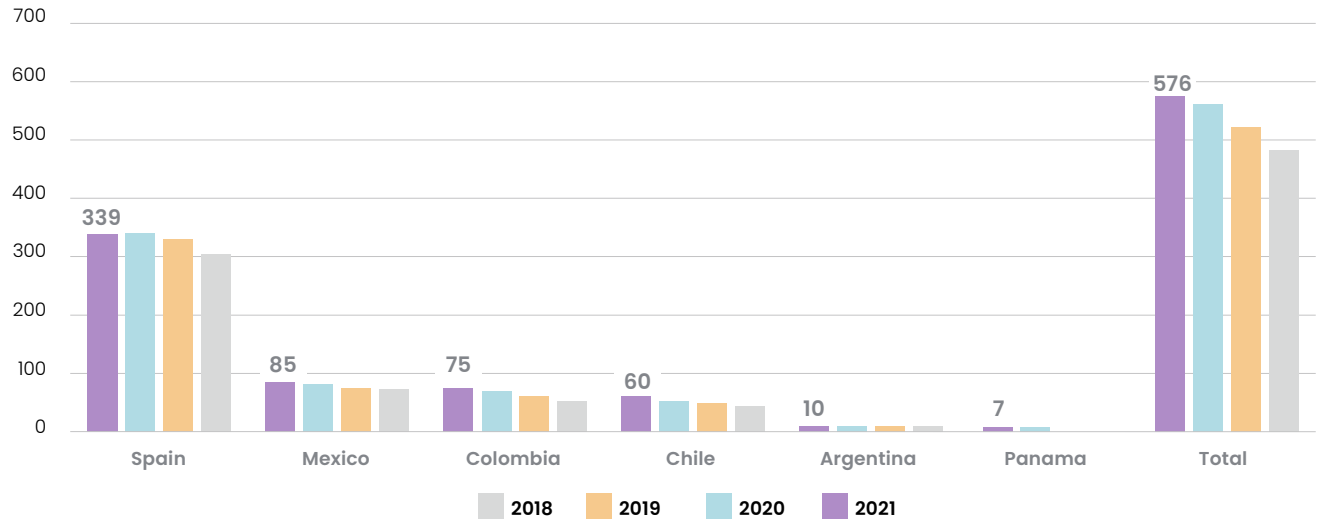
Actualidad Económica's ranking of The Best Companies to Work for in Spain is one of the most prestigious in the country, and **is carried out each year on the basis of an analysis of information provided by a large number of companies from all sectors**, which have to meet two requirements: to have been in Spain for over five years and to have more than 100 employees.



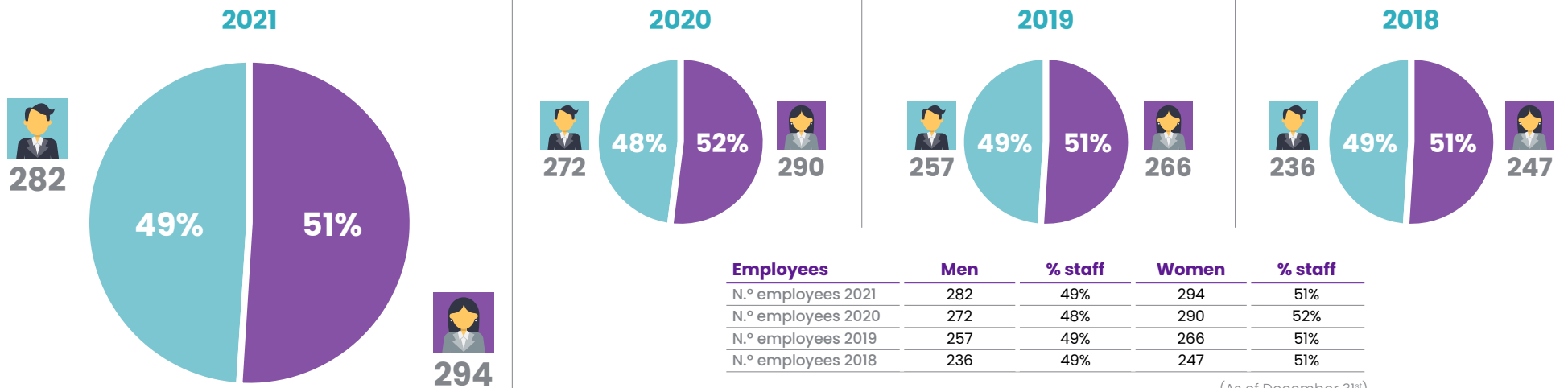
GENERAL DATA (GRI 102-7, 202; L11/2018)



Employees	2021	2020	2019	2018
Spain	339	341	330	304
Mexico	85	82	75	72
Colombia	75	70	60	53
Chile	60	53	48	44
Argentina	10	9	10	10
Panama	7	7	-	-
TOTAL	576	562	523	483



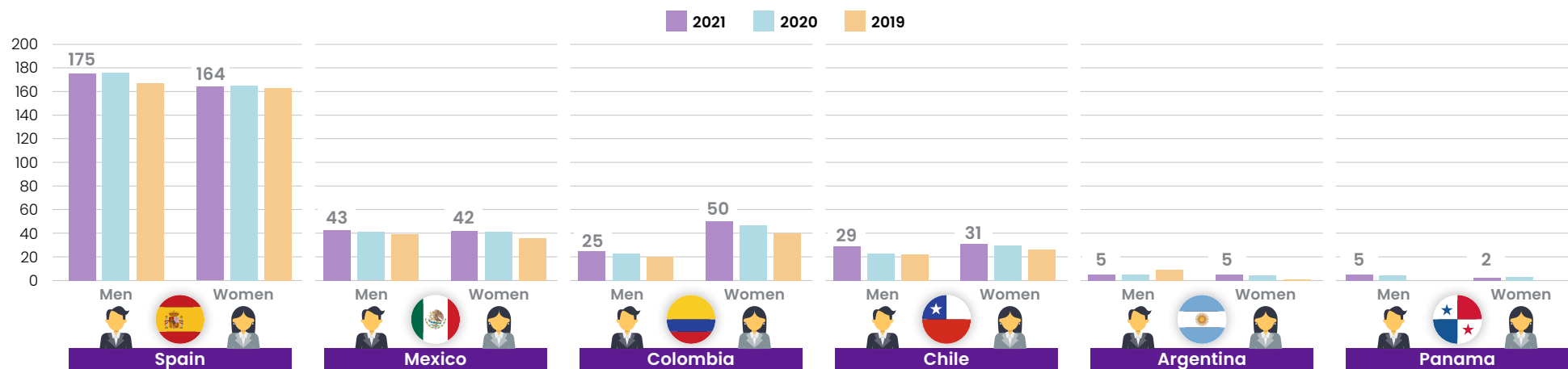
TOTAL NUMBER OF EMPLOYEES BY GENDER (GRI 102-8, 405-1)



Employees	Men	% staff	Women	% staff
N.º employees 2021	282	49%	294	51%
N.º employees 2020	272	48%	290	52%
N.º employees 2019	257	49%	266	51%
N.º employees 2018	236	49%	247	51%

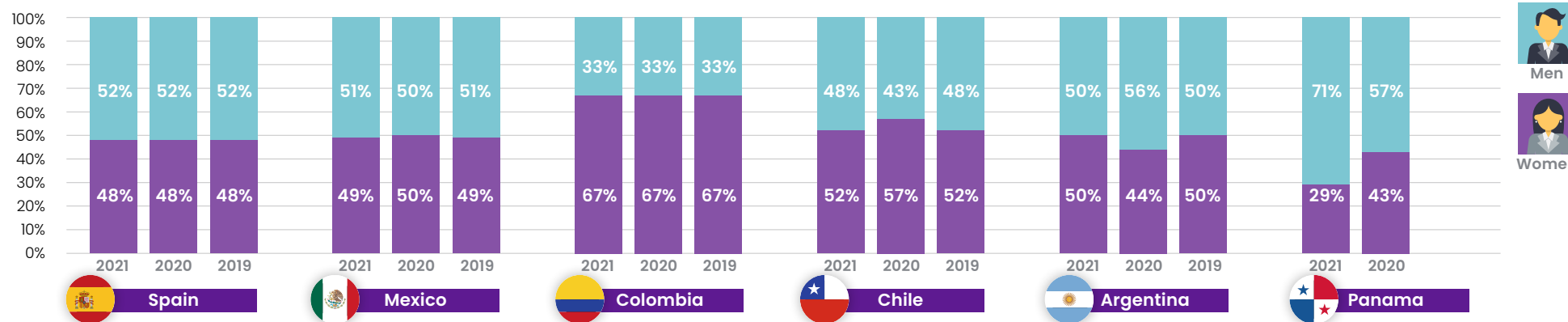
(As of December 31st)

TOTAL NUMBER OF EMPLOYEES BY COUNTRY AND GENDER (GRI 405-1)



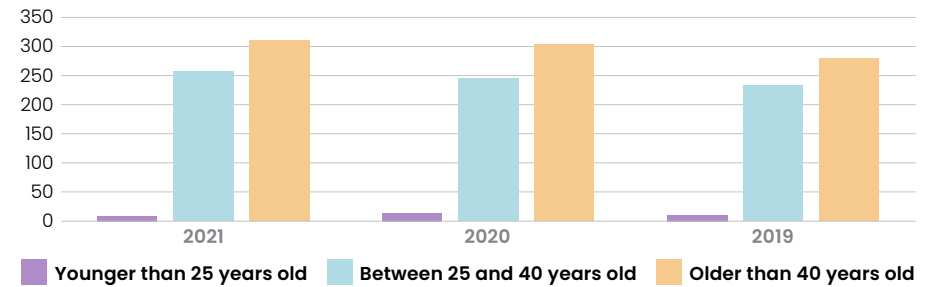
	2021				2020				2019			
	Men	% Men	Women	% Women	Men	% Men	Women	% Women	Men	% Men	Women	% Women
Spain	175	52%	164	48%	176	52%	165	48%	167	52%	163	48%
Mexico	43	51%	42	49%	41	50%	41	50%	39	51%	36	49%
Colombia	25	33%	50	67%	23	33%	47	67%	20	33%	40	67%
Chile	29	48%	31	52%	23	43%	30	57%	22	48%	26	52%
Argentina	5	50%	5	50%	5	56%	4	44%	9	50%	1	50%
Panama	5	71%	2	29%	4	57%	3	43%	--	--	--	--

(As of December 31st)



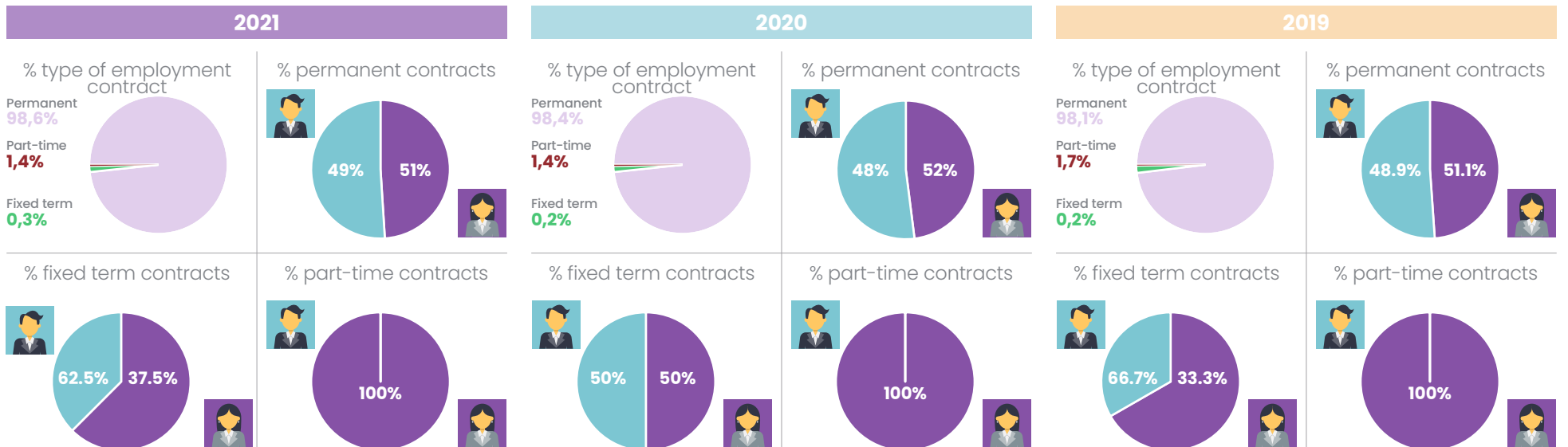
TOTAL NUMBER OF EMPLOYEES BY AGE (GRI 102-8)

	2021	2020	2019
Younger than 25 years old	9	14	11
Between 25 and 40 years old	257	245	233
Older than 40 years old	310	303	279



TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT OR FIXED TERM) AND BY GENDER (GRI 102-8, 405-1, L.11/2018)

	2021			2020			2019		
	Total 2021	Men	Women	Total 2020	Men	Women	Total 2019	Men	Women
Total of employment contracts	576	282	294	562	272	290	523	257	266
% permanent contracts	98.6%	49%	51%	98.40%	48%	52%	98.10%	48.90%	51.10%
% fixed term contracts	1.4%	62.5%	37.5%	1.40%	50%	50%	1.70%	66.70%	33.30%
% part-time contracts	0.3%	0%	100%	0.2%	0.0%	100.0%	0.2%	0.0%	100.0%

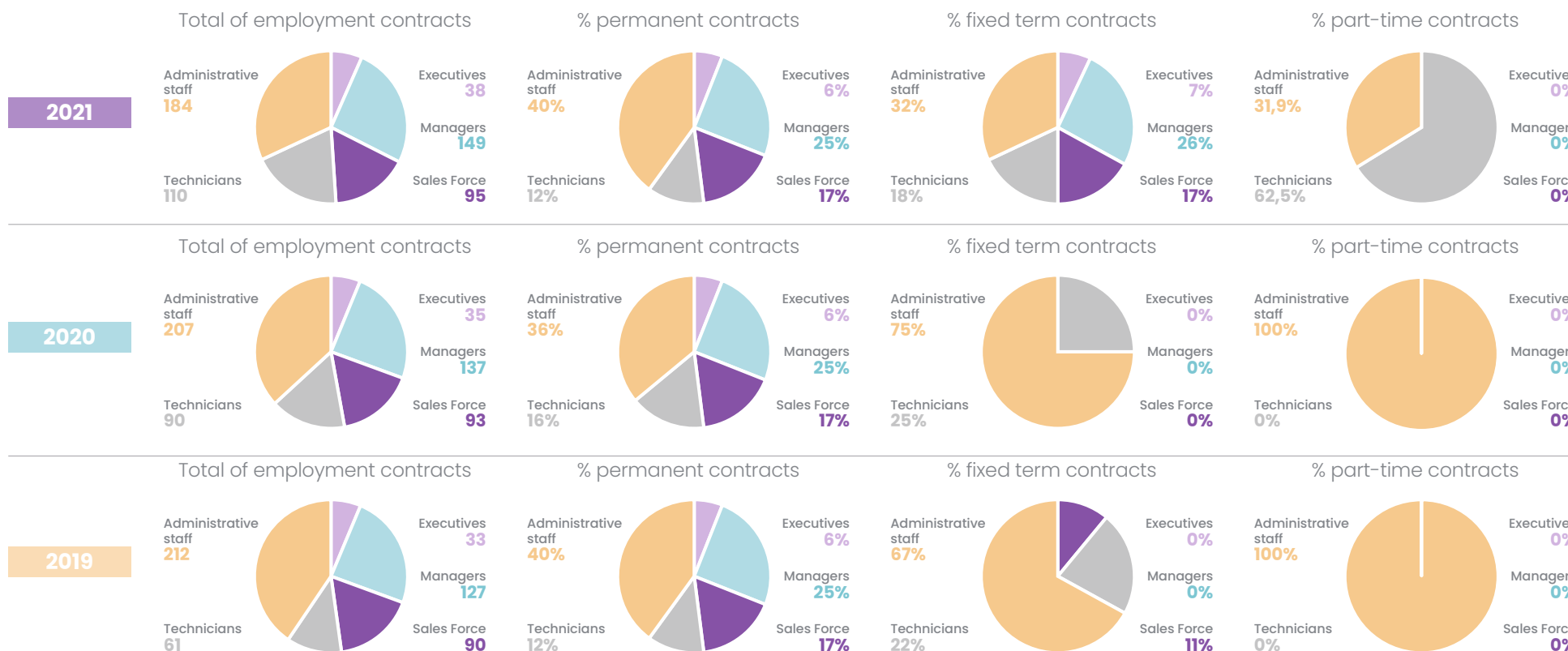


(As of December 31st)

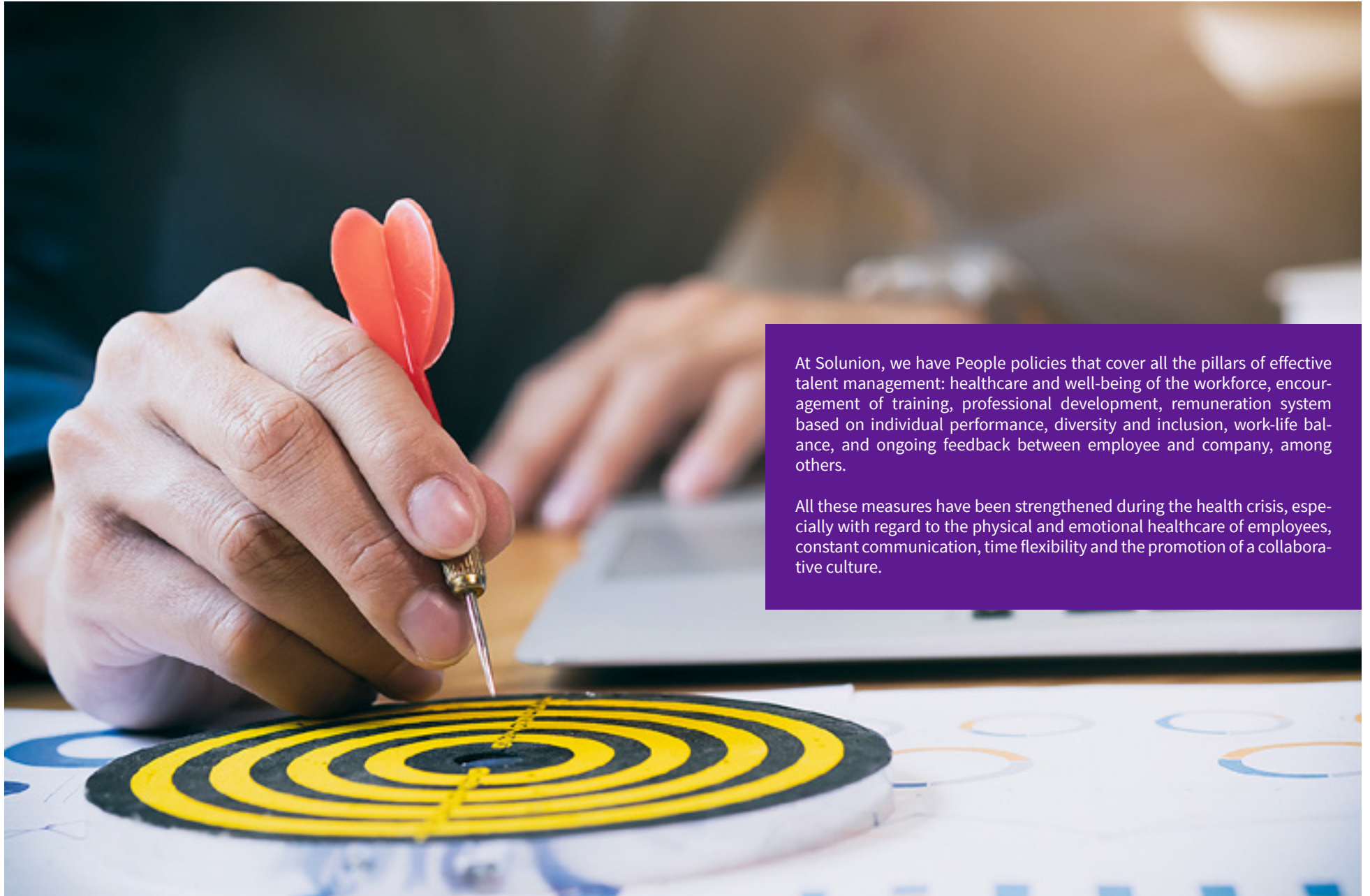
TOTAL NUMBER OF EMPLOYEES BY JOB CATEGORY AND PROFESSIONAL QUALIFICATION (GRI 102-8)

	2021				2020				2019			
	Total contracts	% permanent contracts	% fixed term contracts	% part-time contracts	Total contracts	% permanent contracts	% fixed term contracts	% part-time contracts	Total contracts	% permanent contracts	% fixed term contracts	% part-time contracts
Executives	38	6%	7%	0%	35	6%	0%	0%	33	6%	0%	0%
Managers	149	25%	26%	0%	137	25%	0%	0%	127	25%	0%	0%
Sales Force	95	17%	17%	0%	93	17%	0%	0%	90	17%	11%	0%
Technicians	110	12%	18%	62.50%	90	16%	25%	0%	61	12%	22%	0%
Administrative	184	40%	32%	31.90%	207	36%	75%	100%	212	40%	67%	100%
TOTAL	576	100%	100%	94.40%	562	100%	100%	100%	523	100%	100%	100%

■ Executives
 ■ Managers
 ■ Sales Force
 ■ Technicians
 ■ Administrative staff



(As of December 31st)



At Solunion, we have People policies that cover all the pillars of effective talent management: healthcare and well-being of the workforce, encouragement of training, professional development, remuneration system based on individual performance, diversity and inclusion, work-life balance, and ongoing feedback between employee and company, among others.

All these measures have been strengthened during the health crisis, especially with regard to the physical and emotional healthcare of employees, constant communication, time flexibility and the promotion of a collaborative culture.

Solunior Experience

THE SOLUNIOR EXPERIENCE IS THE RELATIONSHIP MODEL THAT guides how we live each key moment throughout our career at Solunion. We attempt to comprehend what we experience and feel as Soluniorers in order to align it with Solunion's search criteria, so we may establish a relationship mode where both parties are able to meet each other's expectations.

The four basic pillars that mark this mutual relationship between Soluniorers and the Company are the following:

We boost Soluniorer

We are committed to development, recognising the success and involvement of each Soluniorer, through recognition programmes, training, growth opportunities and continuous feedback.



Going even further

We go further, being agile and collaborative, and relying on innovation and technology, fostering collaboration between areas, incorporating automation and data analytics into our processes.



Adapting ourselves

We are flexible and care about every Soluniorer. We support you in your day-to-day circumstances with flexibility protocols and digital disconnection policies.



Leaving a mark

We contribute to people and society, with transparency, committed to sustainability and respect for the environment, through actions of solidarity, prioritizing our well-being and promoting a culture of equality.



In addition to practices that are already in place, this year we have defined the relationship model between Solunion and Solunioners by establishing the four pillars that guide our Employee Value Proposition - Solunioner Experience.

To define it, we have considered what Solunioners ask of us (through a global survey and focus groups), our strengths as a company, current trends, and Solunion's own strategy.

Monitoring employee satisfaction is fundamental for Solunion, as it allows us to continue to make progress in our goal of being the best place in which to work.

Through this management model:

- 1** We obtain a real image of the current situation of the Employee Experience.
- 2** We learn about the specific needs of specific groups.
- 3** We establish levers of action on which to start working.
- 4** We understand the current experience of employees and seek to lay the foundations for building a relationship model with a major impact and results, by adapting to specific needs, creating an evolutionary and data-based experience model that ensures the improvement of the employee experience that is in line with the Company's culture, and which has an impact on the client experience.

The 10 moments of the Solunioner Experience



Talent

AT SOLUNION WE APPLY THE BEST PRACTICES TO IDENTIFY, RECRUIT and retain talent needed for business development, ensuring the principles of equality and non-discrimination for any reason whatsoever (disability, age, gender, previous professional career, etc.).

Solunion applies its Promotion, Selection and Mobility Policy to talent management, to strengthening employee commitment to Solunion's values by reinforcing the culture of effort and target-based work, to obtain the best individual and group results, and to develop people with global skills and abilities, by identifying and adequately training current and future managers, and facilitating geographical and functional mobility.

During 2021, at Solunion we've undertaken several actions to attract and retain the best and most diverse pool of talent in different geographical areas, including:



The entire recruitment and on-boarding process has been automated by integrating new forms of recruitment such as video interviews, online language tests and a motivational survey within a work context.



New recruits have access to an onboarding portal.



The induction programme has been standardised as a continuous process which includes welcome meetings, buddy assignment, induction plan and initial training.



A "Refer a Friend" referral programme has been launched.



We've designed and promoted our external employment website (www.jobs.solunion.com)



A campaign to promote the internal vacancies portal has been launched, reaffirming our commitment to internal mobility.



Development programmes intended to strengthen company talent and to take advantage of opportunities.



Recognition actions aimed at celebrating successes, motivating our people and reinforcing desired behaviours.



With regard to individual talent management, we have worked on the **Key People for Key Positions** programme, which seeks to identify key people for strategic positions within the Company.



An **offboarding model** has been standardised, which sets out all processes to be followed when the employment relationship is terminated. This model seeks to care for those who leave as well as those who stay.



We've identified and designed the **Solunion Leader**, and as a result of this work, we've launched our leadership model, We Go Beyond.



Promoting the leader as a key figure.



Traditional Mentoring and Inverse Mentoring programs have been offered as part of the development actions.



Internal mobility

GRI 202-2, 404-1

MOBILITY CONTINUES TO BE KEY TO THE DEVELOPMENT OF THE people who work at Solunion and key to increasing their employability.

Of the 93 vacancies published in 2021, 34 (37%) have been filled through internal mobility and 18% have been promoted (50% of those filled internally have been promoted).

Through geographical mobility, 5 countries have been able to count on professionals from 5 other countries.

THERE ARE CURRENTLY 38 SOLUNIONERS WORKING OUTSIDE THEIR HOME COUNTRY.

Learning and 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, ac-

tively 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 organization and must be aligned with the Company's objectives and strategy.

This is reflected in Solunion's Training Policy.

To favor this, Solunion makes the Soltrain training platform available to its collaborators, an agile and intuitive multiplatform self-learning space where each of the Solunioners is the protagonist and where you can find a wide catalogue of both technical and abilities training courses.

This year we have evolved Soltrain, with more resources and training options and more autonomy for Solunioners, to which content is constantly being added.

	Executives	Managers	Sales Force	Technicians	Administrative
Total training hours 2021	1,904	5,256	3,397	2,515	4,723
Total training hours 2020	271.58	3,242.68	1,297	1,225.00	3,229.32
Total training hours 2019	1,561.60	3,225.40	2,069	3,355.90	4,174.50

(As of December 31st)



Lifelong learning

THIS NEW LEARNING EXPERIENCE IS AVAILABLE TO ALL SOLUNIONERS on our Soltrain training platform.

The evolution of this model will provide all Solunioners with access to more resources and training options, as well as greater autonomy in completing the various training courses. The content catalogue is structured into learning stations, classified by themes: welcome training, technical and commercial training, cross-departmental training (skills, languages, digital), and mentoring and leadership.



Remuneration and 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.

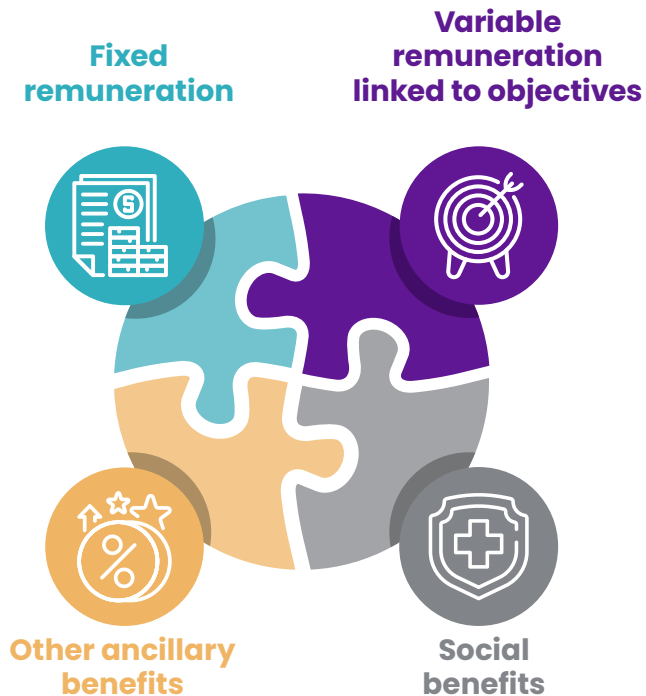
Thus, its objectives include:

- 1** Encourage Solunion's business strategy, attracting and retaining talent.
- 2** Incentivize employees to contribute to Solunion's objectives.
- 3** 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.
- 4** Avoid conflicts of interest.

According to these, we've included the following new features this year, in addition to practices already in place:

- ▶ We've conducted a pay audit to ensure fairness and non-discrimination.
- ▶ We've implemented a flexible remuneration system whereby employees have the option of allocating part of their remuneration to purchasing benefits with tax advantages.
- ▶ We've launched the Total Compensation Portal. Through this portal, Solunioners can access a transparent overview of all the elements that constitute their remuneration package (monetary and non-monetary) and can access the various associated portals.

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 Solunioners 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.

In the exercise of greater transparency in the salary review process, we have proceeded to regulate and communicate the weights between the variable remuneration and the fixed remuneration to all team managers so that they can proceed to communicate it to their teams and manage salary reviews in accordance with these guidelines and employee performance.

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

Percentage of employees that receive periodic professional performance & career assessments

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

(As of December 31st)

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 measured and recognised.

With the implementation of the new technologies that we have undertaken in the last year, we give employees the opportunity to access the compensation elements that make up their compensation package, including benefits and their valuation.

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

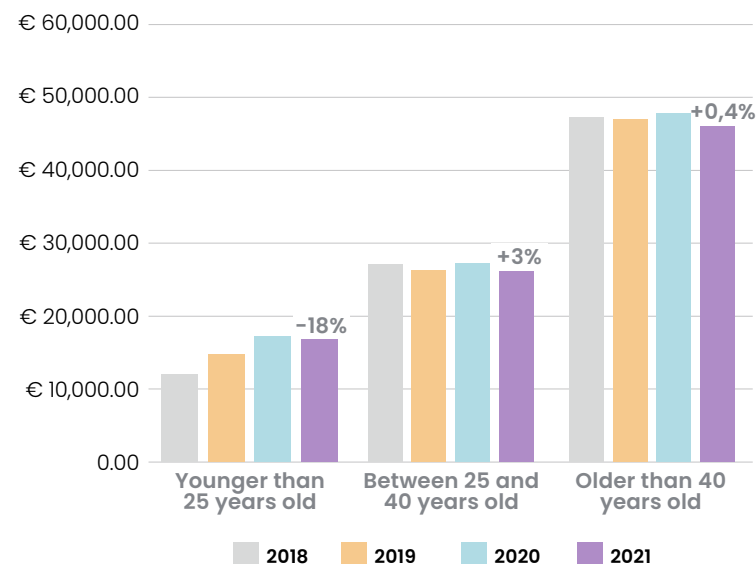
REMUNERATION BY AGE AND PROFESSIONAL CLASSIFICATION

	Younger than 25 years old	Between 25 and 40 years old	Older than 40 years old
Average remuneration (€)-2021	€ 12,069.32	€ 27,101.12	€ 47,286.33
Average remuneration (€)-2020	€ 14,786.43	€ 26,341.58	€ 47,089.28
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	-18%	3%	0.4%

(As of December 31st)

	Executives	Managers	Sales Force	Technicians/ Administrative
Average remuneration (€)-2021	€ 91,687.42	€ 47,803.86	€ 35,369.31	€ 26,563.92
Average remuneration (€)-2020	€ 92,106.68	€ 48,181.36	€ 34,301.64	€ 26,646.85
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	-0.5%	-0.8%	3.1%	-0.3%

(As of December 31st)



The impact of technology is far-reaching, and the speed of change is exponential. We need to introduce **new ways of working, sharing experiences and analysing data** in order to support the development of new skills to accompany this challenge.

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 signed up to the Diversity Charter, to promote its 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:



Gender diversity

GRI 405-1, 405-2



In 2021, Solunion presented its **2021-2025 EQUALITY PLAN**, in order to continue promoting diversity and the constant promotion of equal opportunities as essential pillars of the management of Company personnel.

It also promotes the reconciliation of professional, personal and family life for all Solunioners, guarantees equal pay for work of equal value, and establishes employment protection frameworks for victims of gender-based violence.



Women's Empowerment Principles

The Women's Empowerment Principles (WEP) are a set of seven Principles for Business that provide guidance on how to empower women in the workplace, marketplace and community.



Under the subtitle Equality Means Business, the Principles emphasise companies' actions in promoting gender equality.

Solunion has publicly committed to supporting the Women's Empowerment Principles. By signing up to them, we reaffirm our business culture, based on respect for people, the promotion of behaviours that are favourable and open to equality, and on eliminating any exclusionary and discriminatory conduct towards our Stakeholders and towards society in general.

Empowering women to participate fully in economic life across all sectors is essential to:

- ▶ Build strong economies.
- ▶ Establish more stable and fair societies.
- ▶ Achieve internationally agreed development, sustainability and Human Rights goals.
- ▶ Improve the quality of life for women, men, families and communities.
- ▶ Propel business operations and goals.

These principles are:

-  Establish high-level corporate leadership for gender equality.
-  Treat all women and men fairly at work—respect and support Human Rights and non-discrimination.
-  Ensure the health, safety and well-being of all women and men workers.
-  Promote education, training and professional development for women.
-  Implement enterprise development, supply chain and marketing practices that empower women.
-  Promote equality through community initiatives and advocacy.
-  Measure and publicly report on progress to achieve gender equality.



Solunion participates in several initiatives to promote women's leadership, spaces for inclusive dialogue aimed at promoting initiatives on gender diversity.



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.

Through Red EWI, we participate in the Superior Programme: The Next Generation of Women in Insurance which is developed together with INESE.

Solunion also participates in the PROMOCIONA and PROGRESA projects in Spain, organised by CEOE (Spanish Confederation of Business Organisations) and ESADE (School of Business Administration and Management), whose main objective is to encourage more women to reach senior management positions in companies.



PROYECTO
PROGRESA



Solunion is a participant in the Global Compact **Target Gender Equality** initiative, an opportunity for companies that participate in the Global Compact to move further in the Women's Empowerment Principles and strengthen our contribution to SDG 5 by supporting the equal representation and leadership of women at all levels.

The programme has helped us to:

- 1** Identify strengths and areas for improvement in terms of gender equality performance through the Women's Empowerment Principles Analysis Tool, in which we scored this year as "Leaders".
- 2** Participate in specific training activities to strengthen women's representation and leadership.
- 3** Set ambitious and realistic business targets in terms of gender equality.
- 4** Create a network of United Nations peers, partners and experts to support our gender equality strategy.
- 5** Introduce sustainability and contribution to SDGs to Solunioners who drive business success.

Tiempo de Mujeres

The Diversity, Leadership and Business Forum is a meeting point for professionals linked to Corporate Social Responsibility and Talent Development in organisations.

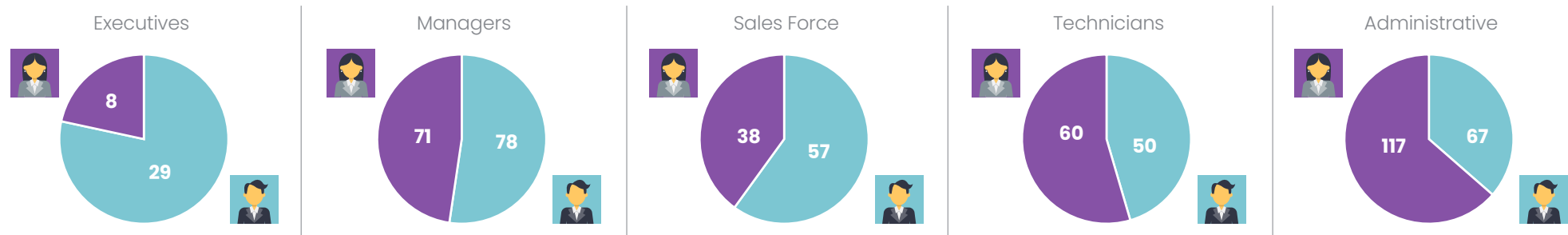
The Diversity, Leadership and Enterprise Forum aims to promote true diversity in companies by sharing knowledge and experiences, leaving room for practical networking between professionals who have common interests.

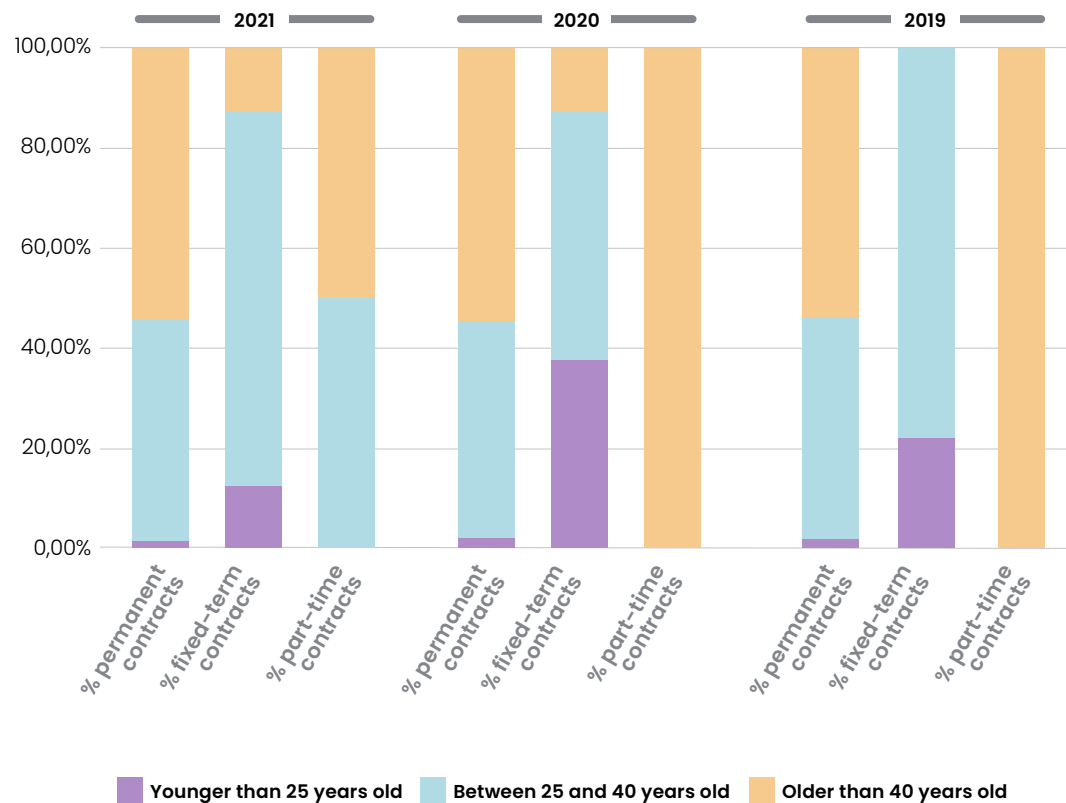


PERCENTAGE REPRESENTATION BY PROFESSIONAL CATEGORY AND VARIATION WITH RESPECT TO THE PREVIOUS YEAR

	2021				2020				2019			
	Men	%	Women	%	Men	%	Women	%	Men	%	Women	%
Executives	29	7%	8	0%	27	7%	8	0%	25	0%	8	25%
Managers	78	1%	71	18%	77	10%	60	3%	69	6%	71	14%
Sales Force	57	2%	38	3%	56	-2%	37	11%	57	4%	38	24%
Technicians	50	32%	60	15%	38	32%	52	33%	26	35%	60	0%
Administrative	67	-9%	117	-12%	74	-8%	133	1%	80	9%	117	0%
TOTAL	282	6%	294	1%	272	6%	290	8%	257	9%	294	7%
%	49%		51%		48%		52%		49%		51%	

(As of December 31st)





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 & Talent Observatory, an organisation that promotes equal opportunities regardless of age and encourages best practices in managing generational diversity in large and medium-sized organisations.

PERCENTAGE REPRESENTATION BY AGE AND VARIATION WITH RESPECT TO THE PREVIOUS YEAR

	2021				2020				2019			
	Total 2021	Younger than 25 years old	Between 25 and 40 years old	Older than 40 years old	Total 2020	Younger than 25 years old	Between 25 and 40 years old	Older than 40 years old	Total 2019	Younger than 25 years old	Between 25 and 40 years old	Older than 40 years old
Total of employment contracts	576	9	257	310	562	14	245	303	523	11	226	278
% permanent contracts	98,6%	1,4%	44,2%	54,4%	98,40%	2,0%	43,5%	54,5%	98%	2%	44%	54%
% fixed-term contracts	1,4%	12,5%	75,0%	12,5%	1,4%	37,5%	50,0%	12,5%	2%	22%	78%	0%
% part-time contracts	0,35%	0,0%	50,0%	50,0%	0,2%	0%	0%	100%	0%	0%	0%	100%

(As of December 31st)

Furthermore, Solunion has signed up to the **Code of Principles of Generational Diversity**, promoted by the Observatory in the conviction that generational coexistence is a lever for innovation and creativity.





“Aprender a volar” programme

Finishing our studies and joining the world of work is a defining moment in our lives. Making the right decision is no easy task. And that is why it is necessary to be as well prepared as possible for a critical moment that will mark our future.

This year we have joined the “Learn to fly” initiative in collaboration with the consulting firm Lukkap, for the second consecutive year which aims to help children of employees who have just finished their studies to train and orient themselves before joining the job market.

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.



Down Madrid

Solunion has signed a Collaboration Agreement with the Down Syndrome Foundation of Madrid with the basic objective of working, jointly and actively, for the training and social and occupational integration of people with intellectual disabilities.

This collaboration focuses on three broad areas of action:

1 Theoretical and practical on-the-job training, on-site training.

2 The social and work-related integration of people with intellectual disabilities in the ordinary work environment.

3 Raising awareness in the business environment in order to promote the employment of people with intellectual disabilities.



N.º DISABLED EMPLOYEES

	2021	2020	2019	2018
Spain	4	4	3	3
Mexico	0	0	0	1
Colombia	0	0	0	0
Chile	0	0	0	0
Argentina	0	0	0	0
Panama	0	0	-	-

(As of December 31st)

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.

Cultural diversity

GRI 202-2

Solunion employs 576 employees of 18 nationalities, which gives the Group great cultural diversity and provides the talent necessary for the business.

The Group promotes international mobility. Throughout 2021, nine workers 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.



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. Solunion has taken into consideration the total workforce, taking as a reference the analysis of the median fixed remuneration of men and women, as well as the total compensation including variable remuneration. To analyse gender-pay equity, as well as internal and external equity, Solunion studies objective factors such as job level, professional family or business unit. In 2021, the gap is 7.5% for executives, 25.5% for managers and 17.2% for the rest of the workforce, which includes technical, administrative and commercial staff. This difference has its origin in the context of the insurance sector, a traditionally male sector, which translates into a higher average seniority of men compared to women. It is therefore an inherited gender gap that Solunion combats through a remuneration policy and a selection process and internal mobility 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 renewed its Equality Plan this year and has worked on implementing measures to ensure, in the general employment environment, the effective right to equal opportunities and treatment between men and women and to avoid any type of gender-based employment discrimination in the fields of access to work, promotion, professional classification, training, remuneration, work-life balance, and other work conditions.

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

In our Equality Plan, **we have defined eight areas of action**, with precise targets and actions, always with our employees as the main focus:

Gender violence

Solunion guarantees that any victim of gender violence shall be able to exercise the rights laid down in the Workers' Statute and have maximum confidentiality.



Communication

Solunion considers communication to be a fundamental element in making its values and work-life balance and diversity policies known to the workforce. Communication helps to disseminate policies on work-life balance, thus facilitating the removal of obstacles to the effective implementation of work-life balance and diversity measures.



Prevention of sexual harassment and gender-based harassment

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 people's rights and dignity, 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.



Remuneration

Solunion's remuneration policy is governed by the principle of fairness and non-discrimination. This means that fixed and variable remuneration should not be set arbitrarily but should be based on objective criteria based on the suitability, function and performance of each post, according to the job descriptions and goals of the posts.



Selection and recruitment process

Solunion deems it necessary to continue to promote personnel recruitment following the Company's Diversity criteria and to promote cultural integration and gender parity in terms of areas and departments.



Professional promotion

Talent development programmes are based on objectivity, applying aptitude and performance criteria, without any gender, race, ideology, religion, sexual orientation, age, nationality, disability-based discrimination, or on any other physical or social condition.



Training

Professional development is based on training as an essential element and on talent programmes to promote development at Solunion. No person should be excluded from career development opportunities on the basis of discrimination of any kind or the use of measures for work-life balance.



Co-responsible exercise of the rights to personal, family and working life

Solunion promotes measures so the entire workforce may achieve a balance between their professional and personal responsibilities, with work-life balance being an integral part of their development.



Men



Women

	Men	Women
Average remuneration (€) - 2021	€ 44,370.16	€ 31,350.58
Average remuneration (€) - 2020	€ 44,355.20	€ 30,565.98
Average remuneration (€) - 2019	€ 44,221.54	€ 32,084.78
Average remunerations (€) - 2018	€ 43,744.94	€ 29,952.18
% period variation	0.0%	2.6%

(As of December 31st)

We are promoting multiple initiatives with **the goal of achieving effective equality between men and women** at all levels.



Health, well-being, and 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 employees and management work together to implement a process of continuous improvement to protect and promote the health, safety and well-being of all workers and the sustainability of the workplace. The WHO considers that a healthy company is one in which the employee finds greater safety, physical and psychological health and well-being, which will improve their performance and competitiveness at work.

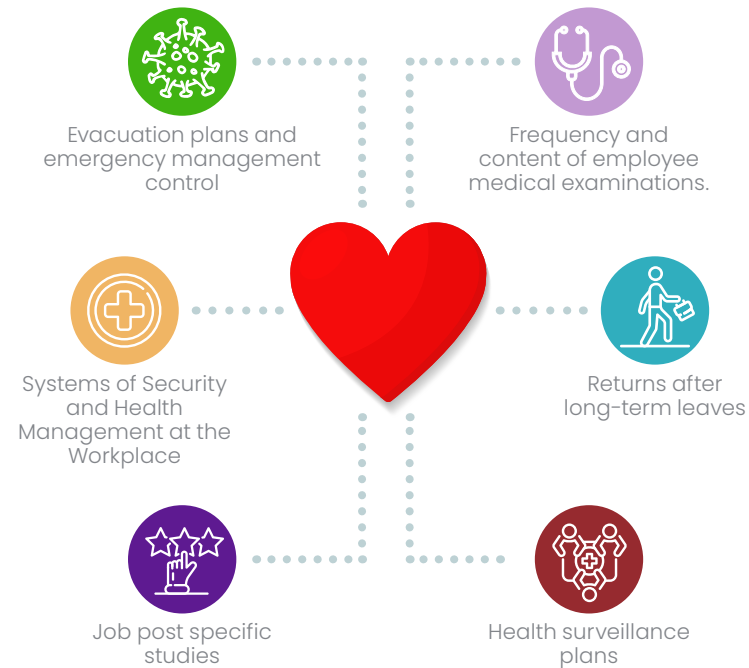
That is why at Solunion we are committed to achieving a healthy working environment and well-being that allows us all to carry out our work in the best

physical, psychological and social conditions, achieving an optimum level of occupational safety beyond mere compliance with regulations on occupational risk prevention and working to promote health in a broad sense, conceiving Solunion as an important agent for promoting health.

For Solunion, improving the quality of life of Solunioners is a fundamental issue, because they are our main asset and health and well-being are understood as key factors in maintaining a healthy, motivated and well-trained workforce to face daily challenges, both at work and outside the workplace.

Furthermore, it assumes a prevention model in which workers can actively participate in everything that may affect their health and safety at work, for which it has the legally established representative channels.

Some of the main issues addressed are:




This has been especially important over the last two years due to the evolution of the health crisis, characterised by a sustained and generalised community transmission, which has made it necessary to continuously adapt and specify the measures taken to maintain daily life and the Company's activity.

Over the course of 2021, we've developed our Health and Well-being Model, which will help us to:



To promote the **integral well-being** of all Solunioners.



To have a homogeneous and documented **management system**.



To promote the management of **emotions**.



To increase our **commitment and motivation**.



To contribute to the **SDGs**.

Our model seeks to guarantee our integral well-being, based on five principles:





One of the key lines of the healthy business model is awareness of health and healthy habits and occupational risk prevention. For this reason, together with Fundación MAPFRE this year:

- 1** Several global campaigns with common content have been implemented through the Intranet available to all employees. Course on quitting smoking, healthy habits, etc.
- 2** Various awareness-raising and face-to-face workshops have been held on healthy eating, active breaks, gymnastics in the office, etc.
- 3** We have relaunched the Choose Health platform for personalised monitoring of physical activity and health promotion in general, with the introduction of wellness content and a special COVID accompaniment programme.

And, furthermore, we have started up a weekly training service on having an active life, nutrition and remote training sessions with Trientrenos, as well as a remote psychological counselling service and emotional health tips and courses (emotion management, stress management, relaxation...).



	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
No. of work accidents that occurred	1	0	0	0	0	1
No. of workdays lost to accidents at work	109	0	0	0	0	15
Working hours lost due to accidents at work	842	0	0	0	0	115.5
No. of occupational illnesses	0	0	0	0	0	0
Hours of absenteeism*	6,848	14,992	3,262	10,016	3,786	17,751

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

(As of December 31st)

Solunion has a severity rate of 97.48, an incidence rate of 0.29 and a frequency rate of 598.08.

Public commitments in favor of Health and Safety

Luxembourg Declaration

Solunion adheres to the Luxembourg Declaration, a consensus promoted by the European Network for Health Promotion at Work, which establishes the basic principles of action for good management of health promotion at the workplace, which establishes the basic principles of action for good management of health promotion at work.

By adhering to this declaration, Solunion becomes a member of the Spanish Network of Healthy Companies.

With this integration, we continue to make progress in our commitment to health and the implementation and development of our Health and Well-being Model. We also reiterate Solunion's commitment to the Sustainable Development Goals and to creating a healthy work environment for all Solunioners.



Road Safety Manifesto

As one of the actions within our Sustainable Mobility Plan, Solunion has joined the Road Safety Manifesto currently promoted by eight organisations, including Fundación MAPFRE, Fundación Seres, and Boston Consulting Group.

The main objective of this project is to reduce road fatalities to zero by 2030 in urban areas and by 2050 in inter-urban areas. To this end, Solunion promotes road safety programmes for Solunioners and their stakeholders, including courses on safety in daily commutes, repositories of content related to the subject: current articles, resources, research studies, as well as reports on good practices in companies, regulations and legislation.

You can find out more about what we do for people and society at:

- ▶ Volunteering
- ▶ International Commitments to Sustainability
- ▶ Environmental commitment

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: the Solunioner can develop its work from home in similar conditions to those of the Company's facilities, through the use of telematics means.

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



WORK-LIFE BALANCE MEASURES

	2021		2020		2019	
	% of employees benefitted 2021	No. of employees benefitted 2021	% of employees benefitted 2020	No. of employees benefitted 2020	% of employees benefitted 2019	No. of employees benefitted 2019
Solflex	99.7%	574	99.1%	557	99%	286
Part-time work	100%	2	100%	1	100%	1
Reduced workday	100%	9	100%	9	100%	13
Paid & unpaid leave	100%	28	100%	121	100%	251
Paternity leave	100%	10	100%	12	100%	6
Maternity leave	100%	20	100%	14	100%	14
Personal or academic leave	100%	1	100%	0	100%	4
Return after long-term leave	100%	8	100%	1	100%	1

The number of cases of maternity leave in 2021 was 20 and the number of cases of paternity leave was 10. 100% of women and 100% of men who took this leave returned to work. Of the 30 cases of maternity and paternity leave in the year 2020, 93,33% remains on the staff.

In Spain, which is Solunion's main country of operation, the number of cases of maternity leave in 2021 was 10 and the number of cases of paternity leave was 9. 100% of women and 100% of men who took this leave returned to work. Of the 19 cases of maternity and paternity leave in 2020, 17 remain on the payroll, representing a percentage of 89.5%.

Our workplaces are accessible and the specific personal and physical circumstances of Solunioners are taken into account in the design of their workplaces.

Chárter del Teletrabajo y la flexibilidad -Remote-working and flexibility Charter

Solunion has been a member of the *Chárter del Teletrabajo y la flexibilidad* since 2020, a voluntary commitment for businesses and institutions to foster a clear commitment to the culture of work flexibility and teleworking, respect for the environment, diversity and inclusion, and recognition and pedagogy about the benefits of a flexible culture.

It entails three aspects:

- 1** A recognition, as all companies can express their commitment to the principles.
- 2** A commitment to the need to extend a culture of flexibility and teleworking, in order to foster a society that is more advanced and in line with today's reality.
- 3** Rigour and ongoing improvement through a follow-up of the established action plans.

PRINCIPLES





Baby Friendly

We've received the diploma that certifies us as a Baby Friendly company, recognising our commitment to new parents in our workforce and adding to the measures that are already in place in terms of work-life balance, a comprehensive support programme at a time that's as important as the birth of a child.

The Baby Friendly plan includes a commitment to flexible working hours and work-life balance so that Solunioners can enjoy a balance between their personal and professional lives.

Solunion is also committed to not discriminate on the grounds of parenthood, to provide information on legal procedures and rights for paternity/maternity and to support job growth without gender discrimination, especially for women who have children and wish to take on new responsibilities.



**baby friendly
companies**

Implementation of work disconnection policies

GRI 103



The digital revolution and globalisation have led to a phenomenon of permanent connectivity that is affecting all areas of human activity and also introducing significant changes in the world of employment relations.

Digitisation has led to new organisational models that have an impact on the way we work and manage talent.

The rise of new technologies has allowed working people to achieve a high degree of flexibility and autonomy, allowing work to be performed at any time, irrespective of the place where they are located, providing that connectivity is available.

In this regard, digitisation offers us a great opportunity to design new ways of working adapted to the needs of each person, thus improving the work-life balance.

Naturally, however, this dynamic also entails a series of risks that need to be addressed when defining and measuring effective working hours.

At Solunion we understand that technology must improve people's lives. Therefore, it is necessary to create healthy habits with regard to the use of new technologies and to guarantee the enjoyment of rest time, as well as to scrupulously respect our current labour legislation in the field of digital disconnection and in particular the provisions of Article 20 bis of the Workers' Statute, Royal Decree-Law 28/2020 of 22 September on remote working, and Article 88 of Organic Law 3/2018 of 5 December on Personal Data Protection and guarantee of digital rights. We have a policy in this regard.

Without proper limits being set between work time and rest time, the phenomenon of flexible working hours may lead to blurring between the areas of professional and personal lives, with important consequences

on employees' quality of life and work-life balance due to technological overexposure.

To promote the work-life balance, and ensure employees' rest, respect for private and family life and, ultimately, the quality of life and health of employees, Solunion recognises the right to digital disconnection after the end of the working day, so that employees are entitled to disconnect digital devices, not to answer emails, messages and professional calls outside their working hours, except in extraordinary circumstances.





ABOUT 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” 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. Parameters of information in the present Report

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

THE YEAR IS 2021. THIS IS THE THIRD REPORT PUBLISHED.

The Report will be published annually.

3. Scope of the organisation

GRI 102-6, 102-45, 102-54

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 Comprehensive option of the Consolidated Set of Global Reporting Initiative (GRI) Sustainability Reporting Standards for the preparation of this Report.

The financial information included in this Non-Financial Information Statement. 2021 Sustainability Report is derived from the Annual Financial Report 2021.

4. Defining the content of the Report. Materiality analysis

GRI 102-21, 102-40, 102-42, 102-43, 102-44, 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 affected by or can impact on said issues. The result of this process is what is referred to as “material issues”.

For Solunion materiality has a two-fold function: on the one hand, it is a requirement for drafting 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 (GRI) Standards and the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda as the model for drafting 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.

Solunion also directly identifies, for greater precision, its own material aspects by performing its own materiality study, carried out with the advice of an independent external firm, with the aim 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, on the one hand, to identify the organisation’s material issues, which will then be reported on in its Sustainability Report and, on the other hand, to identify Solunion’s material SDGs, which will form the fundamental basis for implementing its sustainability strategy, emphasising the actions and projects carried out by the organisation that help to contribute towards achieving Solunion’s priority SDGs.

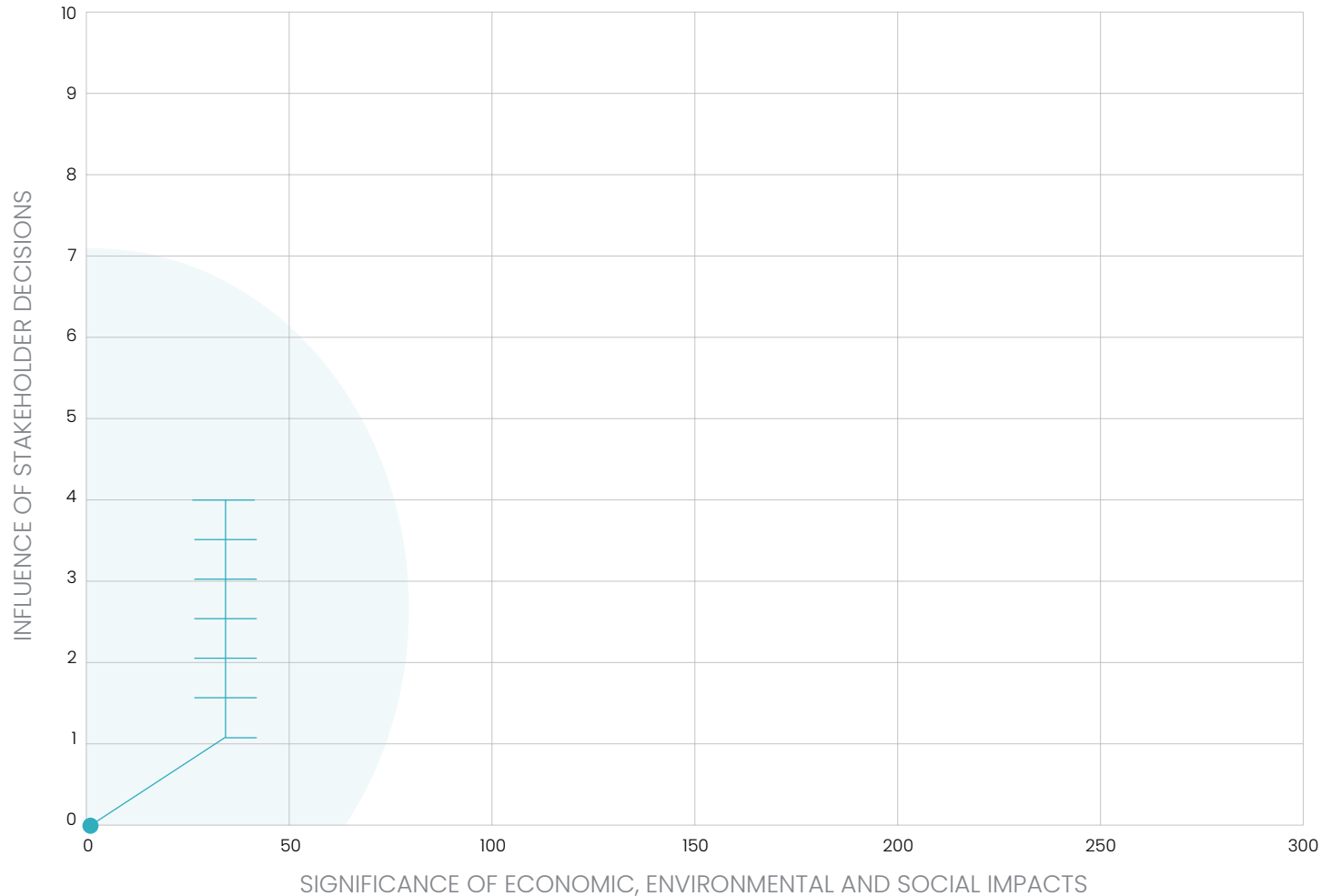
Thus, two SDG materiality matrices will be available, prepared according to a rigorous and systematic methodology.



Materiality analysis according to GRI

The analysis prioritises the issues of interest identified according to their significance both for the Stakeholders and for the Company’s strategy. Thus, 17 issues have been identified as “significant” which are reflected in the following graph:

1 Click on the number to show the GRI.



Financial issues		
1	Economic performance	GRI 201
2	Market presence	GRI 202
3	Indirect economic impacts	GRI 203
4	Procurement practices	GRI 204
5	Anti-corruption	GRI 205
6	Anti-competitive behavior	GRI 206

Environmental issues		
7	Materials	GRI 301
8	Energy	GRI 302
9	Water and effluents	GRI 303
10	Biodiversity	GRI 304
11	Emissions	GRI 305
12	Waste	GRI 306
13	Environmental compliance	GRI 307
14	Supplier environmental assessment	GRI 308

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
20	Non-discrimination	GRI 406
21	Freedom of association and collective bargaining	GRI 407
22	Child labor	GRI 408
23	Forced or compulsory labor	GRI 409
24	Security practices	GRI 410
25	Rights of indigenous peoples	GRI 411
26	Human Rights assessment	GRI 412
27	Local communities	GRI 413
28	Supplier social assessment	GRI 414
29	Public policy	GRI 415
30	Customer health and safety	GRI 416
31	Marketing and labeling	GRI 417
32	Customer privacy	GRI 418
33	Socioeconomic compliance	GRI 419

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

Financial issues		
1	Economic Performance	GRI 201
2	Market Presence	GRI 202
4	Procurement practices	GRI 204
5	Anti-corruption	GRI 205
6	Anti-competitive behaviour	GRI 206

Social issues		
15	Employment	GRI 401
16	Labour/management relations	GRI 402
17	Occupational health and safety	GRI 403
18	Training and education	GRI 404
19	Diversity and equal opportunity	GRI 405
20	Non-discrimination	GRI 406
21	Freedom of Association and Collective Bargaining	GRI 407
27	Local communities	GRI 413
31	Marketing and labelling	GRI 417
32	Customer privacy	GRI 418
33	Socioeconomic compliance	GRI 419

The coverage of material issues, that is, whether 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 set out in detail in the different sections of this report. In general, Solunion believes 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.

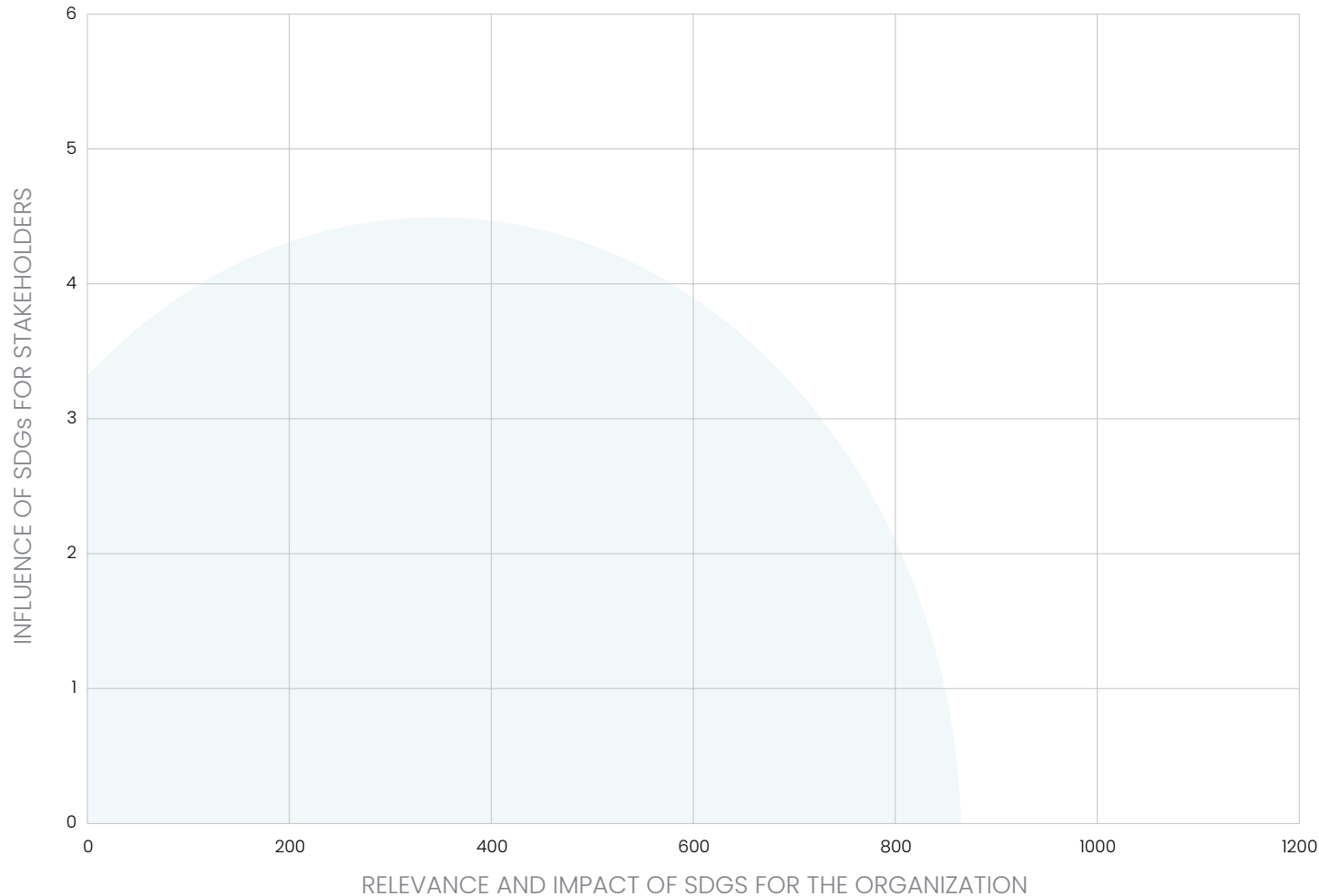
In addition, Solunion, in its commitment to transparency with its stakeholders, reports, in addition to the issues of the GRI Standards identified as material in the graph above, other issues included in those Standards. All reported issues are specifically identified in the GRI Table of Contents included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



Materiality analysis according to SDGs

The preparation of Solunion's SDG materiality matrix will be the necessary preliminary step towards developing its sustainability strategy and reporting in its Sustainability Report, publicly committing to the 2030 Agenda and emphasizing the priority SDGs for the organisation.

1 Click on the number to show the SDG.



In order to draw up this SDG materiality matrix, all the goals of the United Nations 2030 Agenda (17 in total) identified as potential material SDGs must be evaluated, from two points of view:

- 1** Evaluation of the significance and impact of the SDGs for the organisation (x-axis of the matrix).
- 2** Evaluation of the influence of SDGs for stakeholders (y-axis of the matrix).

Once both evaluations have been conducted and all the SDGs have been positioned in the matrix, the line above which these SDGs are considered material is drawn.

This line is drawn by the organisation and can be modified periodically based on the principle of continuous improvement.



The border between non-material and material aspects is proposed, as shown in the previous graph, so that five of the 17 SDGs are identified as priorities for Solunion, resulting in the following list:



Thus, the following SDGs are ruled out as priorities for the organisation (for the first phase of the project):



5. Table of contents in relation to the requirements of the Act 11/2018 (Non-Financial Information Statement)

GRI 102-55

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. 2021 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. 2021 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 analysed.

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	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	     
	Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour.	409-1	 
	Principle 5 Businesses should uphold the abolition of child labour.	408-1	
	Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	102-8, 202-2, 401-3, 404-1 a 404-3, 405-1, 405-2, 406-1	
Environment 	Principle 7 Businesses should support a precautionary approach to environmental challenges.	201-2, 301-1, 302-1, 303-1, 305-1 a 305-3	     
	Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility.	301-1 a 308-2	    
	Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	302-4, 302-5	
Anti-corruption 	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.	102-16, 102-17, 205-1 a 205-3, 415-1	   

PRINCIPLES OF THE GLOBAL COMPACT AND HUMAN RIGHTS PREVENTION AND COMPLIANCE MEASURES

In line with the United Nations Guiding Principles on Business and Human Rights, the following table shows the organisation's commitment to the Ten Global Compact principles and Human Rights, as well as the main prevention and mitigation measures, and grievance and redress mechanisms:

Issue	Principles Global Compact	Solunion's Public Commitments to Human Rights	Prevention and mitigation (Due Diligence)	Grievance and redress mechanisms
Human Rights 	Principal 1. Businesses should support and respect the protection of internationally proclaimed Human Rights.	Code of Ethics and Conduct. Code of Ethics and Conduct for Brokers. Code of Ethics and Conduct for Stakeholders.	Solunion's anti-corruption framework. Systems for the prevention and evaluation of internal risks and risks arising from our activity: <ul style="list-style-type: none"> Self-assessment of impact: - Guide to the implementation of the UN Guiding Principles on Business and Human Rights, prepared by the Spanish Global Compact Network. Solunion materiality survey (Detects internal risks and risks arising from the activity.) ESG analysis in underwriting and investments. KYC process. efr certificate. EVP Survey. Performance evaluation. 	<ul style="list-style-type: none"> Ethics whistleblowing from non-compliance with the Codes of Ethics and Conduct, available to all stakeholders. Specific channels and resources for the protection of rights and the management of customer complaints.
	Principal 2. Businesses must make sure that they are not complicit in Human Rights abuses.			
Labour law 	Principal 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Social Responsibility and Sustainability Policy. Signing up to: <ul style="list-style-type: none"> United Nations Global Compact. UNEP FI Principles for Sustainable Insurance. Women's Empowerment Principles (WEP). Diversity Charter. Spanish Network of Healthy Companies. 	<ul style="list-style-type: none"> Integrated Health and Wellness Model Healthy Company Model (assessments of occupational risk, safety, hygiene and economics, psychosocial risk, medical check-ups, epidemiological studies, physical, mental and emotional, financial, environmental and social well-being, etc). Equality and Diversity Plans. Internal control and compliance audits. Internal systems and procedures established to detect corruption and to prevent fraud and money-laundering. Ongoing dialogue with stakeholders and workers' legal representatives. Training in Human Rights as a measure of prevention and awareness-raising of the United Nations 2030 Agenda. 	<ul style="list-style-type: none"> Harassment prevention protocol. People's Area. Workers' legal representatives. Compliance Committee. Social Responsibility and Sustainability Committee.
	Principal 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.			
	Principal 5. Businesses should uphold the effective abolition of child labour.			
Environment 	Principal 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Commitment to the United Nations 2030 Agenda and its Development Goals (SDGs). Diversity and Equal Opportunities Policy. Anti-Corruption Policy.		
	Principal 7. Businesses should support a precautionary approach to environmental challenges.			
Anti-corruption 	Principal 8. Businesses should undertake initiatives to promote greater environmental responsibility.			
	Principal 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.			
	Principal 10. Businesses should work against corruption in all its forms, including extortion and bribery.			

7. Independent and external verification

GRI 102-56

SOLUNION CARRIES OUT AN INDEPENDENT, EXTERNAL 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. 2021 Sustainability Report through AUREN AUDITORES SP, S.L.P. The independent, external verification report for this document is included in Appendix 1.


8. Contact

GRI 102-53

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:

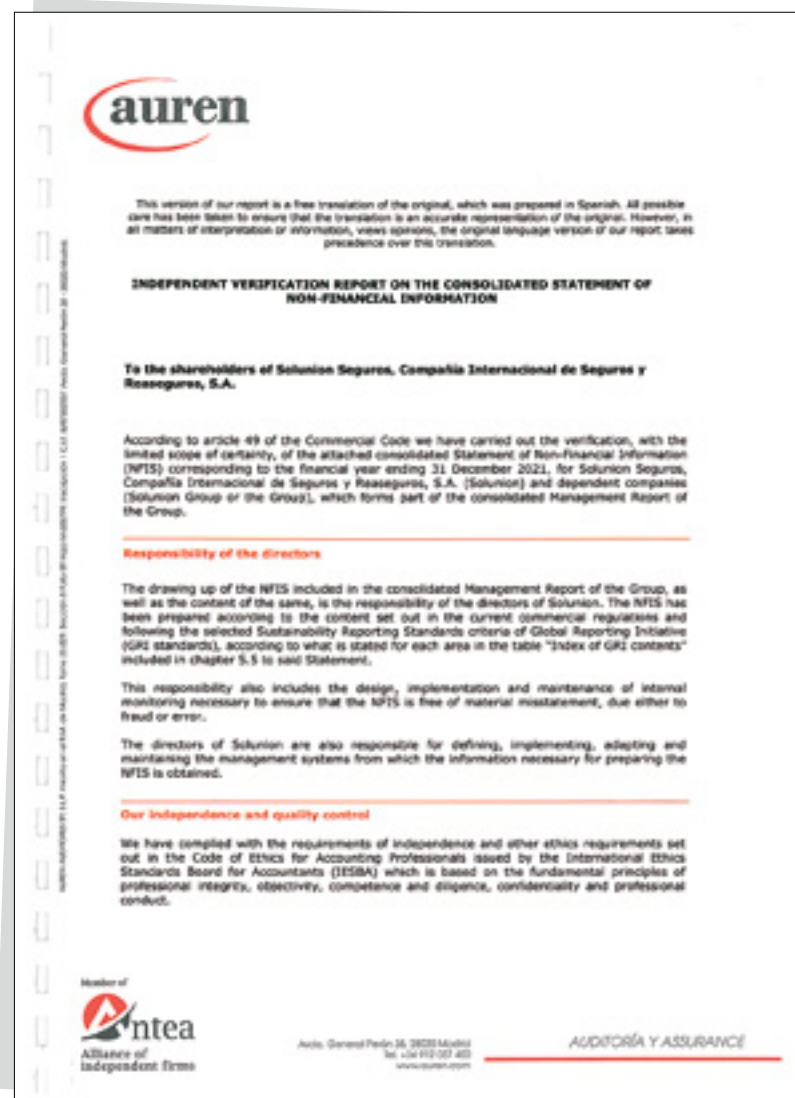
- ▶ Social Responsibility and Sustainability Area: rss@solunion.com.
- ▶ Communication Area: comunicacion@solunion.com.
- ▶ Solunion's Corporate Portal: www.solunion.com.





6 APPENDIX

APPENDIX 1. VERIFICATION





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. We have performed 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, than 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 NFIS, of the review of the processes for gathering and validating the information presented in the NFIS 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 NFIS for the 2021 financial year in line with the materiality analysis carried out by the Group and described in chapter 5.4 "Defining the content of the Report. Materiality analysis", considering the content required by the commercial regulations in force.
- Analysis of the processes for gathering and validating the data presented in the NFIS for the 2021 financial year.
- Review of the information on risks, and management policies and approaches applied in relation to the material aspects presented in the NFIS for the 2021 financial year.
- Confirmation, by means of tests, based on the selection of a sample, of the information on the content included in the NFIS for the 2021 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 NFIS for the Solunion Group for the financial year ending 31 December 2021 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 table "Index of GRI contents" included in chapter 5.5 to said statement.

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, establishes the obligation to disclose information on how and to what extent the assets of the entity are associated with eligible economic activities, according to the Taxonomy for the first time for financial year 2021, provided the non-financial information statement is published as of 1 January 2022. Consequently, the attached NFIS has not included comparative information on this issue. In addition, information has been included so that, on the date the attached NFIS was drawn up, the directors of Solunion opted to apply the criteria that, in their opinion, best facilitated compliance with the new obligation and that are defined in section 4.1 "Commitment to responsible and sustainable governance" and in Appendix 2 "Environmental taxonomy" of the attached NFIS. Our conclusion has not changed in relation to this issue.

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

May 19, 2022



APPENDIX 2. ENVIRONMENTAL TAXONOMY

Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. is an entity whose exclusive 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, insofar as they are permitted by insurance legislation.

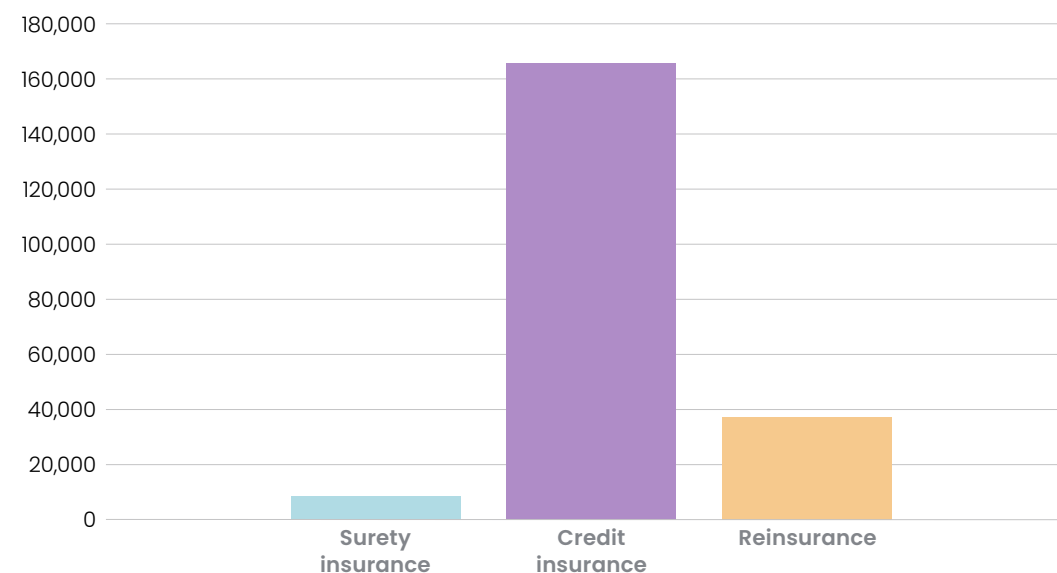
In order to comply with Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18th 2020 on establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088, activities that contribute to meeting the European Union's environmental objectives are reported below.



Relating to non-life insurance premiums and reinsurance:

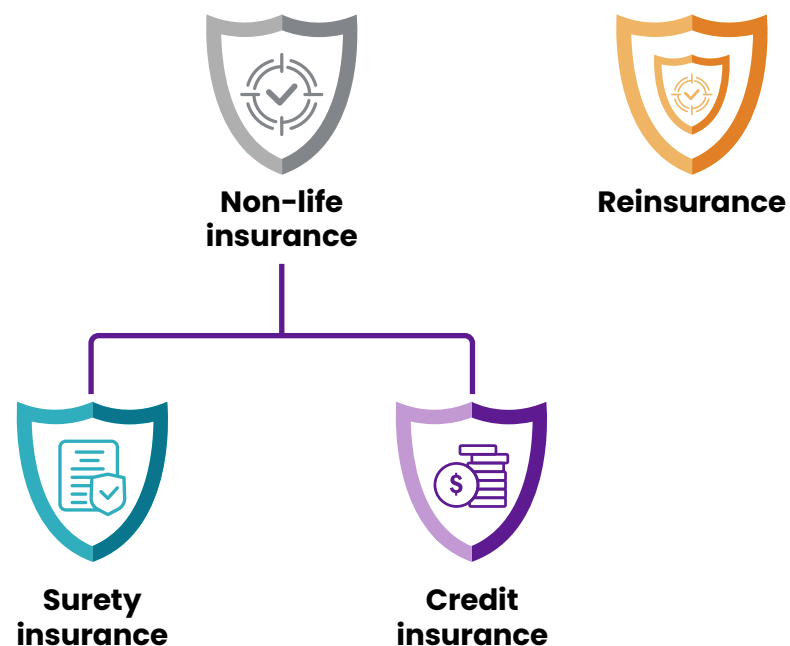
UNDERWRITING ACTIVITIES				
	Code	Total gross premiums	% gross eligible premiums	% gross non-eligible premiums
Surety insurance	6512	8,637	99.85%	0.15%
Credit insurance	6512	165,622	42.41%	57.59%
Reinsurance	6520	37,097	45.77%	54.23%

Thousand €



The data used correspond to Solunion's Consolidated Income Statement under IFRS as at December 31st, 2021.

The company's principal activity is directly related to the economically eligible activity according to the taxonomy of non-life insurance. These branches considered according to Delegated Regulation 2021/2139 supplementing Regulation (EU) 2020/852 of June 18th, 2020 (Taxonomy Regulation) on the technical selection criteria for identifying which activities are adapted to climate objectives according to the taxonomy are:



In addition, certain assumptions or estimates have been made due to the fact that our information systems are not as granular today as the regulatory requirements.

In order to obtain the amounts associated with eligible activities according to the taxonomy of indicators included in the table above, we have started from the information loaded in the application of all gross premiums received from credit and surety insurance.

The methodology consists of identifying and classifying the activities and assessing the criteria applicable to environmentally sustainable economic activities according to the description of the activity and the NACE system (CNAE) established in the environmental objectives regulation.

In the case of reinsurance, depending on the branch of each business, coverage has been assumed or not for the climate risks indicated. Standard insurance practice makes it possible to assume with a high degree of certainty whether or not the weather risks described are covered by each of the non-life lines of business (Credit or Surety).

The total insurance and reinsurance business that conforms to the taxonomy represents 46% of the total premium volume of the entire Group.

As an insurance and reinsurance company, Solunion has an important role to play in helping society in the process of adapting to and mitigating climate change, identifying risks and opportunities for the development of sustainable products and services. In defining the Group's strategy and underwriting processes, it takes into account the criteria defined by the applicable regulations, market trends and the relevant aspects for the different stakeholders.

As a reinsurer, the company does not have access to the end customer to decide to market insurance products, but the de facto reinsurance covers support insurers so that they have sufficient financial backing (if required) and can market sustainable products. Reinsurance assumes a high climate risk due to the accumulation of cessions in the totality of reinsured portfolios and is an essential component in mitigating this risk globally.

APPENDIX 3. ADDITIONAL DATA

TOTAL NUMBER OF EMPLOYEES BY JOB CATEGORY AND PROFESSIONAL QUALIFICATION AND GENDER

2021

	Total	Executives	Men	Women	Managers	Men	Women	Sales Force	Men	Women	Technicians	Men	Women	Administrative staff	Men	Women
Total of employment contracts	576	38	30	8	149	78	71	95	57	38	110	50	60	184	67	117
% permanent contracts	98.6%	7%	78%	22%	26%	52%	48%	17%	60%	60%	18%	60%	100%	32%	36%	64%
% fixed-term contracts	1.4%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0%	0%	0%	63%	60%	40%	32%	67%	33%
% part-time contracts	0.3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%

(As of December 31st)

2020

	Total	Executives	Men	Women	Managers	Men	Women	Sales Force	Men	Women	Technicians	Men	Women	Administrative staff	Men	Women
Total of employment contracts	562	35	27	8	137	77	60	93	56	37	90	38	52	207	74	133
% permanent contracts	98.4%	6%	77%	23%	25%	56%	44%	17%	60%	40%	16%	42%	58%	36%	36%	64%
% fixed-term contracts	1.4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	50%	50%	75%	50%	50%
% part-time contracts	0.2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%

(As of December 31st)

2019

	Total	Executives	Men	Women	Managers	Men	Women	Sales Force	Men	Women	Technicians	Men	Women	Administrative staff	Men	Women
Total of employment contracts	523	33	25	8	127	69	58	90	57	33	61	26	35	212	80	132
% permanent contracts	98%	6%	76%	24%	25%	54%	46%	17%	64%	36%	12%	42%	58%	40%	37%	63%
% fixed-term contracts	2%	0%	0%	0%	0%	0%	0%	11%	0%	100%	22%	50%	50%	67%	83%	17%
% part-time contracts	0.2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	100%

(As of December 31st)

TYPES OF CONTRACT AND NUMBER OF SEPARATIONS BY AGE (GRI 102-8)

	2021			2020			2019					
	Total	Younger than 25 years old	Between 25 and 40 years old	Older than 40 years old	Total	Younger than 25 years old	Between 25 and 40 years old	Older than 40 years old	Total	Younger than 25 years old	Between 25 and 40 years old	Older than 40 years old
Total of employment contracts	576	9	257	310	562	14	245	303	523	11	226	278
% permanent contracts	98.6%	1.41%	44.19%	54.4%	98.4%	2.0%	43.5%	54.5%	98%	2%	44%	54%
% fixed-term contracts	1.4%	12.5%	75%	12.5%	1.4%	37.5%	50.0%	12.5%	2%	22%	78%	0%
% part-time contracts	0.3%	0%	50%	50%	0.2%	0%	0%	100%	0%	0%	0%	100%
Separations	13	0	8	5	11	0	7	4	15	0	6	9

(As of December 31st)

TYPES OF CONTRACT AND NUMBER OF SEPARATIONS BY CONTRACT (GRI 102-8)

	2021						2020						2019					
	Total	Executives	Managers	Sales Force	Technicians	Administrative staff	Total	Executives	Managers	Sales Force	Technicians	Administrative staff	Total	Executives	Managers	Sales Force	Technicians	Administrative staff
Total of employment contracts	576	38	149	95	110	184	562	35	137	93	90	207	523	33	127	90	61	212
% permanent contracts	98.6%	7%	26%	17%	18%	32%	98.4%	6%	25%	17%	16%	36%	98%	6%	25%	17%	12%	40%
% fixed-term contracts	1.4%	0%	0%	0%	62.5%	37.5%	1.4%	0%	0%	0%	25%	75%	2%	0%	0%	11%	22%	67%
% part-time contracts	0.3%	0%	0%	0%	0%	100%	0.2%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
Separations	13	0	0	5	2	4	11	0	0	5	2	4	15	0	2	2	2	9

(As of December 31st)

TOTAL NUMBER OF SEPARATIONS DURING THE REPORTING PERIOD, DISAGGREGATED BY GENDER

	Total	Hombre	Mujer
Year 2021	13	8	5
Year 2020	11	7	4

(As of December 31st)

TOTAL HOURS OF TRAINING THAT THE ORGANIZATION'S WORKERS HAVE CARRIED OUT DURING THE REPORTING PERIOD, DISAGGREGATED BY GENDER AND PROFESSIONAL QUALIFICATION

	2021		2020	
	Men	Women	Men	Women
Executives	1,434	470	221.5	50.08
Managers	2,319	2,937	866.5	2,376.18
Sales Force	2,276	1,121	745.95	551.48
Technicians	694	1,820	289	936
Administrative staff	2,238	2,485	1,062.75	2,166.57

(As of December 31st)

AVERAGE HOURS OF TRAINING THAT WORKERS OF THE ORGANIZATION HAVE CARRIED OUT DURING THE REPORTING PERIOD, DISAGGREGATED BY GENDER AND PROFESSIONAL QUALIFICATION (No. HOURS OF TRAINING / No. WORKERS IN THE CATEGORY)

	2021		2020	
	Men	Women	Men	Women
Executives	3.8	5.6	53.1	58.7
Managers	4.0	6.7	30.1	48.9
Sales Force	2.9	3.0	40.6	30.3
Technicians	3.5	6.9	18.3	35.0
Administrative staff	5.5	6.7	30.2	18.7

(As of December 31st)

TOTAL HOURS OF TRAINING THAT THE ORGANIZATION'S WORKERS HAVE CARRIED OUT DURING THE REPORTING PERIOD, DISAGGREGATED BY GENDER AND AGE

	2021		2020	
	Men	Women	Men	Women
Younger than 25 years old	37.90	27	191	89
Between 25 and 40 years old	1,260.65	2,260.57	3,441	4,418
Older than 40 years old	1,887.15	3,792.75	5,330	4,326

(As of December 31st)

AVERAGE HOURS OF TRAINING THAT THE ORGANIZATION'S WORKERS HAVE CARRIED OUT DURING THE REPORTING PERIOD, DISAGGREGATED BY GENDER AND AGE (No. HOURS OF TRAINING / No. WORKERS IN THE CATEGORY)

	2021		2020	
	Men	Women	Men	Women
Younger than 25 years old	47.7	17.8	4.21	2.25
Between 25 and 40 years old	29.7	31.3	3.71	4.79
Older than 40 years old	32.9	29.2	4.10	7.18

(As of December 31st)



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