



# NON-FINANCIAL INFORMATION STATEMENT

2020

## SUSTAINABILITY REPORT





# NON-FINANCIAL INFORMATION STATEMENT

## SUSTAINABILITY REPORT

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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. 2020 Sustainability Report approved by its Board of Directors on March 17<sup>th</sup> 2021.

Solunion publishes this Report to allow its stakeholders to check on the Company's performance in the area of sustainability over the 2020 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 these areas 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 2020 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 December 28<sup>th</sup>, 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, anti-corruption and bribery matters and describing, in particular, the risks, policies and outcomes related to all these matters.

This Non-Financial Information Statement. 2020 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](http://www.solunion.com)) and to other group websites, as well as to the official documents published there. 

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Solunion has been  
**continuously  
consolidating its  
commitment to  
transparency.**

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# MESSAGE FROM THE CEO

GRI 102-14

It is always a pleasure for me to address you from these lines, which begin a document that brings together the activity performed by Solunioners over the last year. And even more so when we refer to 2020, an incomparable year in which the COVID-19 pandemic has made everything so difficult for us and during which, despite the adversity, uncertainty and volatility that still remain, we have managed to take very significant steps along our path of profitable growth and value creation for society.

The COVID-19 pandemic has disrupted our lives in every way. It has made us realize how vulnerable we can be and how any forecast can change overnight without it depending on

us. Above all, however, we have understood that protecting the health and well-being of all those around us, inside and outside companies, is the top priority. Starting from this premise, from the start of the lockdown in March, we have adapted our way of acting and working at Solunion.

In this context, we Solunioners have demonstrated our responsibility with our environment. We have resolutely faced all the challenges that have emerged, remaining fully faithful to our model of responsible business and our commitment to value creation, to progress and to the well-being of people, both Solunioners and our shareholders, mediators, clients, suppliers, and other social agents.



As could not be otherwise, our human team, in all countries, has given and continues to give the best of itself in really complex conditions, in order to minimize any impact on the service provided during the development of our activity.

I am glad to say that our results in 2020 have been good. Solunion has closed the year with positive figures that allow us to face the future in an optimistic way, always prudent, to continue advancing in our profitable and sustainable growth, one of the fundamental pillars of our Atenea strategic plan.

And speaking of strategy, we cannot forget that our clients are the most important thing for us and being oriented towards their satisfaction is the heart of our activity. To this end, we work to respond proactively to their demands, anticipating their needs and offering them an increasingly diverse and competitive range of products and services.

### Our commitment to sustainability

In 2020, we made decisive progress in terms of commitment to sustainability. Proof of this is given by the following actions, which you will find explained in more detail later on in this Report, which reflect our concern to be an integral and active part of the major global initiatives:

- **We signed the Principles for Sustainable Insurance** and disclosed our progress in their implementation.

### ■ We renewed our commitment to the United Nations Global Compact.

- On the fifth anniversary of the adoption of the United Nations «**2030 Agenda for Sustainable Development**», we wanted to renew our comprehensive commitment to its transformative vocation, which is embodied in 17 goals, the SDGs, which we have incorporated into our strategy and our corporate governance system.

As a Credit and Surety Insurance Company, Solunion plays a very important role as a driver of economic growth, providing support to the business fabric of the countries in which it operates and encouraging job creation and innovation. Because our growth as a company allows us to create stable, quality jobs, with measures that facilitate work-life balance, gender equality and diversity.


In this regard, we were recognised as a Top Employer in Spain for the first time in 2020 and, at the end of the year, all our entities were certified as efr (Family Responsible Company) as a sign of our commitments to our people to make Solunion the best place to work.

### #SolunionersSolidarios

If there is one thing that truly reflects the generosity of Solunioners, it is the movement we call «*Solunioners Solidarios*». A large number of Solunioners who put to one side their per-

sonal and professional activities to help others in various initiatives of cooperation and support for the most disadvantaged groups, education, conservation, biodiversity and promotion of cultural heritage. Their drive, willingness, and desire to help are admirable.

We Solunioners have a clear commitment: to contribute with our work to the economic and social development of the countries where we operate. On behalf of Solunion's Board of Directors and the company's Management Committee, we once again commit ourselves to this mission and we would like to express our deepest gratitude for the trust shown by all our stakeholders.

The Non-Financial Information Statement. 2020 Sustainability Report that we present below reflects these and many other significant actions in environmental, economic and social matters, following the international standards of the Global Reporting Initiative (GRI). With this Report, we reaffirm our commitment to transparency, an essential pillar of our management and corporate governance system, a system that is constantly being updated to incorporate the most demanding practices in this area. Because at Solunion, we understand that only through ethics, good governance and defending the social interest, can we move towards a true creation of sustainable value for society. 

**Alberto Berge**  
Solunion CEO

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The Solunioners  
have  
demonstrated our  
**responsibility**  
with our  
**environment**. We  
have resolutely  
faced all the  
challenges that  
have emerged.

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# 3.1

## PRESENCE & AREAS OF ACTIVITY

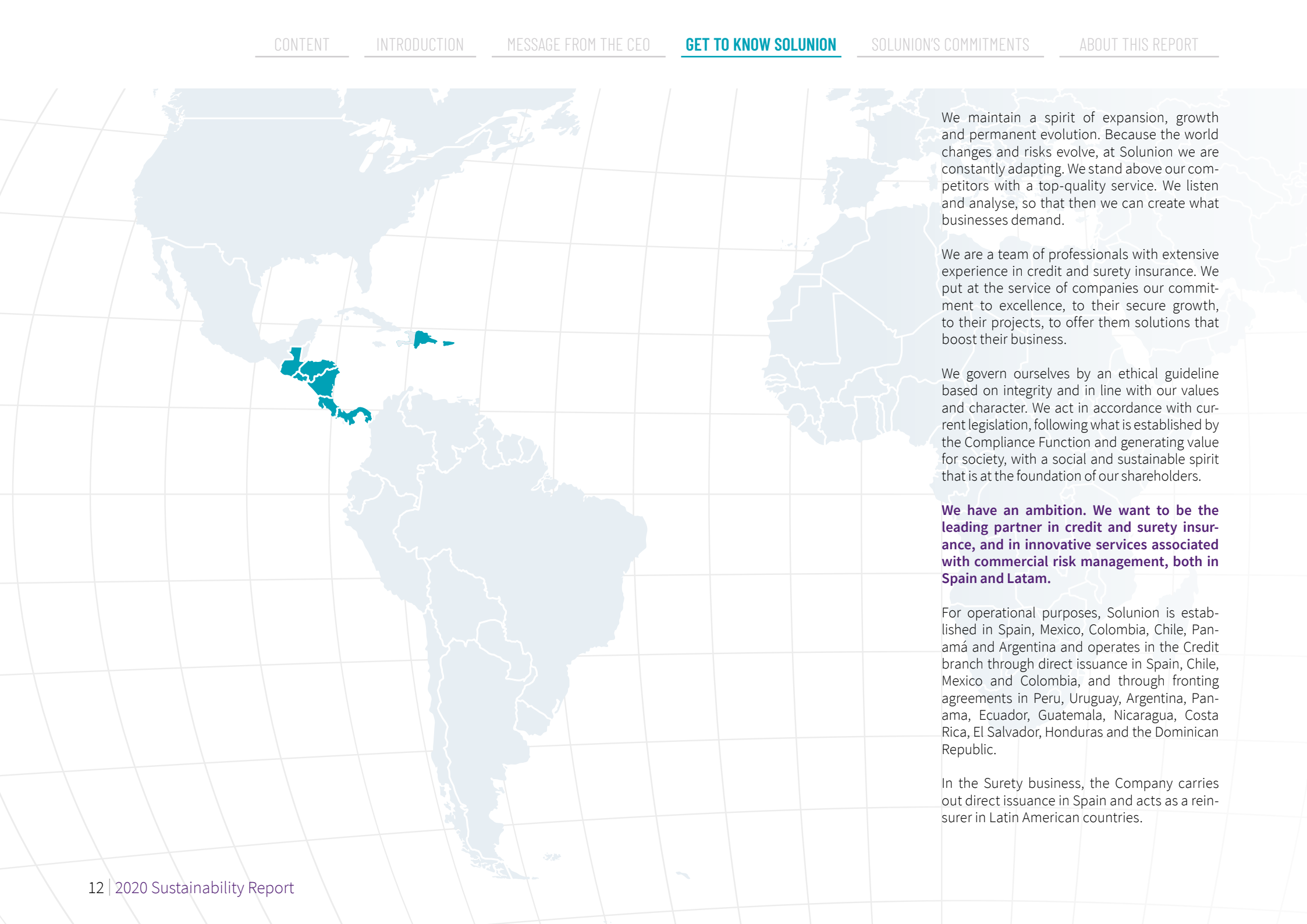
GRI 102-4

**S**olunion 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 7,400 clients, we have presence in 16 countries, more than 550 employees; we manage risk in more than 50 countries, collections capacity in more than 150 countries, and a premium volume of more than €195 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.

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

For operational purposes, Solunion is established in Spain, Mexico, Colombia, Chile, Panamá and Argentina and operates in the Credit branch through direct issuance in Spain, Chile, Mexico and Colombia, and through fronting agreements in Peru, Uruguay, Argentina, Panamá, 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 REGION**, with headquarters opened this year 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.

The infographic on the previous page shows, 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

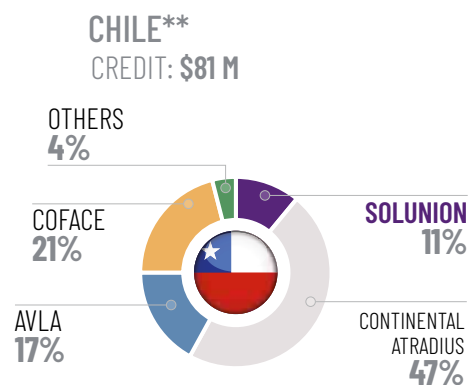
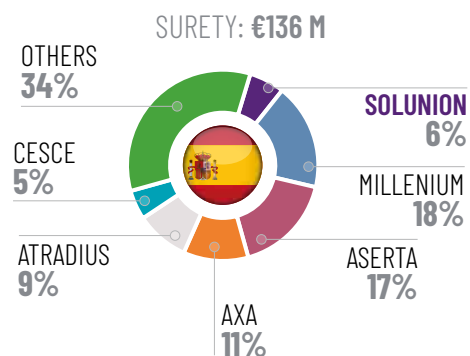
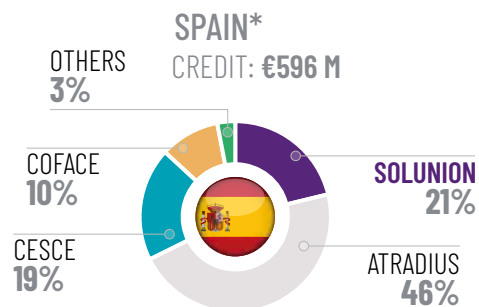
**For Solunion, to explore is to be excited to innovate, to improve what already exists, and to look for new opportunities to grow.**

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.

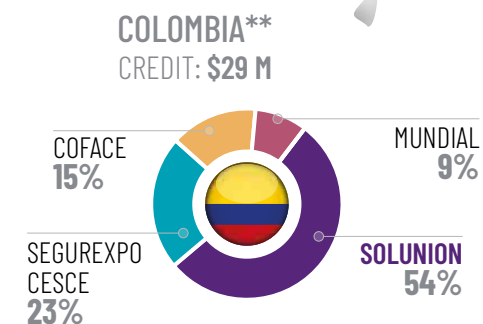
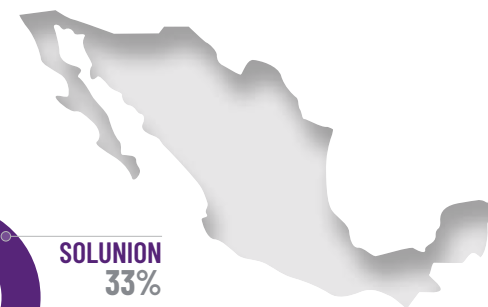
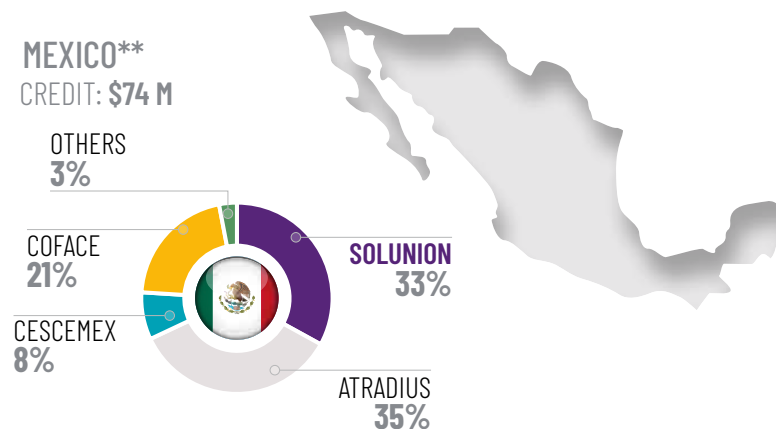
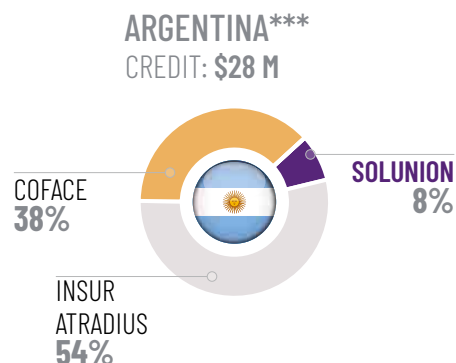




### Our position in the market

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:

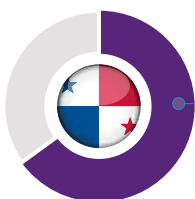


\*ICEA data at December 2020.

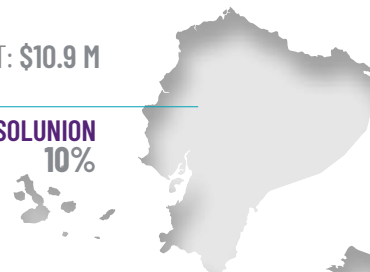
\*\*\*Solunion emission is fronting through Allianz.

**PANAMA\*\***

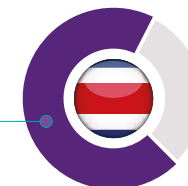
SIZE OF THE MARKET: \$3.7 M

**SOLUNION**  
65%**ECUADOR\***

SIZE OF THE MARKET: \$10.9 M

**SOLUNION**  
10%**COSTA RICA\***

CIFRA DE MERCADO: \$0,3 M

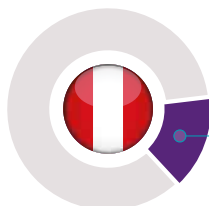
**SOLUNION**  
70%

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.

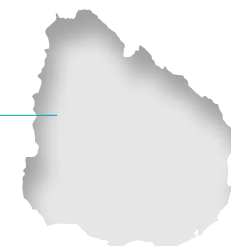
The shares and positioning in the key markets in fronting countries are as follows:

**PERU\***

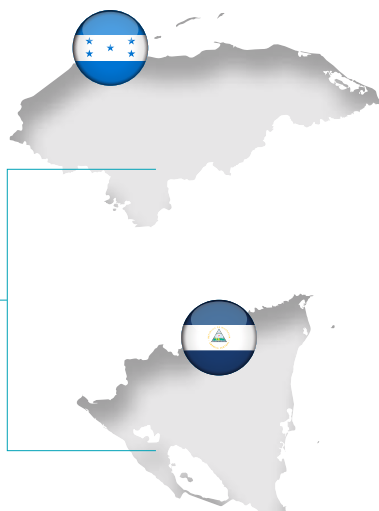
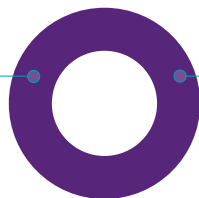
SIZE OF THE MARKET: \$11.7 M

**SOLUNION**  
15%**URUGUAY\***

SIZE OF THE MARKET: \$3.4 M

**SOLUNION**  
22%**DOMINICAN REPUBLIC,  
EL SALVADOR, NICARAGUA,  
HONDURAS\*\*\***

SIZE OF THE MARKET: \$0.5 M

**SOLUNION**  
100%**GUATEMALA\*\***

SIZE OF THE MARKET: \$1.6 M

**SOLUNION**  
42%

\* ALASECE Report. Data at September 2020, 12 months.  
 \*\*Superintendencia de Seguros y Reaseguros de Panamá data December 2020.  
 \*\*\*ALASECE Report. Data at December 2019 12 months.  
 Solunion emission is fronting through MAPFRE.

# 3.2

## MAIN FIGURES



**RATING A**  
(EXCELENT)  
FROM A.M. BEST.



**+€72 BILLION** THIS IS THE  
TOTAL VALUE OF  
SALES THAT WE  
HAVE ENSURED.



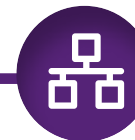
**+1,500** RISK ASSESSMENTS  
A DAY.



**+40 MILLIONS** COMPANIES ANALYSED,  
IN A DATABASE WITH  
CONSTANTLY UPDATED  
INFORMATION.



**€236.9 MILLIONS** TURNOVER  
IN 2020.



**SOLID GROUP**  
THAT GROWS STEADILY  
IN ALL MARKETS.



**+7,400 CLIENTES** CLIENTS WORKING TOGETHER  
WITH US IN ALL COUNTRIES IN  
WHICH WE OPERATE.



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



INTERNATIONAL RECOVERY NETWORKS  
IN MORE THAN **150 COUNTRIES** AND  
**1,500 RISK ANALYSTS**  
ACROSS THE WORLD.

## 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.

## 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.

## 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.

## QUALITY OF SERVICE

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

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

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

## TECHNOLOGICAL TOOLS OF MANAGEMENT



Comprehensive online management of the policy.



Online monitoring of collections and claims management.



Download receipts and invoices online.



Graphical analysis of the customer portfolio, grade curve.



Real-time information on the evolution of your risks and possible improvements in credit quality.

## FLEXIBLE AND INNOVATIVE PRODUCTS

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



## Expansion and growth

We focus our expansion and growth strategy in four areas:



### EXPANSION IN SYSTEMS

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



### EXPANSION IN PRODUCTS AND SOLUTIONS

Flexible and innovative, for all types of companies. Products by sector, by size of company, and by volume of risk. Implementation a first in Spain and later in Latam, with the aim of being the company with the most versatile, complete, and adaptable product portfolio for each need.



### 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.



### EXPANSION TO NEW MARKETS

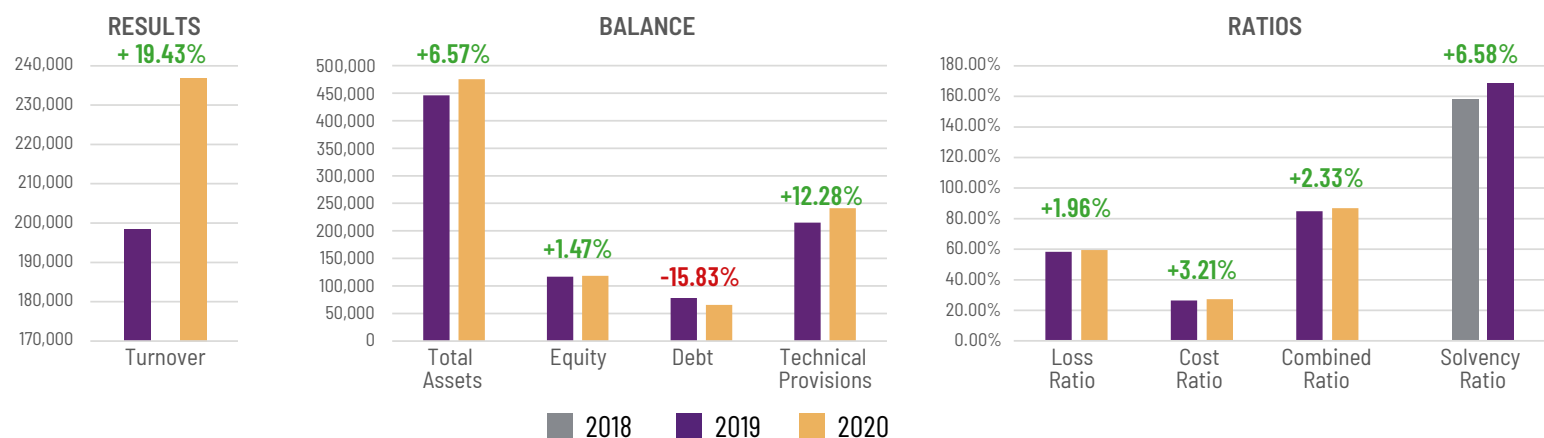
Hand in hand with our shareholders, advancing in agreements to be present in a greater number of markets. In 2020, we will continue to expand our activities with MAPFRE, with a special focus on Central America.



## TURNOVER, ASSETS AND LIABILITIES

GRI 201-1

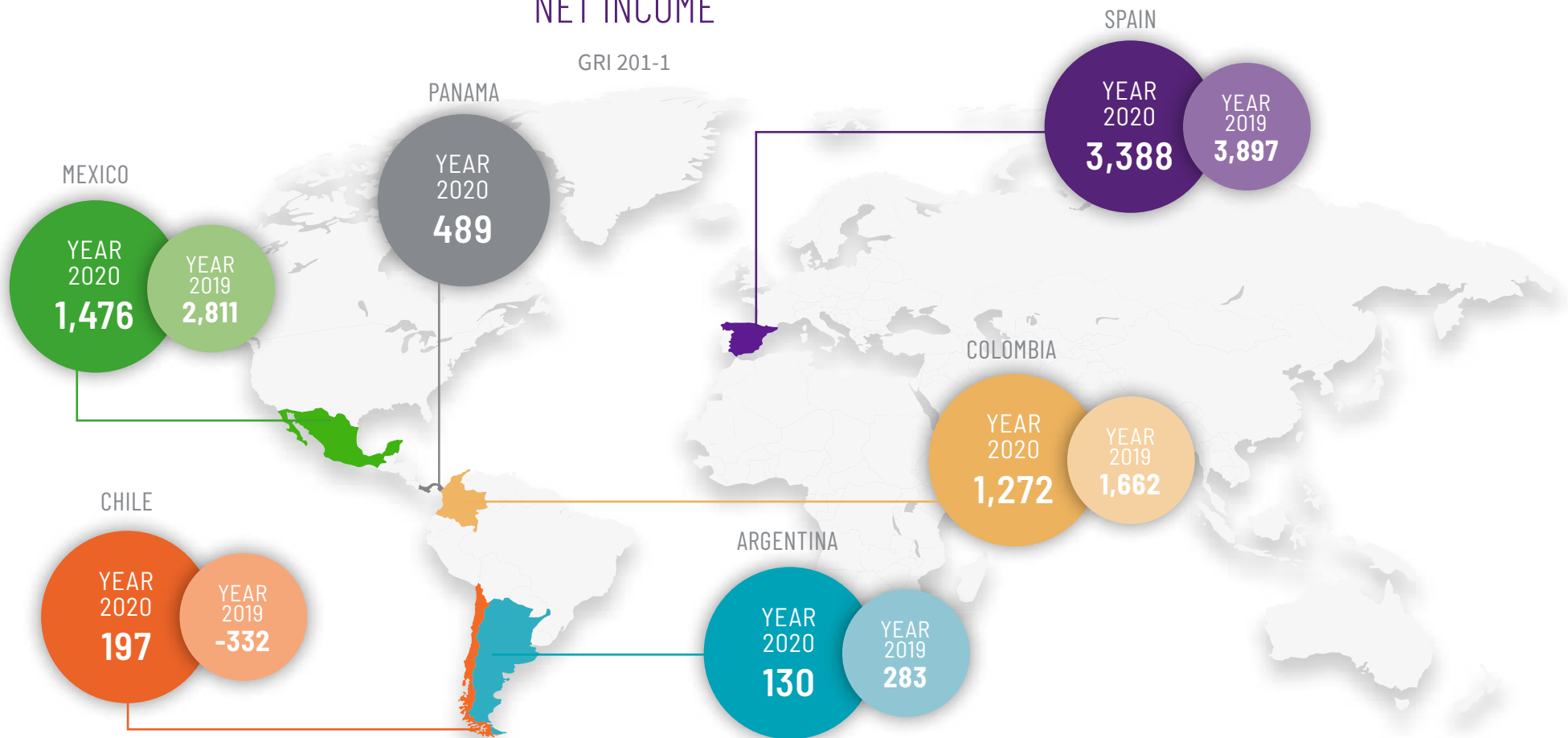
The main aggregates relating to revenue, the value of assets and liabilities and the composition of consolidated assets are as follows:



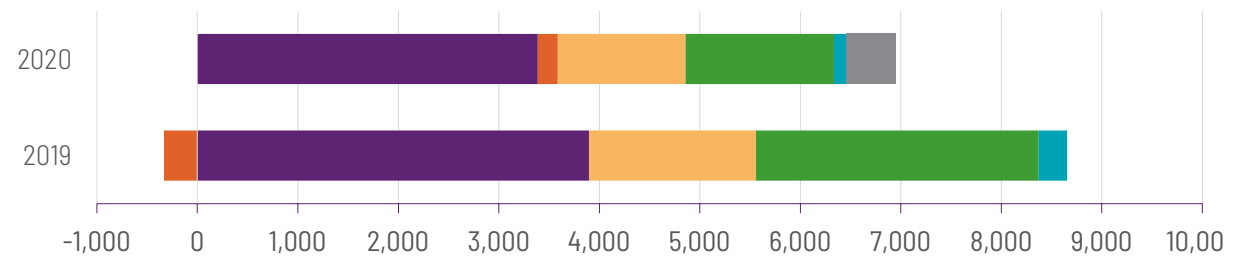
| CONCEPT (Thousands €) | Dec-20  | Dec-19  | Var.% 20/19 |
|-----------------------|---------|---------|-------------|
| <b>RESULTS</b>        |         |         |             |
| Turnover              | 236,910 | 198,369 | 19.43%      |
| <b>BALANCE</b>        |         |         |             |
| Total assets          | 475,241 | 445,938 | 6.57%       |
| Equity                | 118,388 | 116,673 | 1.47%       |
| Debt                  | 65,619  | 77,956  | -15.83%     |
| Technical provisions  | 241,201 | 214,820 | 12.28%      |
| <b>RATIOS</b>         |         |         |             |
| Loss Ratio            | 59.45%  | 58.31%  | 1.96%       |
| Cost Ratio            | 27.36%  | 26.51%  | 3.21%       |
| Combined Ratio        | 86.81%  | 84.83%  | 2.33%       |
| <b>SOLVENCY</b>       |         |         |             |
| Solvency ratio        | 168.4%  | 158%    | 6.58%       |

## NET INCOME

GRI 201-1



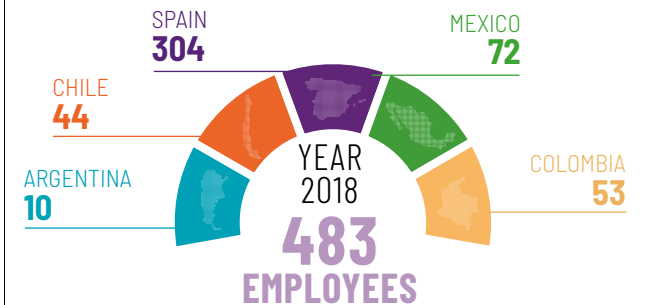
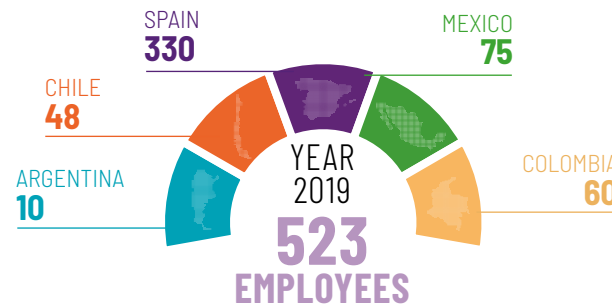
| Thousands €  | 2020         | 2019         |
|--------------|--------------|--------------|
| Spain        | 3,388        | 3,897        |
| Chile        | 197          | -332         |
| Colombia     | 1,272        | 1,662        |
| Mexico       | 1,476        | 2,811        |
| Argentina    | 130          | 283          |
| Panama       | 489          | -            |
| <b>Total</b> | <b>6,952</b> | <b>8,321</b> |



## EMPLOYEES

GRI 102-7

The  
**Solunion**  
group had  
**562**  
employees  
as of the end  
of 2020, with  
the following  
breakdown per  
country:





## 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.

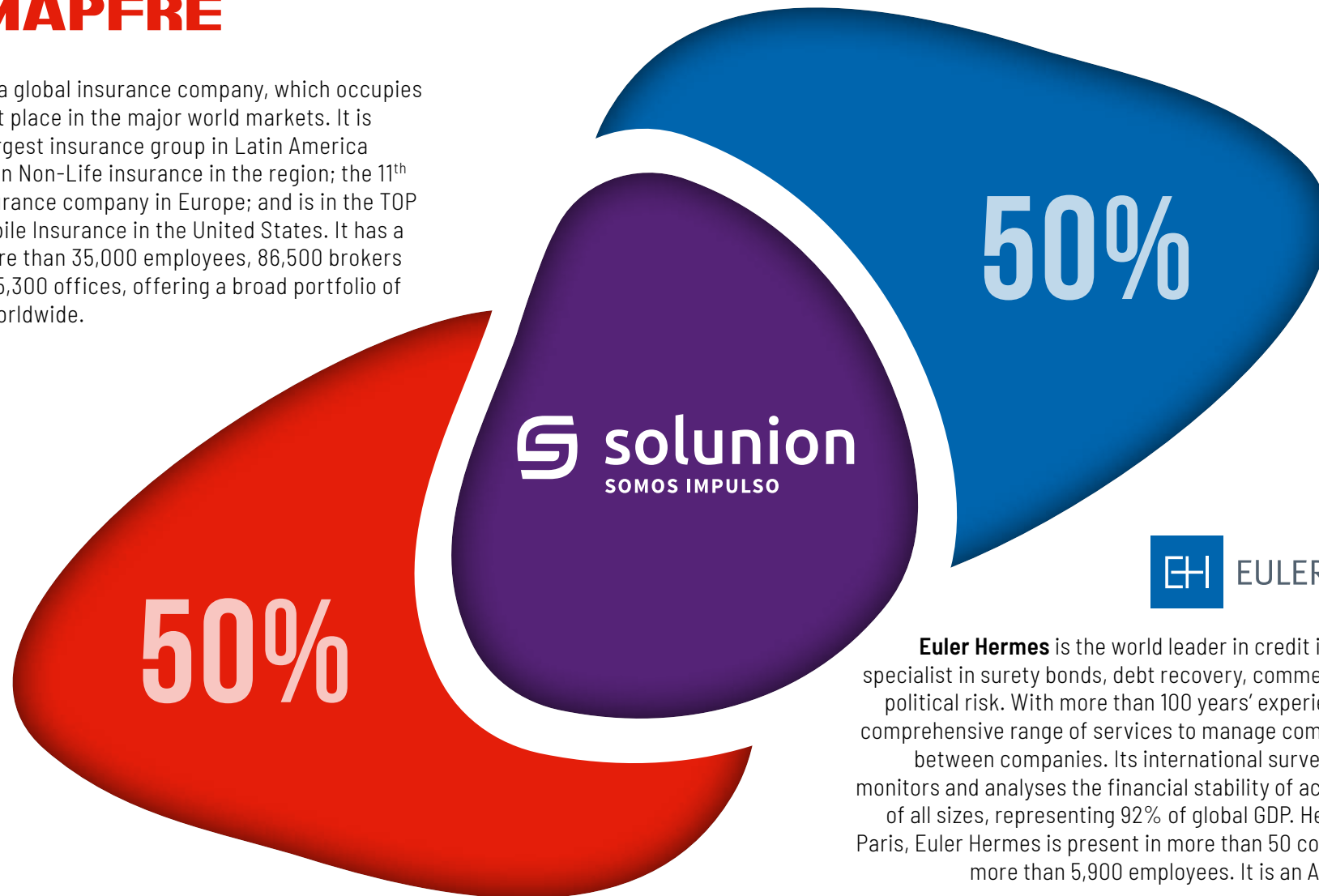
MAPFRE is a global insurer with a presence on five continents and the leading multinational insurance group in Latin America, and Euler Hermes is the world's number one Credit insurer and one of the leaders in Surety and Collections.

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





**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 11<sup>th</sup> largest insurance company in Europe; and is in the TOP 20 Automobile Insurance in the United States. It has a team of more than 35,000 employees, 86,500 brokers and nearly 5,300 offices, offering a broad portfolio of products worldwide.



**Euler Hermes** is the world leader in credit insurance and a specialist in surety bonds, debt recovery, commercial credit and political risk. With more than 100 years' experience, it offers a comprehensive range of services to manage commercial credits between companies. Its international surveillance network monitors and 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.





## 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 20<sup>th</sup>, 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

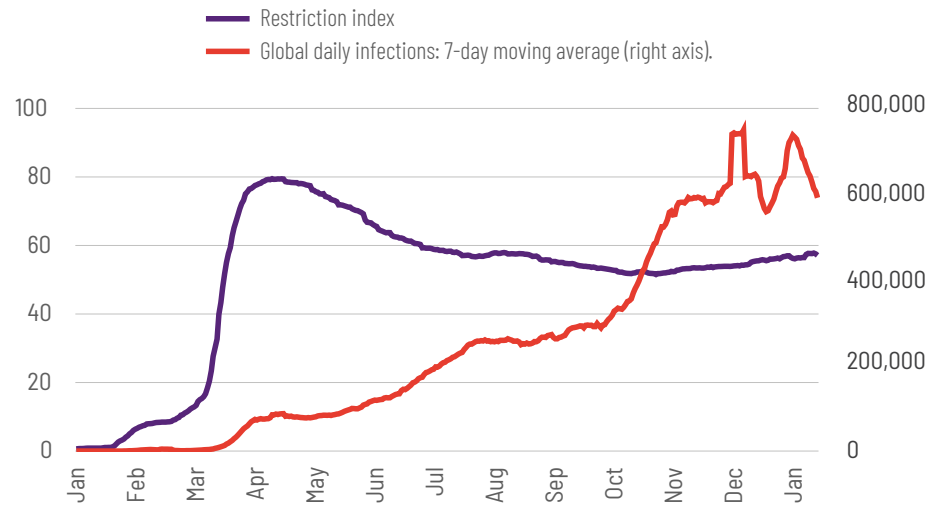
## ECONOMIC ENVIRONMENT

GRI 102-15

Graphics source: MAPFRE Economics

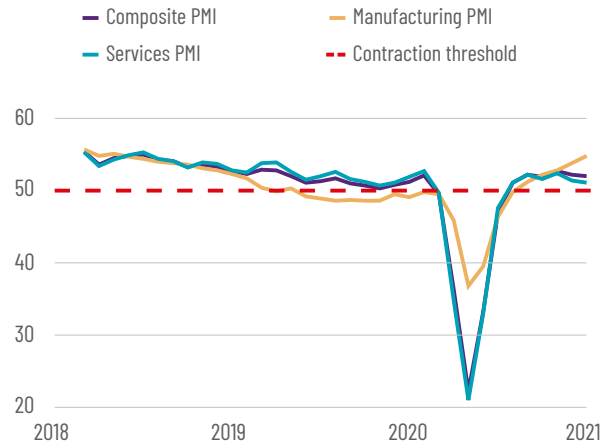
The year 2020 is inevitably linked to the pandemic. At the end of the first quarter of 2020, it went from being a regional to a global problem and the number of cases has continued to grow at an accelerated rate since then, despite the numerous restrictions applied by many governments on all continents.

### SHORT-TERM NEGATIVE DRIVERS (INFECTIONS AND RESTRICTIONS)





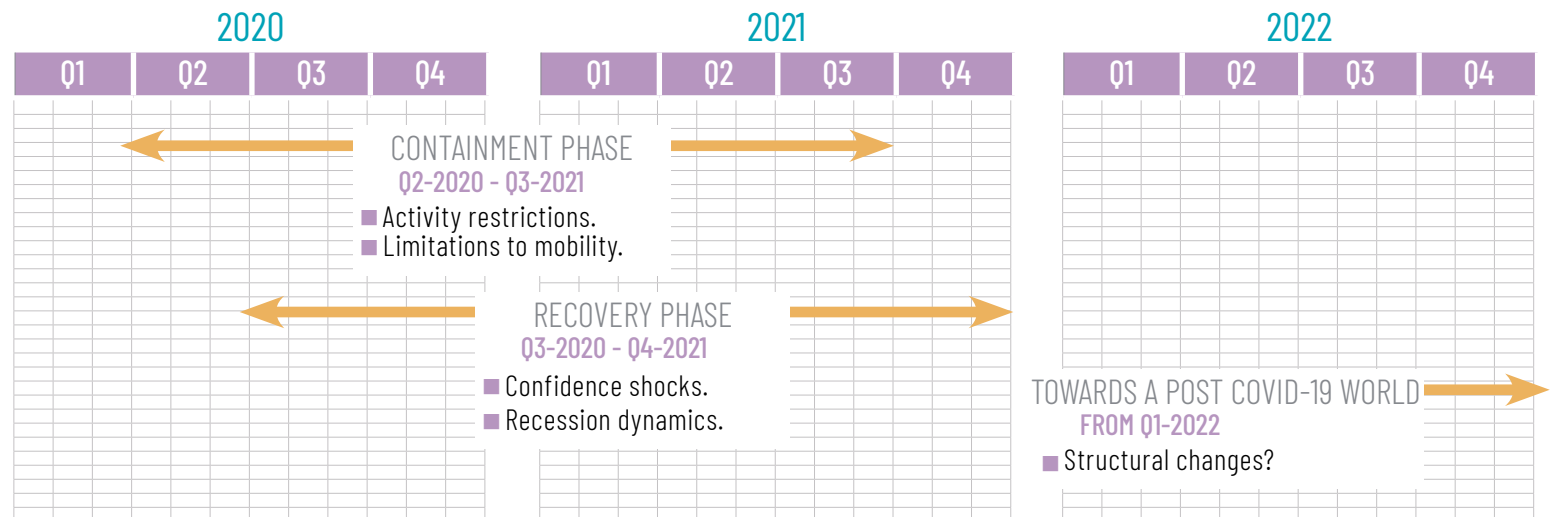
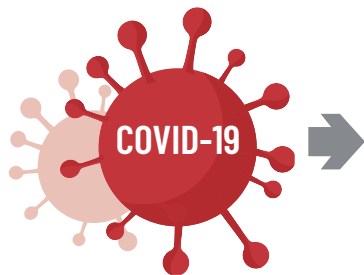
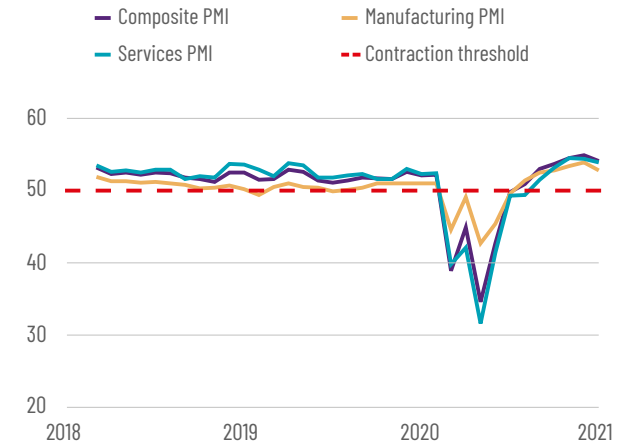
## DEVELOPED MARKETS : IMPACT ON EXPECTATIONS AND ACTIVITY, DUALITY. FIRST MANUFACTURE EXPORTERS, NEXT SERVICES EXPORTERS



As of March 2020, in addition to the health crisis, a serious economic crisis had to be compounded, with a large part of the world's countries entering in recession in the first half of 2020. Moreover, at that time, economic agents were giving a very pessimistic outlook for the coming quarters in both developed and emerging markets.

This environment of high volatility and uncertainty was accompanied by a better-than-expected third quarter of 2020 in many economies, but despite this, it will take several quarters for most of the world's countries to recover the ground lost in 2020. This recovery phase is undoubtedly marked by the major impact that fiscal and monetary policies are having, with unprecedented support to boost economic activity and international trade once again and will last until 2022 and 2023.

## EMERGING MARKETS: IMPACT ON EXPECTATIONS AND ACTIVITY, WILL TAKE LONGER TO RECOVER



## FISCAL MEASURES IN RESPONSE TO THE PANDEMIC (% OF 2019 GDP)

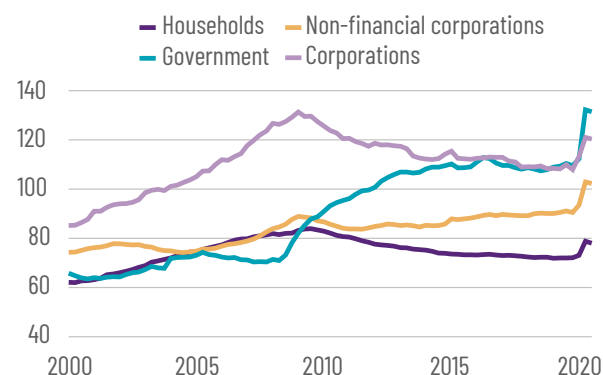
|                   | TOTAL | DISCRETIONARY SPENDING                     |                      |                          |  | LIQUIDITY SUPPORT   |     |                        |                           |
|-------------------|-------|--|----------------------|--------------------------|--|---|-----|------------------------|---------------------------|
|                   |       | ADDITIONAL EXPENDITURE OR REVENUE FOREGONE |                      |                          | ACCELERATED<br>EXPENDITURE/<br>DEFERRED<br>REVENUE | CAPITAL INJECTIONS, LOANS,<br>PURCHASE OF ASSETS OR<br>ASSUMPTION OF DEBT |     | CONTINGENT LIABILITIES |                           |
|                   |       | SUBTOTAL                                   | HEALTHCARE<br>SECTOR | NON-HEALTHCARE<br>SECTOR |  | SUBTOTAL  |     | GUARANTEES             | QUASIFISCAL<br>OPERATIONS |
| United States     | 14.2  | 11.8                                       | 1.5                  | 10.3                     | 0.1  | 2.5   | 0.3 | 2.2                    | -                         |
| United States*    | 4.8   | 4.8  | -                    | -                        | -  | -   | -   | -                      | -                         |
| European Union    | 10.7  | 3.8  | 0                    | 3.8                      | -  | 6.9   | 6.3 | 0.6                    | -                         |
| UEuropean Union** | 5.2   | 2.6  | -                    | -                        | -  | 2.6   | -   | -                      | -                         |
| France            | 21    | 5.2  | 0.6                  | 4.6                      | 2.5  | 15.7  | 0.9 | 14.8                   | -                         |
| Germany           | 39.2  | 8.3  | 0.7                  | 7.7                      | -  | 30.8  | 6   | 24.8                   | -                         |
| Italy             | 37.9  | 4.9  | 0.4                  | 4.5                      | 0.4  | 33  | 0.2 | 32.8                   | -                         |
| Spain             | 17.7  | 3.5  | 0.5                  | 3                        | -  | 14.2  | 0.1 | 13.2                   | 0.9                       |
| Japan             | 35    | 11.3                                       | 1                    | 10.3                     | 4.9  | 23.7  | -   | 3                      | 20.7                      |
| United Kingdom    | 25.7  | 9.2  | 1.5                  | 7.6                      | 0.2  | 16.6  | 0   | 16.5                   | -                         |
| Turkey            | 13.8  | 0.8  | 0.3                  | 0.5                      | 1.5  | 13  | 0.4 | 10.2                   | 2.4                       |
| Argentina         | 6     | 3.9  | 0.2                  | 3.7                      | 0  | 2.1   | -   | 2.1                    | -                         |
| Brasil            | 14.6  | 8.3  | 0.9                  | 7.4                      | 2.9  | 6.3   | 1   | -                      | 5.3                       |
| Mexico            | 1.1   | 0.6  | 0.2                  | 0.5                      | 0.2  | 0.5   | 0.2 | -                      | 0.3                       |
| China             | 5.9   | 4.6  | 0.1                  | 4.5                      | 1.6  | 1.3   | -   | 0.4                    | 0.9                       |
| Indonesia         | 3.8   | 2.7  | 0.5                  | 2.2                      | -  | 1.2   | 0.2 | 0.9                    | -                         |
| Philippines       | 3.4   | 2.3  | 0.4                  | 2                        | -  | 1.1   | 0.4 | 0.7                    | 0                         |

\* Corresponds to the new support programme promoted by the Biden administration.

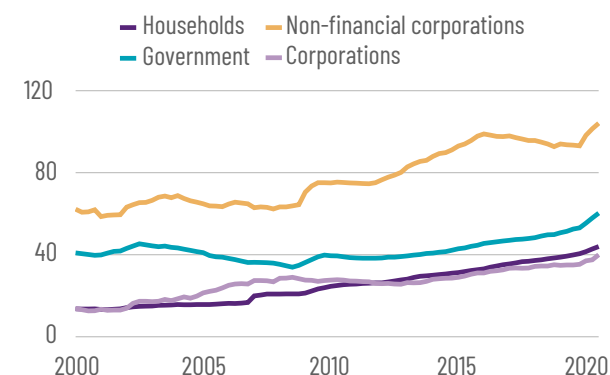
\*\* Corresponds to the Next Generation EU (not yet disbursed).

## DEVELOPED COUNTRIES, PUBLIC DEBT AS % GDP

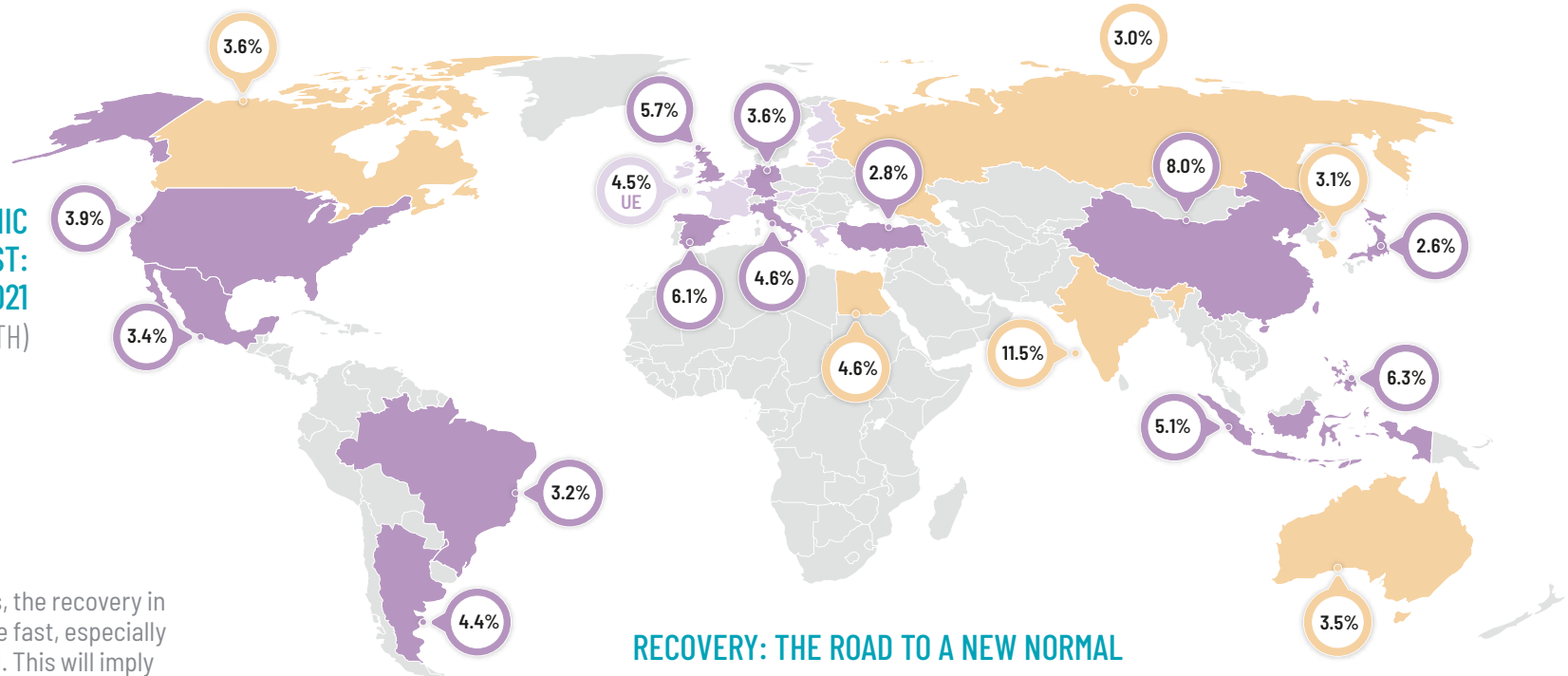
The efforts made by numerous Governments have inevitably been accompanied by an increase in public debt and significant pressure on state budgets, in addition to other measures such as maintaining low interest rates and asset purchase programmes.



## EMERGING ECONOMIES, PUBLIC DEBT AS % GDP



## MACROECONOMIC FORECAST: GDP GROWTH IN 2021 (% ANNUAL GROWTH)



As a result of these measures, the recovery in economic activity will be quite fast, especially as of the second half of 2021. This will imply strong GDP growth, although few countries will be able to regain the pre-COVID level before the end of 2021.

That is why this recovery will go at different speeds depending on the country. China, for example, had already recovered the size of its economy by the end of 2020, United States will achieve this by the end of 2021 and the European Union by mid-2022.

With regard to Solunion's markets, the recovery will be somewhat slower, since both Spain and Latin America will only be able to recover the size of their pre-Covid economy at the end of 2022.

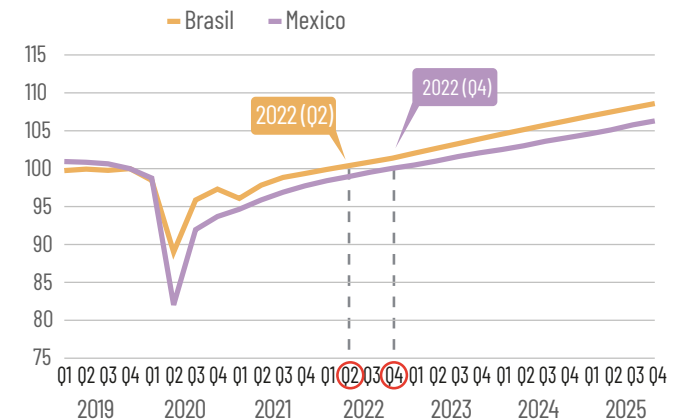
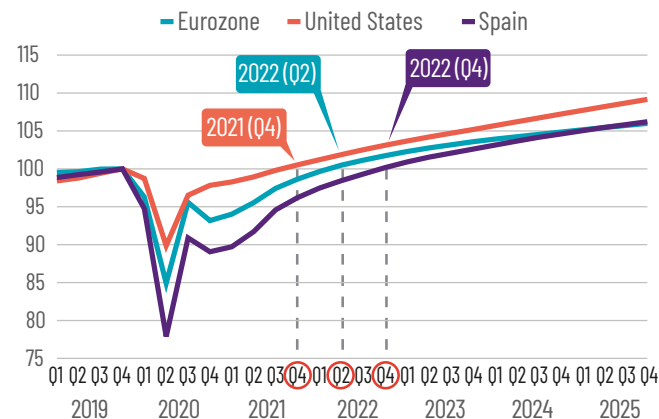
## RECOVERY: THE ROAD TO A NEW NORMAL

### A DUAL RECOVERY

HEALTH RESPONSE | PUBLIC POLICY SPACE | PRODUCTIVE STRUCTURE

The speed of recovery (of 2019 GDP) will depend on several factors.

Not all are in the same position (GDP 2019 Q4=100 ). Differential contribution of developed countries.



# 3.4

## SOLUNION & COVID 19

GRI 102-15

**T**he situation caused by COVID-19 has affected every aspect of Solunion's personal and professional life, the health of the world's population, global economic performance and financial markets.

The situation caused by COVID-19 has affected 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, Solunion has proven to be well prepared for the situation, both as a result of its ability to maintain operations, which have been carried out by remote-working during the lockdown in all the countries where this has been applied, and as a result of its capital position in times of crisis.





This situation has significantly affected the global economy due to the disruption or slowdown in supply chains and the notable increase in economic uncertainty. This is demonstrated by increased volatility of asset prices and exchange rates and reduced long-term interest rates.

Solunion has evaluated the impact of the aforementioned events and those that might occur in the future on its net worth and finan-

cial position, and on the results of its operations and cash flows for the 2020 financial year.

From an organisational point of view, it should be highlighted that Solunion had already implemented a teleworking system called *Sol-Flex*, which allowed it to close its offices and have all its employees working from home immediately, even before the declaration of the state of alarm by the Spanish Government and the lockdowns decreed in other countries. This has allowed the Company to maintain its service level without any harm to policyholders

As for the performance of the business, Solunion has been working and will continue to work on evaluating the different scenarios, as it has already been doing in the solvency reports, with stress tests that simulate extreme situations such as that which has taken place.

As we address the challenges associated with COVID-19, at Solunion we are taking steps to protect the health and safety of our employees, clients and other collaborators in every country where we operate. That remains our top priority.

Below are some of the measures we have taken according to our stakeholders:

#### FOR CLIENTS AND SUPPLIERS

**1** We continue serving our clients as usual and we have strengthened our remote customer service channels.

**2** Since the start of the COVID-19 pandemic, at Solunion we have analysed economic developments around the world and we are constantly reviewing forecasts for trade and companies, offering our clients webinars and the most up-to-date reports

from our shareholders. Furthermore, since the economic situation changes daily, our clients receive up-to-date information on the economic and legal environment on an ongoing basis, which allows them to know how the different markets and sectors in which they operate are developing.

**3** We grant extensions for the declaration of non-payments and notification of claims.

**4** We have brought forward the payment of compensation and payment to suppliers, thus supporting companies that are forced to stop or slow down their activity due to COVID-19.

**5** We have deferred and split into instalments the payment of clients' bills.

#### FOR EMPLOYEES AND COLLABORATORS

At Solunion we are working responsibly, taking every step necessary to continue to support our clients, by providing services and ensuring the health of our employees and collaborators at all times.

To this end, the main measure to avoid risks is to promote remote working. Since the start of the pandemic and the lockdowns, Solunion has been able to guarantee full productivity thanks to the measures that it already had available.

In addition, the following measures have been implemented:

**1** Safety protocols for employees and collaborators have been created and implemented in the offices after the lifting of the lockdowns.



**2** A crisis monitoring committee was set up and it has been analysing the different scenarios and taking appropriate decisions at all times.

**3** Communication with workers has been strengthened through different channels; weekly newsletters such as «*Solunion, ¡contigo!*» [Solunion, with you!] have been created and Company events have continued to be held in a virtual format to accompany and motivate us despite the distance.

**4** The online training content has been reinforced, making digital resources available to professionals to enhance both their capabilities in this situation and to improve their skills in the future.

**5** Remote health services have been provided for all Solunion employees:

**Health and sport.** An online nutritionist service has been made available to the Solunioners together with Trientrenos, as well as daily training sessions and remote active breaks.

**Emotional health.** Online psychologist service and health tips (emotion management, stress management, relaxation...).

Solunion's offices in Madrid have obtained the AENOR Certificate of Protocol against COVID-19, which recognizes the application and imple-

mentation of the most updated protocols so that the people who access the office are as protected as possible.

### FOR SOCIETY

Solunion is carrying out solidarity initiatives to help towards alleviating the negative effects of this health crisis on society, especially on the most vulnerable:

**1** Solunion has joined different national associations (UNESPA- Spanish Union of Insurers and Reinsurers, AMIS- Mexican Association of Insurance Institutions, FASECOLDA- Federation of Colombian Insurers and AACH- Chilean Insurers Association) to underwrite various non-profit funds to insure the doctors, nurses, nursing assistants, caregivers and ambulance staff who are part of the national health systems and are directly involved in the fight against coronavirus.

**2** We have donated and collaborated with various organisations and associations due to the emergency: in Spain with *Caritas*, *Comedor de San Vicente de Paul*, *Talismán* NGO, *Aldeas Infantiles*, *Banco de Alimentos*, *Asociación Barró* and *Aldeas Infantiles*; in Mexico with *PAIDI*, in Chile with *Aldea Mis Amigos* and in Colombia with the *Banco de Alimentos*, *FAN Fundación* and *Fundación Sonrisas a la calle*.

**3** We have proposed to Solunioners and their families to participate in volunteering activities at home to help those who most need it at this time: accompanying the elderly, academic support, learning projects for people with disabilities, translations for migrants, solidarity challenges, etc.



## 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

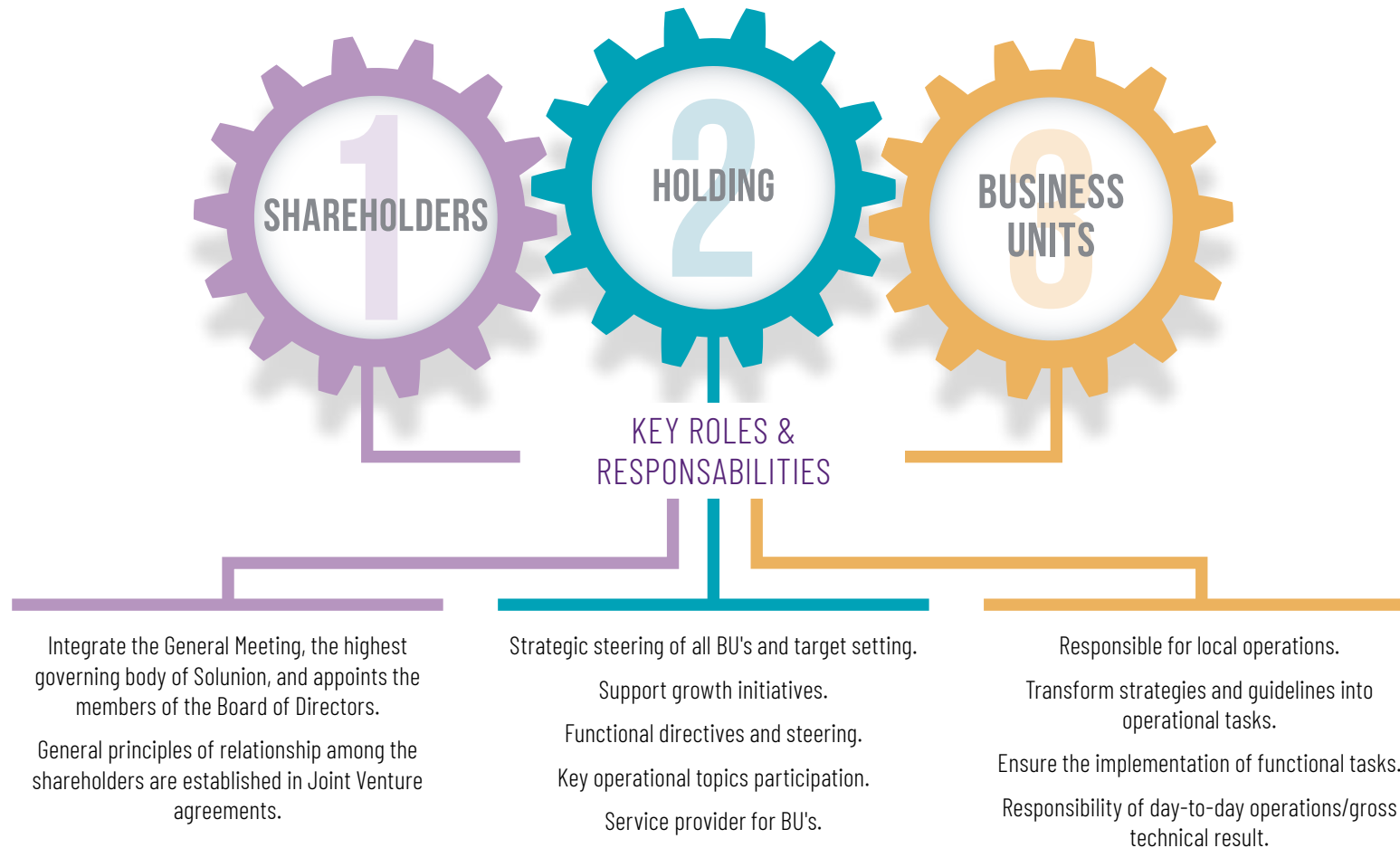
**THE GOVERNANCE SYSTEM OF SOLUNION** has the aim of guaranteeing its sound and prudent management in accordance with a common model of operation and organisation for the Group that establishes hierarchical and functional dependencies, a structure of governance for common risk management, key functions,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



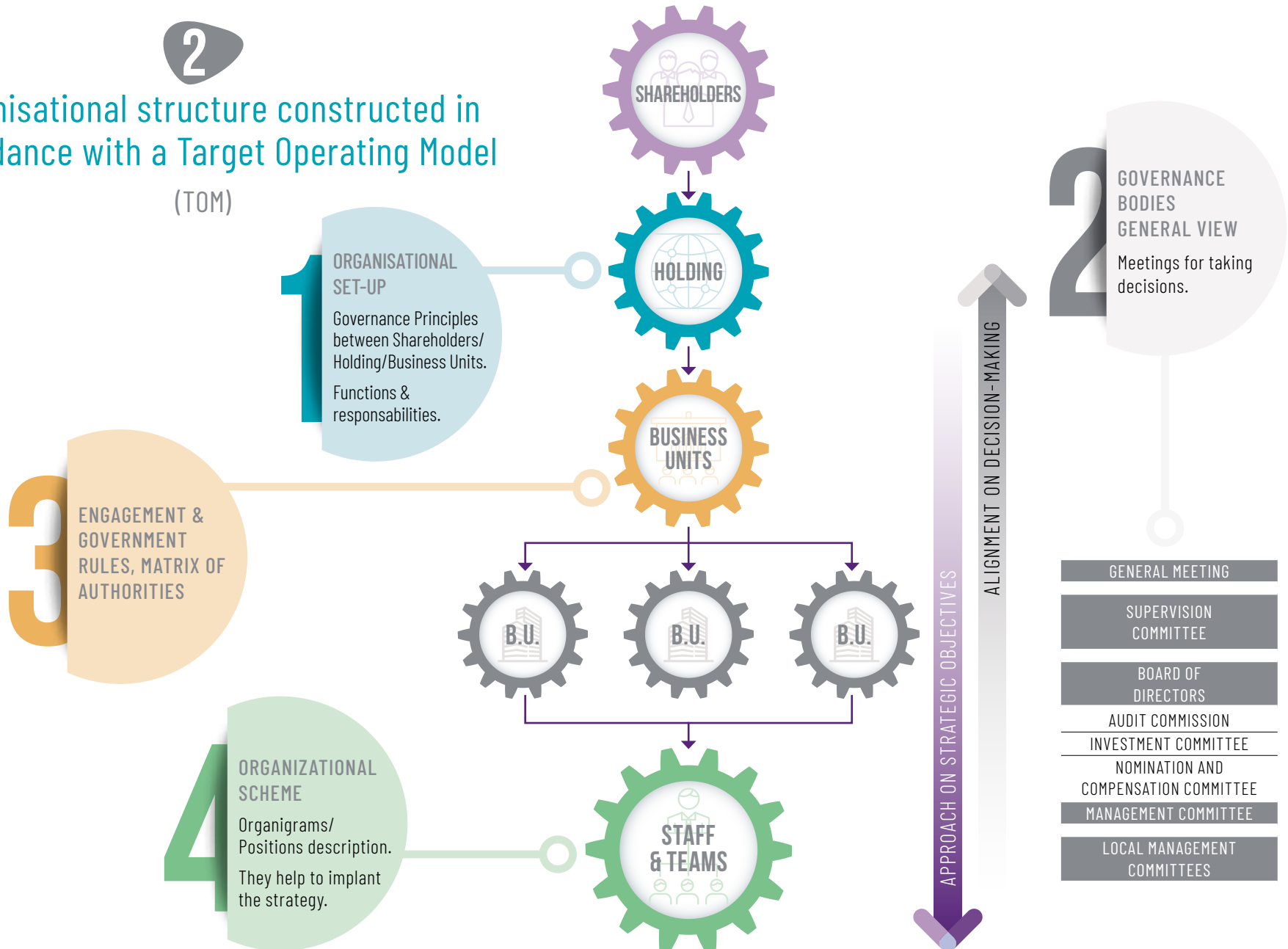
## 1

## Operational scheme made up of three levels

(Shareholders, Holding, and Businesses Units)

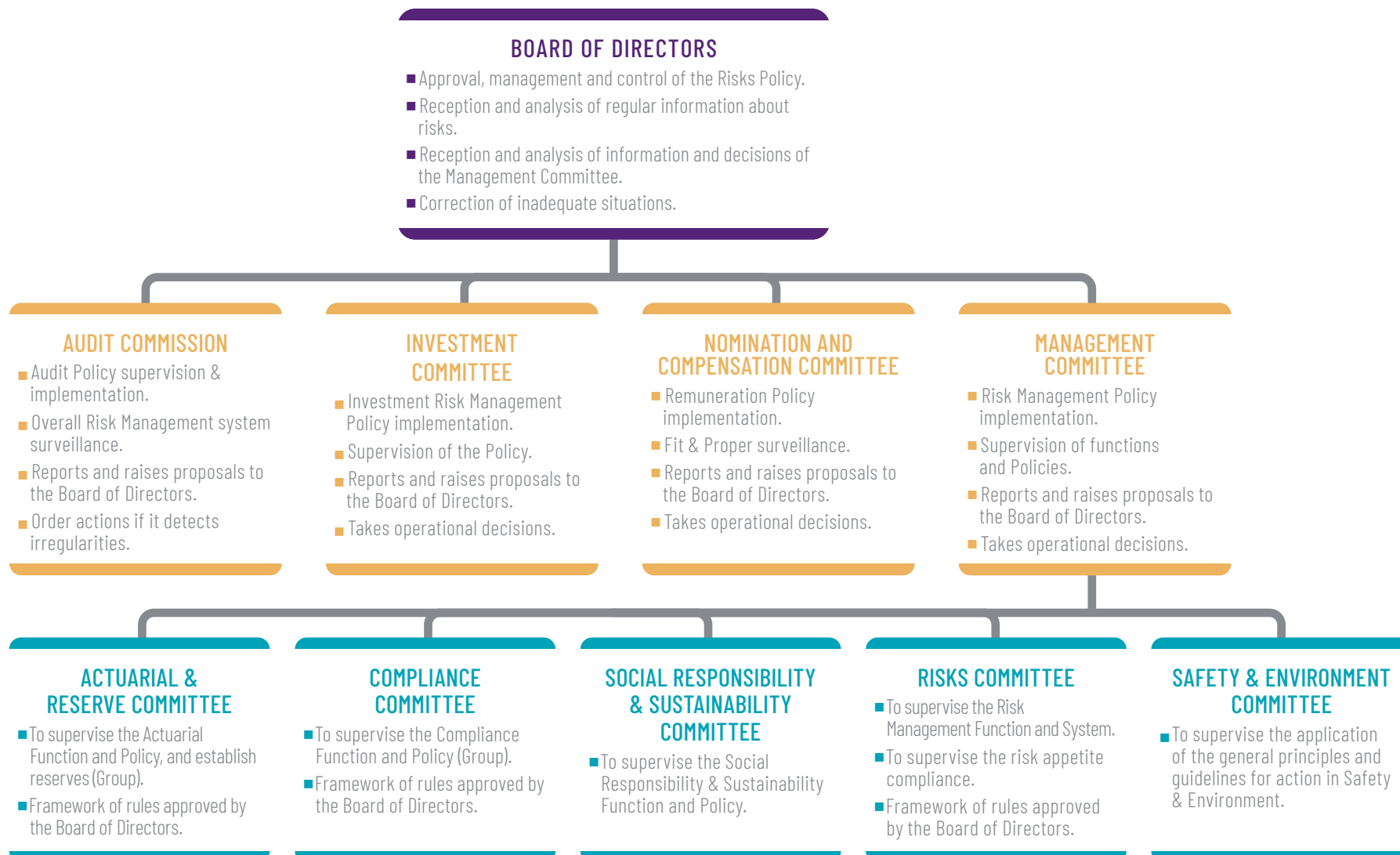


## 2 Organisational structure constructed in accordance with a Target Operating Model (TOM)



## 3

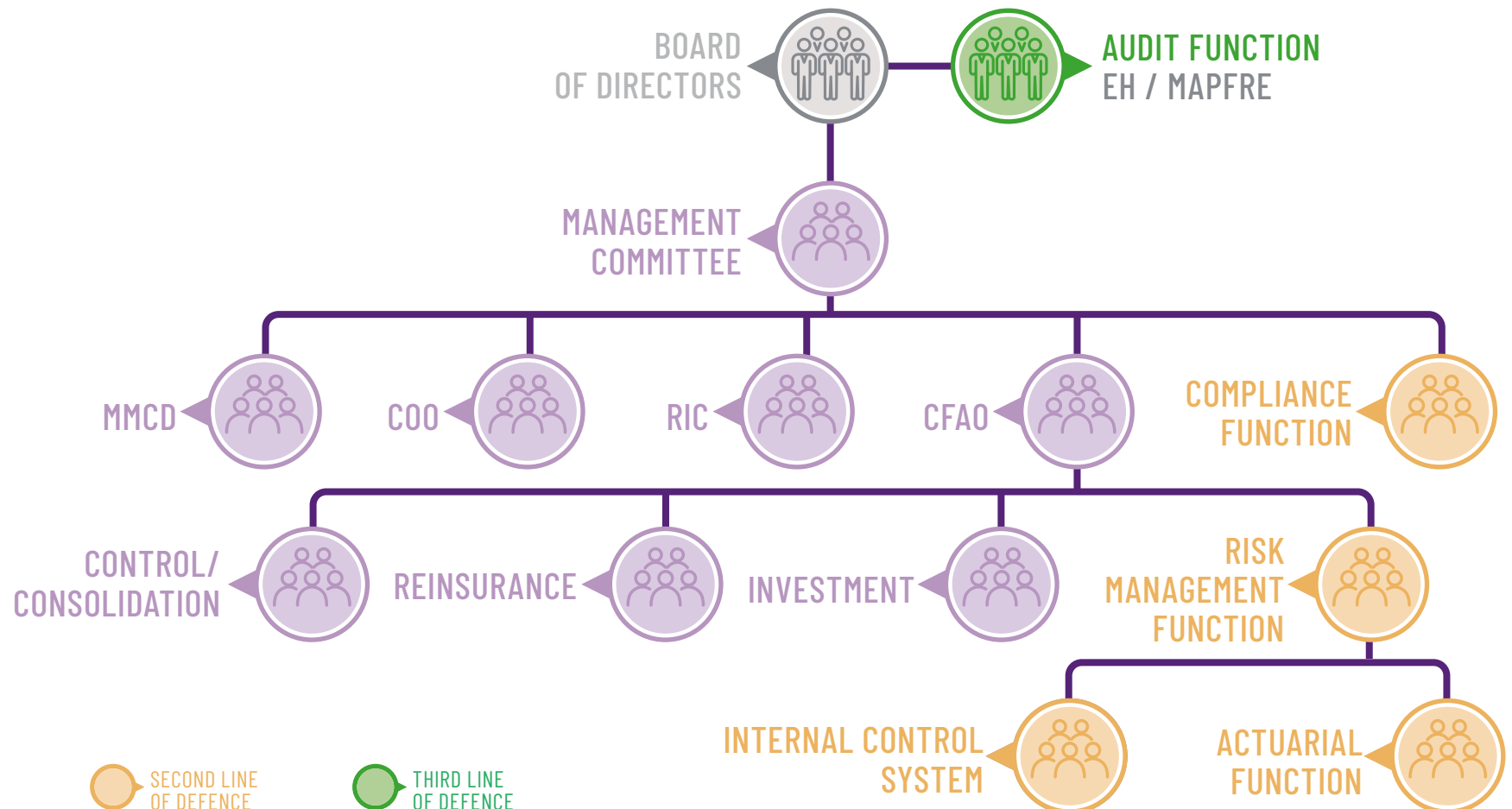
## Common structure of risk management governance for Solunion



## 4

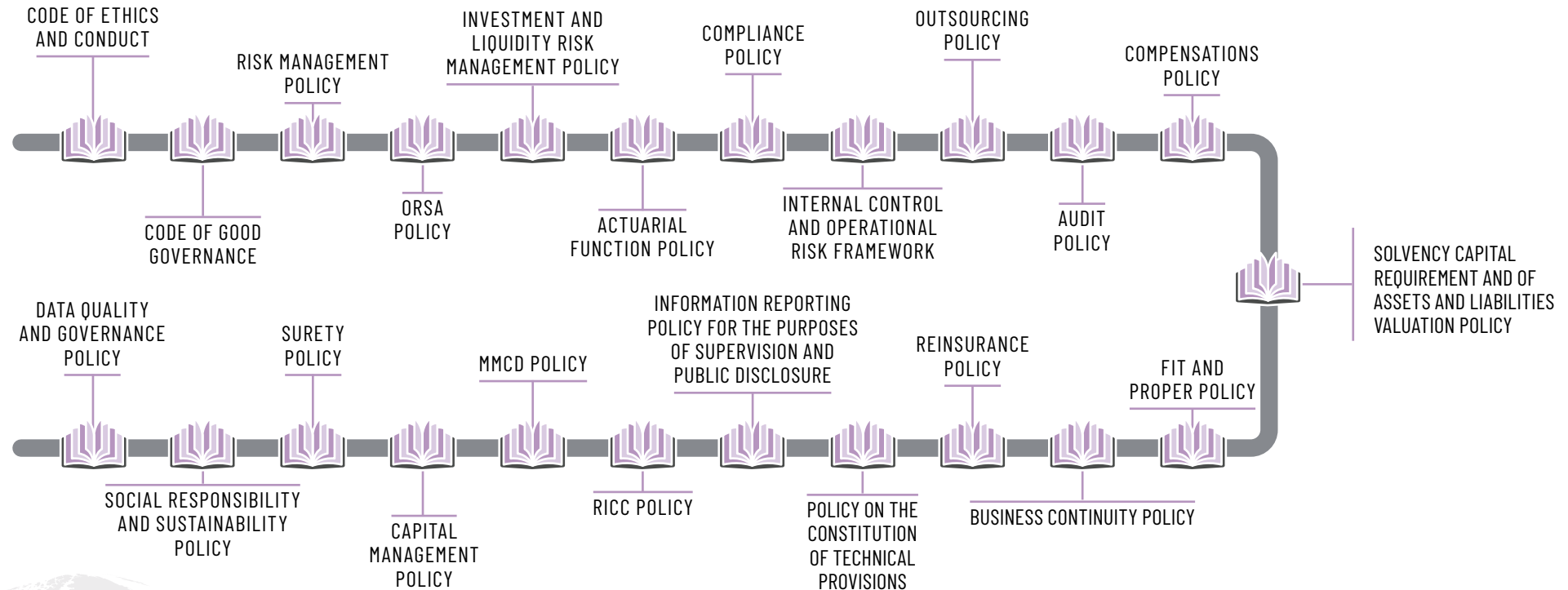
## Key roles of the governance system

(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

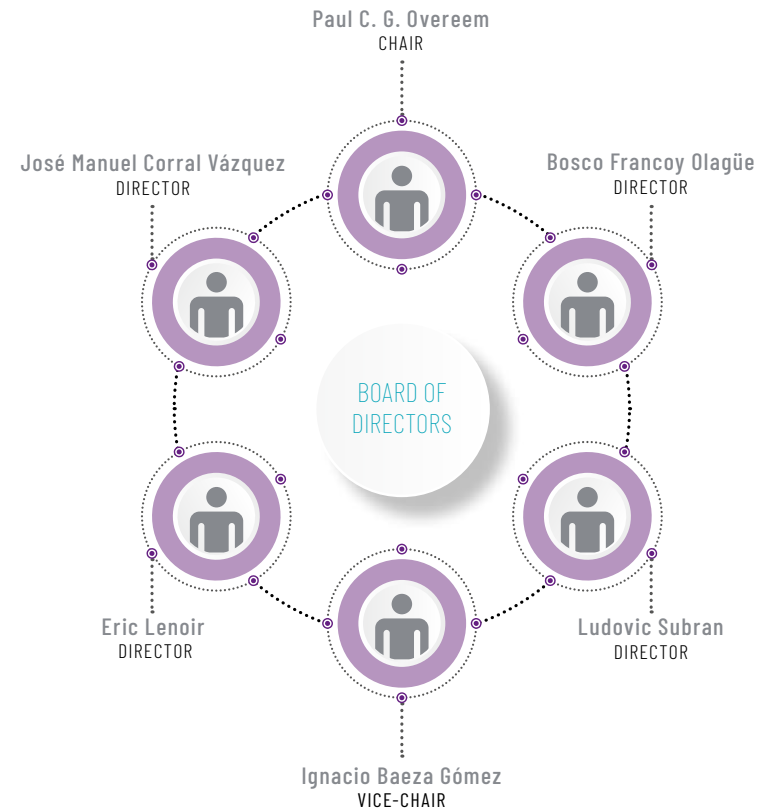
has full powers of representation, arrangement and management, its acts are binding on the Company, apart from in matters attributed to the General Meeting, and it designates and removes the members of the Company's Committees, including the Management Committee.

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.

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

At December 31<sup>st</sup>, 2020, the Board of Directors consisted of six members:



## 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, Investments, and Nominations and Compensation.

### AUDIT COMMISSION

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

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

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

### INVESTMENT COMMITTEE

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

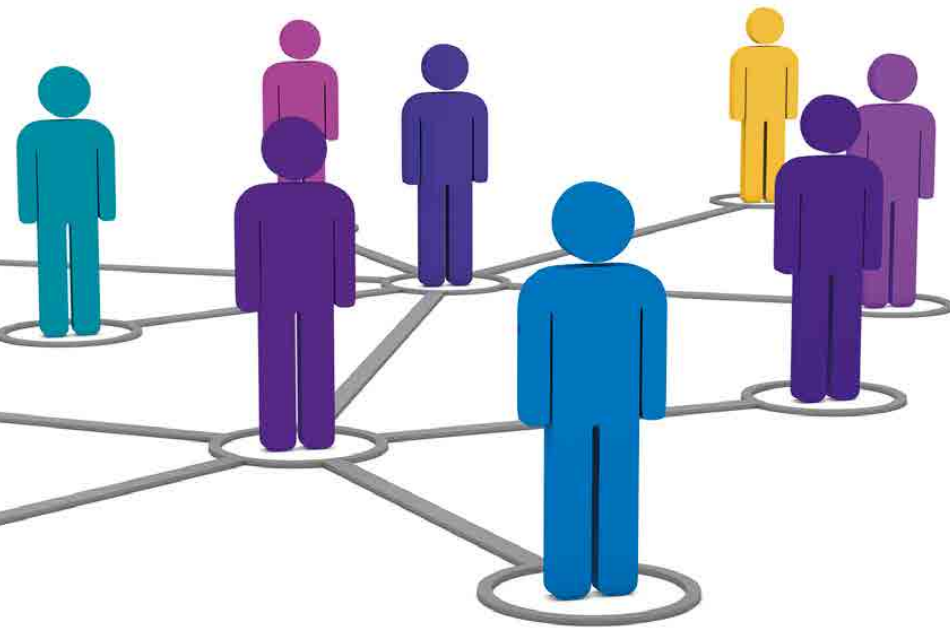
It is composed of four members of the Board of Directors elected for a term of three years, among whom will be designated a Chair and Vice-Chair.

### NOMINATION AND COMPENSATION COMMITTEE

Coordinates the implementation of Solunion's Nomination and Remuneration Policy, and advises and issues recommendations to the Board of Directors on matters concerning compensations and benefits relating to the Top Management of Solunion and in matters related to: **(I)** scope of governance, **(II)** recruitment and selection of candidates for key executive positions and for those in charge of the Key functions, **(III)** compensation policies and plans, and **(IV)** annual programmes, allocation and payment.

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

## GENERAL DIRECTION OF SOLUNION AND MANAGEMENT COMMITTEE



### 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), Commercial

and Marketing (MMCD), and for Operating (COO) of Solunion, who have the status of being full members and with voting rights. The Corporate Directors for Communication, for Human Resources, for Legal and Compliance, for Surety, 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.

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

## Support Committees for the Group's Management Committee

In the performance of its duties relating to the governance of risk management, the Risk, Actuarial 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

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.

## 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.



## LOCAL ADMINISTRATION BODIES

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

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

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

## 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 of the 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

The business model that we develop serves the purpose of Solunion:

### OUR PROPOSAL

#### Why we are here

**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

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

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

**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.

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

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

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



## We want to take you further



We put at your service our commitment to excellence, to your projects, to your growth, to offer you **solutions that boost your business**.

**We are your ally.** We understand where you want to go, we accompany you in the decision making process, we protect you and we are committed to push you **to achieve your your goals**.

## 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

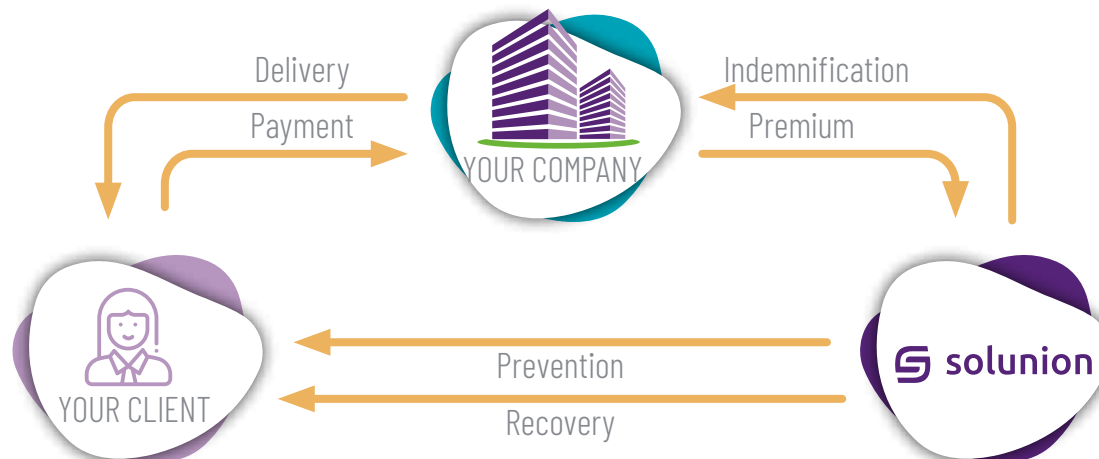


If the debt recovery does not take place, we will compensate you for the losses as established the cover of the policy.

This **helps you enter into new business contracts** more easily.

This **facilitates negotiation** with banks in terms of financing.

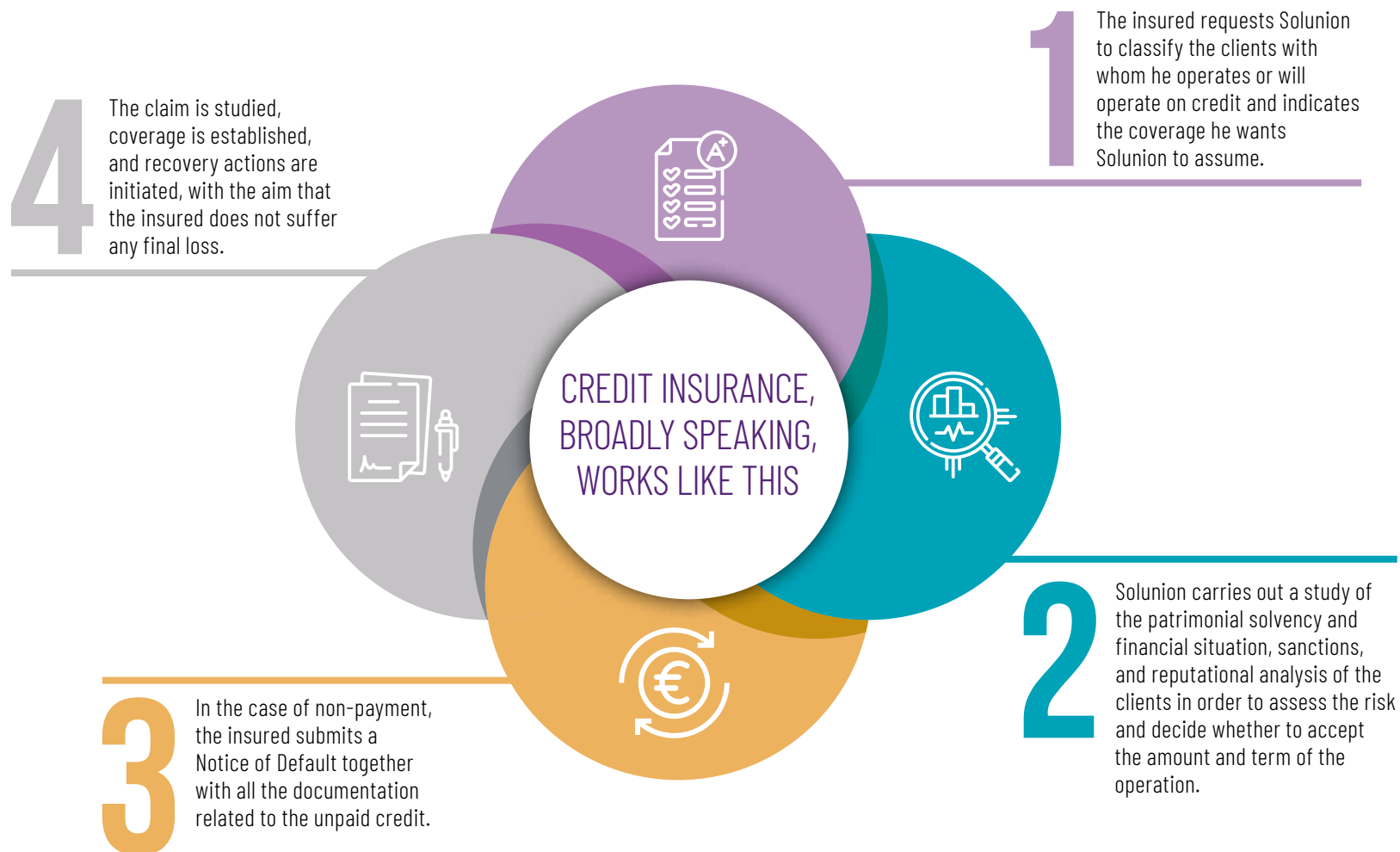
This covers the risk of default and **reduces the financial risk.**





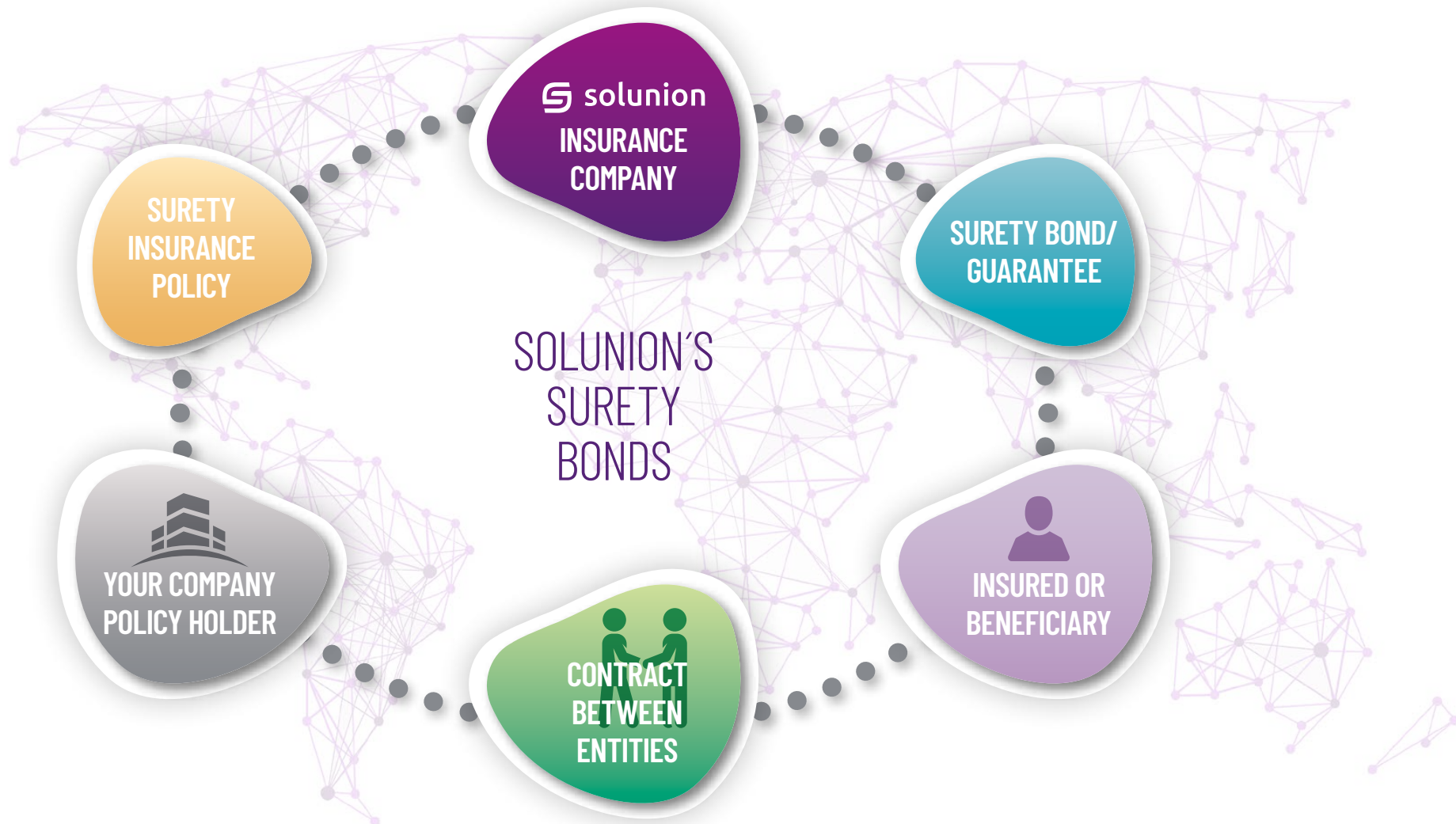
Credit insurance is a major risk insurance and is a triple protection tool against the risk of non-payment: it minimises the risk, recovers the debt and indemnifies.

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

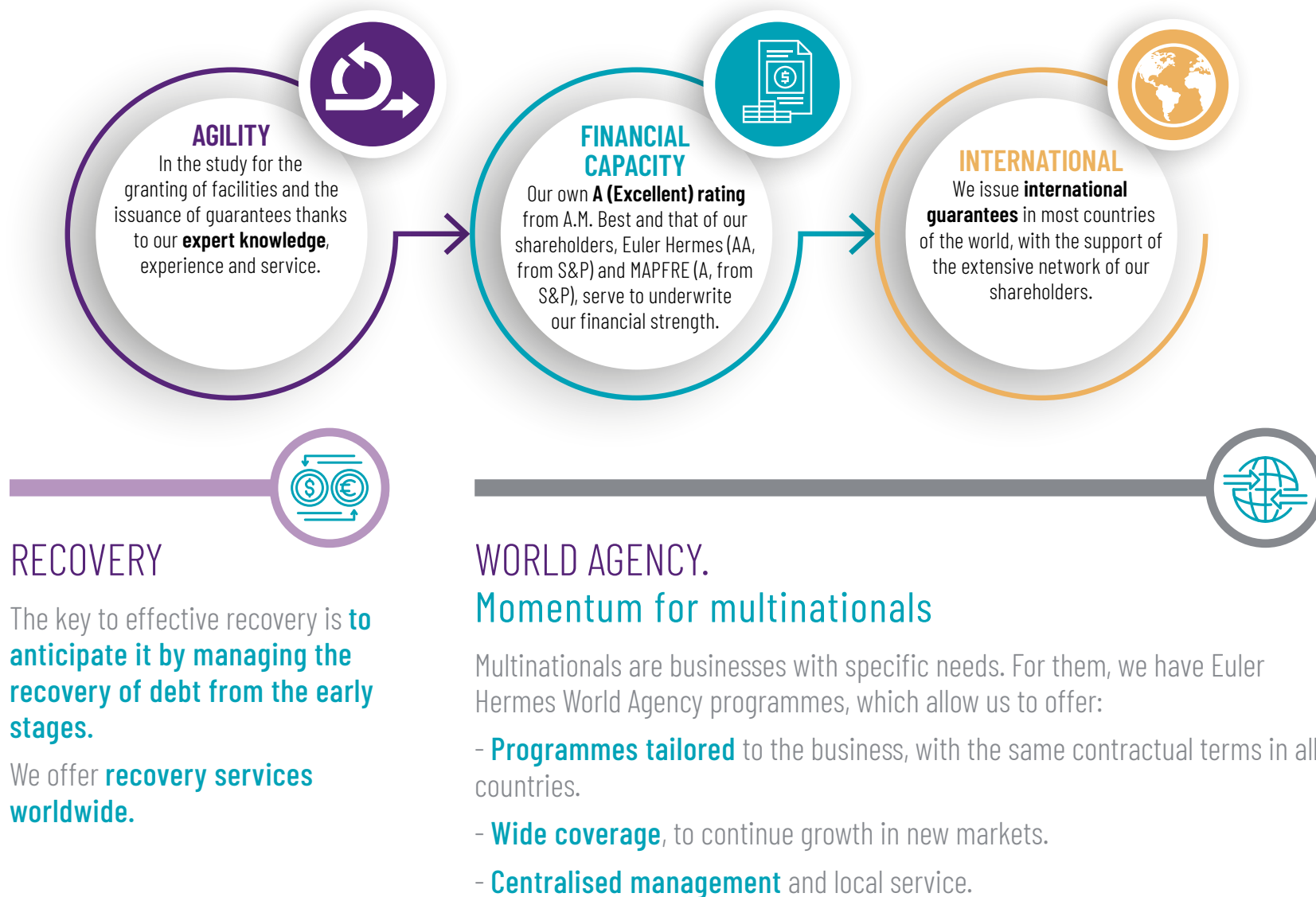


## SURETY BONDS

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



## At Solunion we offer:





## 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 con-

duct 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

At Solunion, we aim to go  
the extra mile **at our clients'**  
**side** so they can achieve all  
their aims.

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

### AT SOLUNION, WE ALWAYS LOOK AHEAD.

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

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

We take on challenges without fear of 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 responsibility with which we act, showing gratitude to society and the environment. In short, a reflection of the character of those of us who make up Solunion.



## 5 attributes of our personality



# 1

### TIRELESS

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



# 2

### INNOVATIVE

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



# 3

### APPROACHABLE

We inspire trust.



# 4

### AMBITIOUS

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



# 5

### FEARLESS

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

Solunion has established, through **12 Compliance Commitments** (applicable to all the administrators and directors, including the natural persons appointed to represent them in the exercise of their post and the professionals of the companies of the Group, independently

of their hierarchical level, of their geographical location or functional dependence, and of the Group company to which they provide their 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:



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

The body responsible for ensuring the application of the Code of Ethics is the Compliance Committee; a collegiate body of an internal and permanent nature, which supports Man-

agement 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 sustainable development. Their knowledge, dissemination, and implementation serve as a guide for the actions of the Board of Directors and its Committees and other bodies of the Company in their relations with the Company's stakeholders.

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,

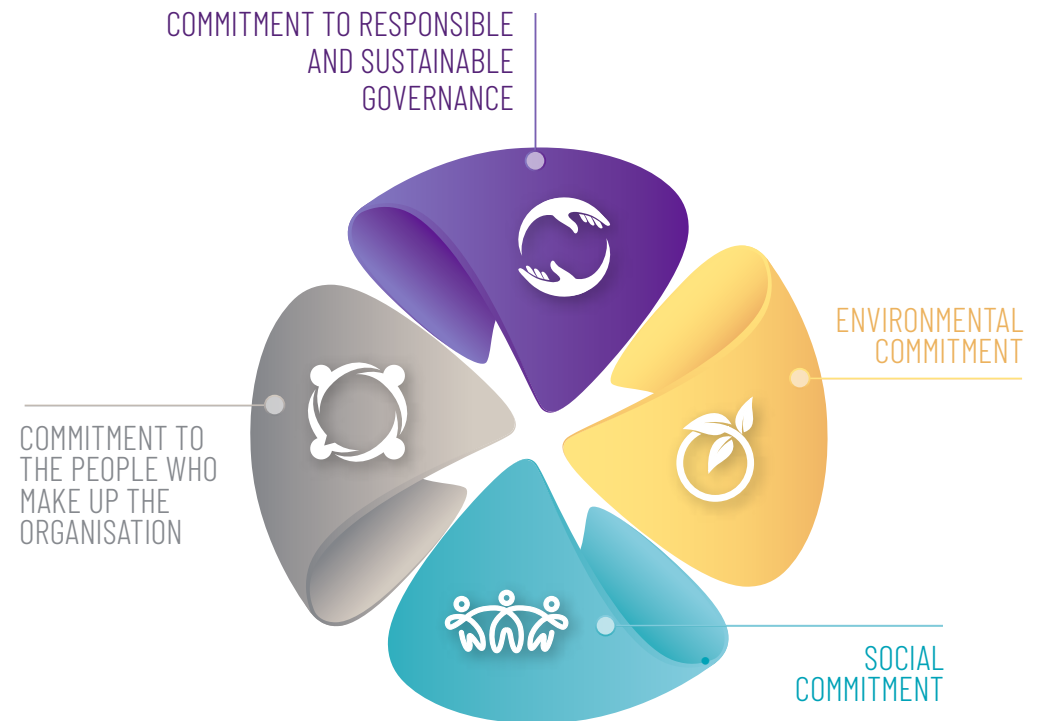
stable, and equitable in the environmental, social, labour, and governance fields and always in collaboration with our environment.

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.

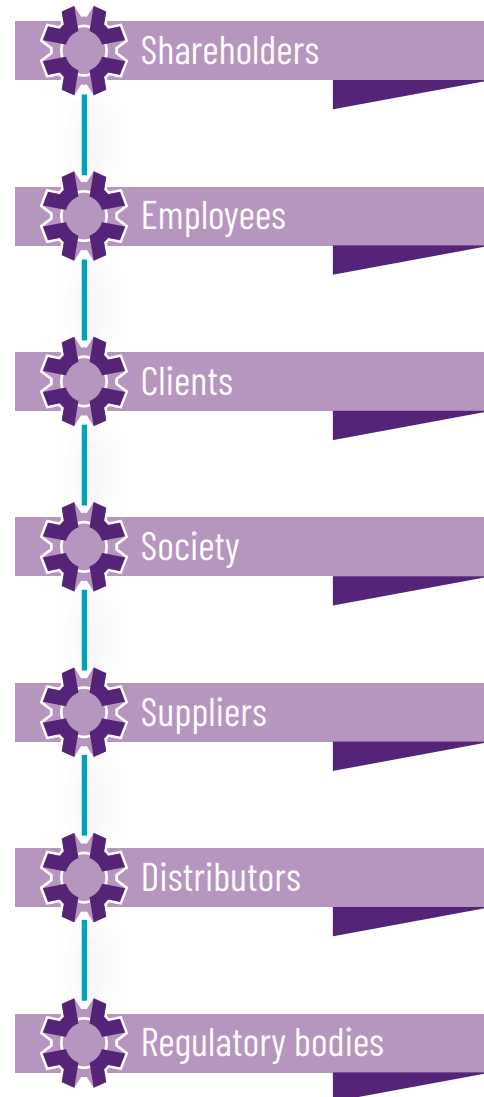
The real and effective implementation of this strategy is called to form, together with

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:



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.

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:

The **definition of the strategy** against the risks it takes.



The **inclusion of risk analysis** within the decision-making processes.



The **establishment of general patterns**, some basic principles, and a general framework of risk management that allow their consistent application in the Group.



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



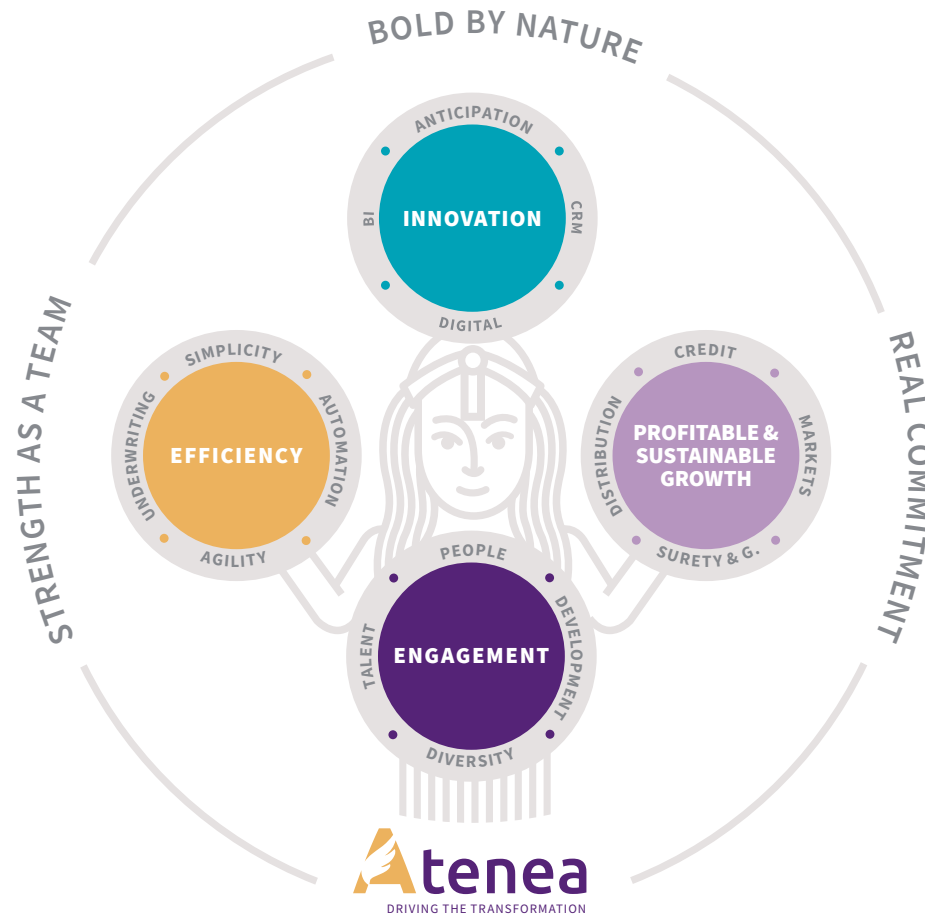
preparation of the ORSA report that is submitted for approval by the Board of Directors.



- **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



**S**olunion 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.



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


At Solunion, we work with a focus on anticipation. Business intelligence and digitalisation, the automation of processes to offer a better

service to our clients and to provide more agility and efficiency along the value chain, are some of the key points of its transformation.

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

The purpose of this strategic plan is to accompany our clients to achieve their objec-

tives and encourage them to grow, providing risk management solutions adapted to their needs. The vision, in the first-person plural, reflects the importance of the joint work of the entire Solunion team: «we provide a sound and secure business environment for our clients to achieve their business goals».

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

## 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. Strong and visionary business leadership is essential for achieving the necessary transformation required by the SDGs.

Solunion is aware that the SDGs offer a new vision that allows us to translate global needs and ambitions into 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.

#### 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 relation-

ship 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:

- Communication and promotion of the campaign named «SDG-17 goals to change the world», which defines each of these Goals, Solunion's position, the activities that each person can perform in their daily life to improve this and requests that we all participate in order to improve our performance and achieve new goals.
- Providing all employees with training courses on Global Compact Principles,

SDGs and Climate Change, prepared by the Global Compact on our Online Training Platform, Soltrain.

- 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 a high to medium impact on short and long-term progress on the SDGs. The world has not been moving toward the goals at the pace or scale required, and we now see COVID-19 undoing our progress on the SDGs. This pandemic has underlined interconnectivity and the need for greater action. 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 deeper, faster and ambitious response is needed to spark the social and economic transformation needed to achieve our 2030 goals.

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

The coronavirus crisis has already changed the world and will continue to do so over the coming months. Now is the time to propose innovative and disruptive solutions. To rethink the way, we do business and 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 of the company and of the value chain. Sustainability must remain the central pillar that guides our contributions in the fight against the virus.

**Sustainability**  
must remain  
the central pillar  
that guides our  
contributions in  
the fight against  
the virus.



**SUSTAINABLE  
DEVELOPMENT GOALS**



# SOLUNION'S

## MAIN ACTIONS AND ACHIEVEMENTS IN RELATION TO THE SDGs



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 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 programmes** 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 programmes** 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.



## 3 GOOD HEALTH AND WELL-BEING



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 carry out **health promotion through health awareness, sport and healthy habits**:

1. We have conducted and continue to plan various **global campaigns** with common content, awareness-raising and face-to-face and online workshops on: healthy eating, active breaks, gymnastics in the office, guidelines for action in the event of choking, smoking, stroke information and prevention campaign, etc.
2. We have the **Healthy Company Platform**, whose priority objective is to improve our health and quality of life by offering information, resources and appropriate material to pass on self-care habits.
3. We have access to the **Trientrenos platform**, its experts and its weekly training and talks on sport nutrition to promote personalised monitoring of physical activity.

## 4 QUALITY EDUCATION



We offer **training and continuous learning** opportunities 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 disadvantaged 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**.

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.

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.

## 6 CLEAN WATER AND SANITATION



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**.

## 7 AFFORDABLE AND CLEAN ENERGY



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

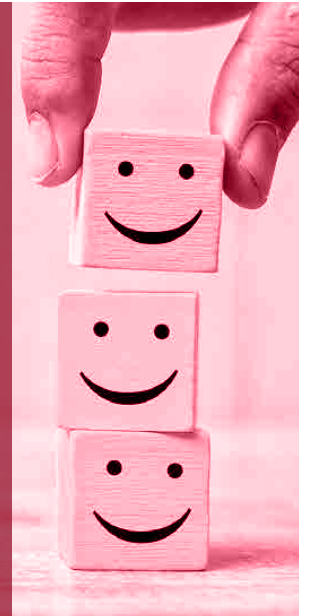
We are working on gradually replacing the use of **fossil energy with renewable energy** in Solunion's activities and operations.

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.

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.



## 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**:

1. 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.
2. 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 Code 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 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.

11  
SUSTAINABLE CITIES  
AND COMMUNITIES

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 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.

## 13 CLIMATE ACTION



**We measure our carbon footprint** across all company activities to set public short and longterm 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.

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.





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.

A more educated population will have access to **better job opportunities and wages** and, therefore, to more disposable income, which in turn benefits markets and the well-being of society.







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 decisionmaking a reality.

We participate in workshops, events and conferences to promote respect for human rights by the business sector.



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.

# 4 SOLUNION'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:

COMMITMENT TO THE PEOPLE WHO MAKE UP THE ORGANISATION

COMMITMENT TO RESPONSIBLE AND SUSTAINABLE GOVERNANCE



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 GOVERNANCEETHICAL CONDUCT:  
MAIN COMPLIANCE  
AND PREVENTION  
MEASURES

COMPLIANCE: GRI 102-11, 102-17, 102-33, 102-34, 103, 205-1, 205-2, 205-3, 406-1, 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.

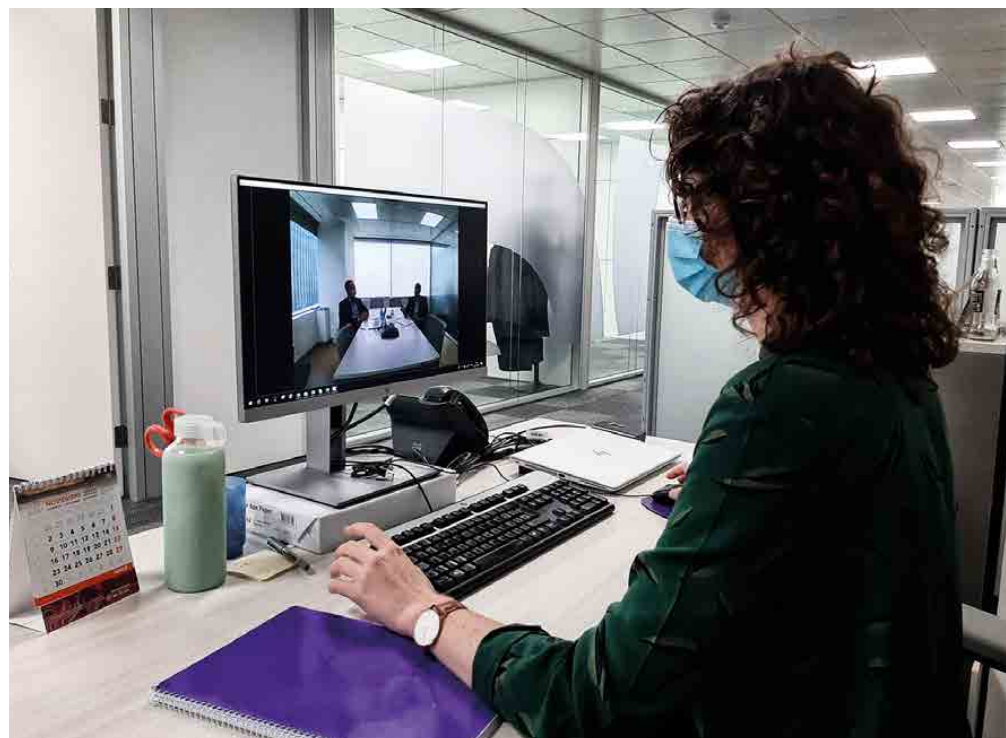


We are firmly committed to conducting all our activities and businesses in accordance with rigorous standards of ethical behaviour, both internally and externally. To ensure the best compliance management, the Company has a Compliance Committee, a Group Compliance Officer, and the various Business Unit 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 drawn up, taking on 12 Commitments with Solunion personality. The Criminal Risk Manual was updated, and specific Criminal Risk Manuals were prepared for each Business Unit. Risk monitoring was carried out and important communication and training actions were performed, with a global communication plan with a scope covering Spain and Latin America.

2020 has been a little special. As a result of COVID-19, which resulted in the lockdown of the world's population, the Compliance Function has also had to adjust its planning to comply

with the verification plan established at the start of the year.

Over 2020, a communication and awareness campaign of the 12 Commitments of the Code of Ethics and Conduct has been implemented, and the «Compliance Awards» were carried out with the participation of the employees of the different Business Units.

This Internal Communication campaign has been recognised as **the Best Internal Communication Practice in Latin America** by the Internal Communication Observatory, developed by *Atrévía* Communication agency and





which reflects Solunioners' commitment to Compliance as part of our culture and behaviour, in each one of our processes, in order to build a more ethical and committed business environment.

Compliance Policies have been updated to fit the new Solunion personality. This is how we now refer to Commitments, some of which have Policies for implementing them.

However, the most important task has undoubtedly been to ensure Solunion's compliance with all the local regulations published by the different governments as a result of COVID-19, as well as the usual modifications and/or adjustments.

At the same time, during 2020 the risks associated with the Commitments of «Transparency

in Communication», «Ethical Courtesy» and «No Fraud or Bribery» have been monitored.

At the same time, and in line with the objective of previous years, the Compliance Function has performed important communication and training actions, with a global communication plan with a scope that covers Spain and Latin America, with the aim of disseminating, training and raising awareness among employees, managers and directors of the importance of compliance in their day-to-day work. This year, the focus has been placed on our Drivers, collaborating Solunioners who were identified last year to be the true ambassadors of each Commitment in each country.

All these activities are complemented by those performed by other areas or functions with

responsibilities or competencies in specific compliance matters, such as security and data protection, prevention of money laundering, tax, employment, legal, etc., that make up Solunion's Compliance Function.



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](mailto:cumplimiento@solunion.com).

## WHISTLEBLOWING CHANNEL: OUR CANAL IMPULSO COMPLIANCE

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



**SOLUNION HAS A WHISTLEBLOWING** Channel that is available to all its employees so that they can bring to the attention of the

Company any behaviours that they consider to be going against Solunion's Ethics and Conduct Code, the local laws, or internal rules.

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](mailto: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.

In 2020, no complaint was received through the *Canal Impulso Compliance*.





## 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 11<sup>th</sup> 2004, in the departments and services of customer service and the client's ombudsman of financial institutions.

This service has not received any claims during 2020.

## INTERNAL CONTROL AND OPERATIONAL RISK

GRI 102-3, 102-30, 102-31 (L.11/2018)



**SOLUNION HAS AN INTERNAL CONTROL** and Operational Risk Framework that establishes the most important actions that need to be implemented to maintain an optimum Internal Control System.

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

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

### OPERATIONAL OBJECTIVES

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

### INFORMATION OBJECTIVES

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

### COMPLIANCE OBJECTIVES

Compliance with applicable laws and regulations.

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

### FIRST LINE OF DEFENCE

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

### SECOND LINE OF DEFENCE

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

### THIRD LINE OF DEFENCE

Internal Audit, as an independent evaluator entrusted with the

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

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

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

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

Therefore, the Management Committee is responsible for making decisions on any aspect related to the management and control of risk in Solunion, and for approving the Internal Control and Operational Risk Framework and any subsequent amendments thereto, the reports, and the action plans proposed to miti-



gate 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 RE-**spect for others should be a basic element of behaviour. Therefore, we reject any manifes-

tation of harassment at work, as well as any violent or offensive behaviour towards the rights and dignity of people, since these situations contaminate the working environment, and have negative effects on the health, well-being, confidence, dignity, and performance of people who suffer from it.

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

Therefore, at Solunion, we declare that we are expressly against and will not allow situations of harassment at work, regardless of who the vic-

tim 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:



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.



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

There is a protocol for the treatment of such cases.

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 UN-**ethical 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 such practices with its employees. Therefore, we include a specific section in our Code of Ethics and Conduct for Third Parties.

No cases were reported in 2020 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 (employees) and external activity (clients and com-



mercial 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 86](#)).

## INTERESTS WITHOUT CONFLICT

GRI 102-25



**AT SOLUNION WE ARE COMMITTED TO IN-**terests 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 frame-

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



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

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

## PREVENTION OF MONEY LAUNDERING

GRI 102-33, 102-34



**AT SOLUNION, WE ARE FIRMLY COMMITTED** to acting with a guarantee that our operations are conducted only with ethical organisations and individuals who could under no circumstances be directly or indirectly connected with illicit activities, such as terrorist funding and money laundering

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

We understand our Commitment to Prevent Money Laundering as the fight to stop illicit



money from entering the financial system, thereby helping to create a better world.

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

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.

## 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 Directivos de Comunicación                                     |
|   | WCA       | World Compliance Association   |
|  | IOC       | Instituto Oficiales de Cumplimiento  |
|  | CEE       | Club de Exportadores de España   |
|   | CEIE      | Club de Exportadores e Inversores Españoles                                  |
|  | CAMESCOM  | Cámara de Comercio Española en México  |
|   | CAMESCOM  | Cámara de Comercio Española en Chile   |

## FAIR COMPETITION

## GRI 206, 102-13



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

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

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

At Solunion we promote an environment of transparency, maintaining the appropriate internal channels to encourage the communication of possible irregularities, including ethical mail-boxes, 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.







## 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 Commitment as the lever of change bringing about even greater integrity in the global market, with our clients and commercial partners joining the fight.

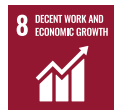
Compliance with regulatory requirements is a priority for Solunion in all countries where it is present. To this end, it maintains an open, permanent and constructive dialogue, through which an exchange of information, knowledge and opinion with the Regulatory Bodies takes place. This allows Solunion 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 2020.





## SECURITY

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



### AMONG OTHER ISSUES, SOLUNION FOCUSES

its security actions on the protection of its workers and facilities, on safeguarding the information and privacy of its customers, employees

and other stakeholders, and on the sustainability and resilience of its operations and the services it provides.

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

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

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

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 2020, 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 specialised personnel to ensure that new corporate information systems and initiatives incorporate security criteria from the outset aimed at minimising risks, protecting data privacy and increasing incident detection and response capabilities.

Over 2019, Business Continuity Plans were successfully verified in every country. This has allowed us in 2020 to avoid conflict situations and maintain the Company's service level without any harm to the insured immediately and always placing the health and well-being of employees at the centre of the strategy.

## 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 environment 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.

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

The taxes that Solunion pays in the countries and territories where it operates are the main

contribution of the Group's companies to the support of public expenditure and, therefore, one of their greatest contributions to society.

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

The taxes paid are presented in the following tables:

### Tax contribution

| SPAIN (€)                   | 2020                 | 2019       |
|-----------------------------|----------------------|------------|
| Corporate tax               | 571,705.24           | 879,607.59 |
| VAT                         | 6,797,250.77         | *          |
| Payments to Social Security | 4,470,110.09         | *          |
| Rest of taxes and fees      | 92,385.89            | *          |
| <b>TOTAL</b>                | <b>11,931,451.99</b> | <b>*</b>   |

| MEXICO (MXN)                | 2020               | 2019      |
|-----------------------------|--------------------|-----------|
| Corporate tax               | 22,708,387         | 9,989,252 |
| VAT                         | 63,919,310         | *         |
| Payments to Social Security | 9,473,914          | *         |
| Rest of taxes and fees      | 24,025,034         | *         |
| <b>TOTAL</b>                | <b>120,126,645</b> | <b>*</b>  |

| COLOMBIA (COP)              | 2020                 | 2019          |
|-----------------------------|----------------------|---------------|
| Corporate tax               | 1,255,600.000        | 2,846,612,000 |
| VAT                         | 6,393,666.711        | *             |
| Payments to Social Security | 943,809.000          | *             |
| Rest of taxes and fees      | 187,671.226          | *             |
| <b>TOTAL</b>                | <b>8,780,746.937</b> | <b>*</b>      |

| CHILE (M CLP)               | 2020                 | 2019       |
|-----------------------------|----------------------|------------|
| Corporate tax               | 22,460,417           | 41,572,339 |
| VAT                         | 1,248,284            | *          |
| Payments to Social Security | 344,309              | *          |
| Rest of taxes and fees      | 37,941               | *          |
| <b>TOTAL</b>                | <b>24,090,951.00</b> | <b>*</b>   |

| ARGENTINA (ARS)             | 2020                 | 2019         |
|-----------------------------|----------------------|--------------|
| Corporate tax               | 5,973,011.93         | 7,853,596.95 |
| VAT                         | 88,154.47            | *            |
| Payments to Social Security | 7,824,819.11         | *            |
| Rest of taxes and fees      | 342,434.60           | *            |
| <b>TOTAL</b>                | <b>14,228,420.11</b> | <b>*</b>     |

| PANAMA (PAB)                | 2020              | 2019     |
|-----------------------------|-------------------|----------|
| Corporate tax               | 0.00              | -        |
| VAT                         | 80,856.40         | -        |
| Payments to Social Security | 27,233.76         | -        |
| Rest of taxes and fees      | 84.00             | -        |
| <b>TOTAL</b>                | <b>108,174.16</b> | <b>-</b> |

\*data not provided in 2019



**0.7%** OF THE TOTAL TAX QUOTA FOR SOCIAL PURPOSES

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

At Solunion, we have already ticked that box for the 2018 & 2019 financial year, and we will do so in the future, because we are committed to ensuring that a percentage of the income we earn in favour of the State is allocated to programmes for social strengthening and cohesion, demonstrating our commitment to projects related to social improvement, sustainable development and, in short, to a fairer, more egalitarian, and inclusive society.



## 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 invest-

ment managers are signatories to the UNEP Finance Initiative's Principles for Responsible Investment (PRI).



## 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 in-

dependent guarantee of the adequacy and effectiveness of the Internal Control System and other elements of the Governance System.

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

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

## RISK MANAGEMENT FUNCTION

GRI 102-15, 102-30, 102-31, 102-33, 205-1, 205-2, 205-3, 410-1



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



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



#### IDENTIFICATION

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



#### MEASUREMENT

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



#### LIMITS

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



#### SUPERVISION

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



#### MANAGEMENT AND MITIGATION

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



#### NON-COMPLIANCE WITH THE LIMITS

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





## INTERNATIONAL COMMITMENTS RELATED TO SUSTAINABILITY



### 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.



### PRINCIPLE 1

We will **embed in our decision-making environmental**, social and governance issues relevant to our insurance business.

### PRINCIPLE 2

We will **work together with our clients and business partners** to raise awareness of environmental, social and governance issues, manage risk and develop solutions.



### PRINCIPLE 3

We will **work together with governments, regulators and other key stakeholders** to promote widespread action across society on environmental, social and governance issues.



### PRINCIPLE 4

We will **demonstrate accountability and transparency** in regularly disclosing publicly our progress in implementing the Principles.



## Signing of the United Nations Global Compact

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



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

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

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

and in the ILO Declaration on Fundamental Principles and Rights at Work.

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

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

**REJECT CHILD LABOUR AND FORCED OR COMPULSORY LABOUR.**

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

**OFFER A DIGNIFIED EMPLOYMENT.**

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

The protection of Human Rights is linked to the Group's internal regulations, approved at the highest level of the organisation and is found both in the Code of Ethics and Conduct and in the Social Responsibility & 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 2020, this Committee has no reports regarding Human Rights violations were received, according to what is established in the Code of Ethics and Conduct.

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




## Measures adopted to guarantee the respect of Human Rights

GRI 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:

- 1 In our Materiality analysis, a specific section has been devoted to Human Rights.
- 2 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 77](#)).
- 3 Specific channels and means for the protection of rights and the management of customer complaints ([see page 78 and following](#)).
- 4 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 101 and following](#)).



Solunion assumes, as part of its commitment, to raise awareness and train in this area and makes available to all Solunioners a specific on-line course designed by the Spanish Network of the United Nations Global Compact to train employees in the Principles of the Global Compact and another on the Sustainable Development Goals apart from its own awareness-raising campaigns. 

#### % EMPLOYEES COVERED BY COLLECTIVE AGREEMENT (as a 31<sup>st</sup> december)

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

## 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.
- 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.
- 7 Support a precautionary approach to environmental challenges.

### LABOUR

### ENVIRONMENT

### ANTI-CORRUPTION

- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.
- 10 Work against corruption in all its forms, including extortion and bribery.

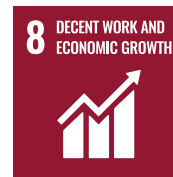


This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



## 10 Principles LINKAGES 17 SDG





## 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



**T**he 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.

No environmental non-compliance has been reported during 2020.

Specifically, Solunion's strategy includes the following initiatives:

#### Insurance activities

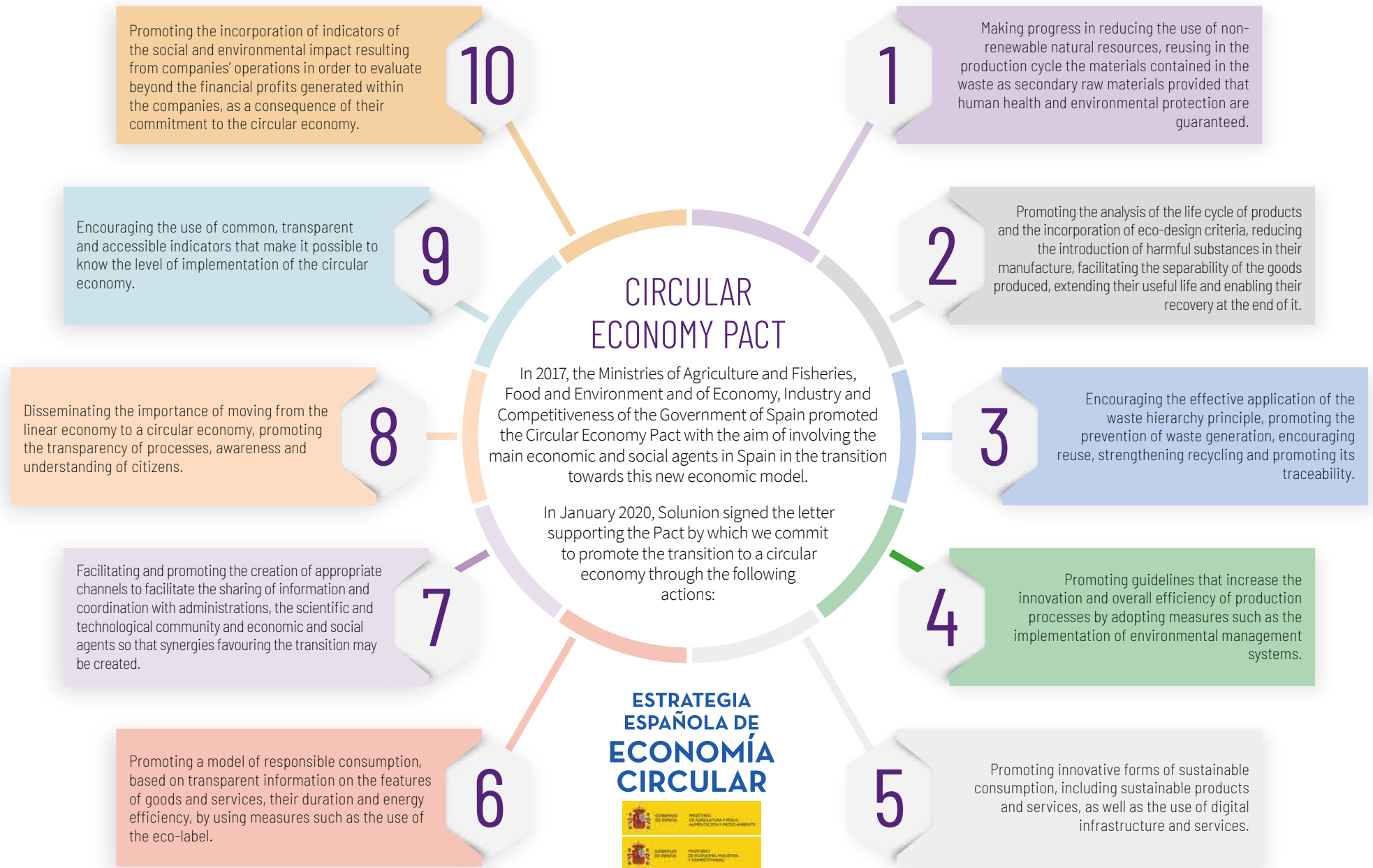
Underwriting restrictions in the coal industry and in-depth analysis of mining, oil and gas, nuclear energy, hydropower, agriculture, fisheries and forestry; and investments in agricultural raw materials, animal welfare and large-scale infrastructure operations. The underwriting operations of individual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

#### 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.

Optimizing office space, increasing the use of green energy and more environmental management systems are some of the initiatives in which the countries are working.



## CARBON FOOTPRINT MEASUREMENT

**THIS YEAR, FOR THE FIRST TIME, SOLUNION** has calculated and registered its footprint in the Register of carbon footprint, offsetting and CO<sub>2</sub> capture projects of the Ministry for the Ecological Transition and Demographic Challenge.

The Register, created by Royal Decree 163/2014, of March 14<sup>th</sup>, reflects the efforts of Spanish organisations in calculating and reducing the greenhouse gas emissions generated by their activity.

All registered footprints are accompanied by a reduction plan and are checked prior to registration.







We **reduce our trips** thanks to the use of new technologies and the introduction of telework.



**100% renewable** electrical energy at our headquarters.



**Circular economy** and waste management prevention.

The company carries out specific actions for **classifying, managing and treating waste**.



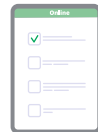
We have specific containers available so that employees can separate each type of waste into organic, plastic, batteries, glass and paper.



Our headquarters are located in a building with a **Zero Waste objective**. To avoid being sent to landfill, a new garbage room with greater space and better order has been set up, equipped with a cold room for organic waste. These rooms have the containers, as well as staff from the waste management company itself that helps with segregation and controls the garbage disposal.



## SOLUNION'S MAIN ACHIEVEMENTS



We encouraged actions to **reduce paper in our work centres** with initiatives in favour of digitalisation: digital invoicing, digital expense sheets, digital issuing of policies, etc.



Installation of **low-consumption light bulbs** in the central offices.



In relation to the paper and cardboard used, we have a **recurrent collection service by an authorised manager for their treatment**, as well as special containers for confidential documents that are treated on site by an authorised manager for their subsequent treatment, destruction and recycling in accordance with current legislation.



In relation to **WEEE equipment**, computer material that is no longer to be used and used toner are delivered on time to an authorised manager for treatment in all countries.



Global participation at **WWF Earth Hour** by shutting down our offices.




**CO2 Neutral Website**. This certification confirms that Solunion participates in the CO2 Neutral Website initiative. This means that the carbon dioxide emissions derived from the use of our website (Intranet and web) have been neutralised through the creation of new renewable energy sources and the purchase of certifications of the reduction of CO2 emissions verified by the relevant government organisations.




We have implemented a **0-plastic policy** in our offices.

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), re-

frigerants 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 (31<sup>st</sup> December)

|  | 2020  | 2019** | 2018*** | PERIOD VARIATION |
|--|-------|--------|---------|------------------|
|  <b>Normal electrical energy (MW)</b> | 93.3  | 0      | 0       | 100%             |
| <b>Electrical energy from renewable sources (MW)</b>   | 200.2 | 251    | 120     | -20%             |

\*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.

|   | 2020   | 2019   | 2018   | PERIOD VARIATION |
|---|--------|--------|--------|------------------|
|  <b>Water (m³)</b> | 178.48 | 353.29 | 336.35 | -49%             |

\*Reporting only possible from Santiago de Chile office.


|  | 2020 | 2019   | 2018   | PERIOD VARIATION |
|--|------|--------|--------|------------------|
|  <b>Recycled or Certified Paper (kg)</b> | 913  | 4,263  | 0      | -79%             |
| <b>Paper (kg)</b>  | 57   | 6,359  | 13,898 | -99%             |
| <b>Total Paper (kg)</b>  | 970  | 10,622 | 13,898 | -91%             |

Includes all countries

|  | 2020 | 2019 | 2018 | PERIOD VARIATION |
|--|------|------|------|------------------|
|  <b>Toner (units)</b> | 21   | 57   | 80   | -63%             |

\*Only Spain and Mexico, in other countries consumption management and recycling included in rent.

## WASTE (31<sup>st</sup> December)

|   | 2020 | 2019 | 2018  | PERIOD VARIATION |
|---|------|------|-------|------------------|
|  <b>Paper and Cardboard Waste (kg)</b> | 525  | 860  | 1,000 | -14%             |
| <b>Waste electrical and electronic equipment - WEEE (kg)</b>  | -    | 388  | 1,079 | -                |

\*Only identified and not included in building waste management in offices in Madrid. WEEE waste included in Zero Waste Building management.



## 4.3



## SOCIAL COMMITMENT

GRI 103



Solunion's business is to protect our clients by better understanding, selecting, quantifying, and managing commercial risks. Our insurance creates value through these four dimensions.

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

## ANALYSING THE ESG RISKS

Environmental, Social, and Governance (ESG) issues have reached a turning point in the global economy: for enterprises and investors, it is now clear that these is-

ssues will affect growth, market share and profitability.

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

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

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

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





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

It consists of three medium-term components that measure macroeconomic imbalances, po-

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

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

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

### IN ALL LINES OF BUSINESS, SOLUNION'S

Commercial Underwriting decisions must take into account the potential implications for its reputation of any unmitigated environmental, social or management issues for both our customers and us.

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

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

### ENVIRONMENTAL AREA

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

### SOCIAL AREA

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

### GOVERNMENT AREA

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

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

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

## RELATIONSHIP WITH STAKEHOLDERS

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

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

### 1.Shareholders



With respect to our two shareholders, Euler Hermes and MAPFRE, we are committed to creating value by guaranteeing the long-term viability of the business, transparency in management, and good governance.

### 2. Regulatory Bodies

GRI 415-1



GRI 415-1

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

- Relationships aimed at contributing to efficient regulation that allow for a competitive market in activities not subject to natural monopoly and a sufficient remuneration for regulated businesses. To this end, an open, permanent and constructive dialogue is maintained in which information, knowledge and points of view are exchanged. In

this way, Solunion is aware of the concerns and proposals of the regulatory bodies and exposes its stance in the legitimate defence of its own interests, as well as those of its shareholders and clients.

- It provides all the information required by the regulatory bodies, both in the normal exercise of their activity as well as what is required upon demand.

### 3.Clients



The client is the true centre of our activity. One of the main objectives of Solunion is to satisfy the needs of its clients by offering them a quality service with high added value and accompanying them in their development in national and international markets.



We work to meet the needs of our more than 7,400 clients around the world, offering them the highest quality of service, with adapted products that are easy and simple to manage, and a fast, personalised and effective response.



Our customers demand transparency, personalise attention, agile tools and quick responses. We work so that they will have the best experience with Solunion, prioritising our actions and investments to their satisfaction.

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.

The client demands increasingly agile and personalised solutions.

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

- **Speed and maximum quality of response with the most appropriate solutions to their specific and changing needs.**
- **Agility in administrative procedures.** Promotion of collaboration, interaction and proactivity (coordination of commercial risks, proactive meetings and calls, personalised attention to mediators and clients, etc.).
- **Launching new online platforms,** developing digital products, incorporating APIs and other technologies aimed at increasing efficiency and agility



## Our main strengths



### PERMANENT EVOLUTION

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

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

Satisfaction surveys carried out periodically in all countries give us the clues on the changes and improvements on which to focus in each market.

We care about implementing actions that respond to their specific demands. We are looking for 100% satisfied, 100% loyal clients and mediators.

We work in an environment in constant evolution, with a mentality of adaptation to permanent change and a spirit of continuous improvement.

We always aspire to go one-step further



### 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, guaranteeing continuous,

sustainable management of the supply chain and preserving the Group's reputation.

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

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

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

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

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

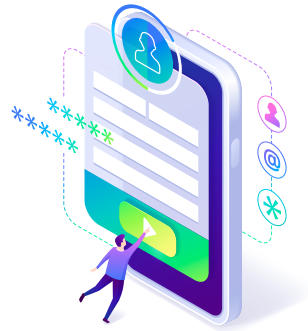
tomers and position ourselves as a reference partner for the business community and position ourselves as a reference partner of the business network.

To promote this relationship, Team Solunion was created this year, which aims to build loyalty among our intermediaries, mainly mediators and agents, as allies in the marketing and distribution of our products.

### 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.





### PY PORTAL

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.

## 7. Society



Solunion is committed to contributing to the economic and social advancement of the countries in which it operates by promoting sustainable growth in society, protection of the environment, environmental commitment and respect for Human Rights.

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

This is evidenced in our commitment to:



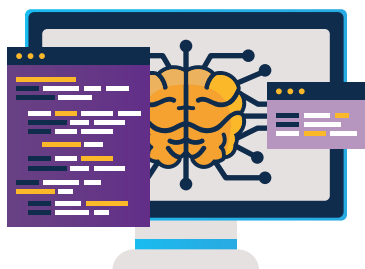
### TRANSPARENCY OF INFORMATION

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

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







## TECHNICAL EXCELLENCE AND INNOVATION

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

- We pursue technical excellence to differentiate ourselves from the market in all countries. Like our shareholders, we are characterised by a rigorous technical control of the business. Our management model must be differentiated by its quality, by the control of the management in all the phases of the relationship with the client.
- Technical excellence means enhancing and increasing our profit margin, making transparent and fact-based decisions, without losing sight of the client and adapting prices to risk, managing our business according to economic cycles.
- Managing our risk exposure is part of our daily work. We have an appetite for risk, and we bring degree of experience and valuable knowledge.

- Our pricing policy is consistent and competitive. We work on the development of unified pricing tools.
- We work in a collaborative scheme, sharing information with a vision of transparent and clear exchange.
- Our customers expect transparency in our pricing and decisions, even faster response times and easy-to-use online platforms, as well as increasingly advanced risk and policy data systems.



## TECHNOLOGICAL REVOLUTION, A WORLD FULL OF OPPORTUNITIES

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

Our leadership objective drives us to adapt quickly to changes. We are preparing our digi-



talisation, both in internal processes and in services, and in our relationship with our clients and in new environments. We promote a culture of all-channel communication, all to provide the best service for our clients and mediating partners.

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

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

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

### PÓLIZA PY

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

### PÓLIZA COMPROMISO

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

### PÓLIZA GLOBAL

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

### PÓLIZA CONFIANZA

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



### SUSTAINABLE INNOVATION

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

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

### PÓLIZA UNO

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

### 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**.

### WORLD POLICY

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

### FAMILIA CAP

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



## FAIR COMPETITION

GRI 206-1, 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 82](#)).

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.

| RELATIONSHIP CHANNELS |  | STAKEHOLDERS |                             |  |           |           |         |                   |
|-----------------------|--|--------------|-----------------------------|--|-----------|-----------|---------|-------------------|
|                       |  | Shareholders | Customers and policyholders | Distributors, mediators, collaborators | Employees | Suppliers | Society | Regulatory bodies |
| Surveys and inquiries | Materiality analysis                   |              |                             |  |           |           |         |                   |
|                       | Surveys and inquiries                  |              |                             |  |           |           |         |                   |
|                       | Participating or representation bodies |              |                             |  |           |           |         |                   |
| Face-to-face          | Regular meetings                       |              |                             |  |           |           |         |                   |
|                       | Generic and public mailboxes           |              |                             |  |           |           |         |                   |
| Mailboxes             | Specific for the stakeholder           |              |                             |  |           |           |         |                   |
|                       | Mailbox for complaints 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              |              |                             |  |           |           |         |                   |
| Phone                 | Corporate                              |              |                             |  |           |           |         |                   |
| Phone                 | Phone                                  |              |                             |  |           |           |         |                   |
| Social networks       | Social networks                        |              |                             |  |           |           |         |                   |

## PUBLICATIONS

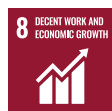


**TOGETHER WITH OUR TWO SHAREHOLDERS,** Euler Hermes and MAPFRE, we produce different sectorial publications and country analyses, with the objective of making a name for ourselves as a reference of information, both for the specialised media and for our clients.

In addition, we have our external magazine Solunion, which is distributed worldwide to customers, partners, the media and other contacts of interest.

## 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 organization.

rience and the volunteering of the people who make up the organization.

Solunion offers its collaborators various volunteering opportunities within the framework of its Volunteer Programme integrated into the People and Sustainability strategy, aligned with the Sustainable Development Goals and which we carry out together with *Fundación MAPFRE* in Spain, Mexico, Colombia and Chile. (See the 2020 Volunteering Report of *Fundación MAPFRE*).


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 carry out both professional volunteering by contributing our skills as professionals and volunteering work to improve people's quality of life in other tasks.

Throughout 2020, 185 *SolunionersSolidarios*, between employees and family members, in

Spain, Mexico, Colombia and Chile, have participated in over 50 activities related to education, nutrition, health, and emergency assistance, amongst others, directly affecting more than 150,000 people. 40% of the global workforce has had a volunteer experience.

This year and due to the health crisis, that we are undergoing, this help 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 professionals in the Group who are interested in social and solidarity actions. Thirteen specific courses on different aspects of volunteering, ranging from its definition and implications up to specific types of volunteering based on the group that benefits from the intervention of the volunteers, were also integrated through e-learning.

In 2020, this Model was implemented in Mexico and Colombia and we expect to implement it in Chile, Argentina and Panama in 2021. 



## 4.4



## COMMITMENT TO THE PEOPLE WHO MAKE UP THE ORGANISATION

GRI 102-8, 103



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

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

In these exceptional times, Solunion's interventions by means of measures to favour well-being have been decisive: health initiatives,



information and training, and collective safety, personal protection, particularly vulnerable worker and level of risk protocols, prevention strategies and action in the event of positives or possible positives, and communication and return to activity initiatives.

## PEOPLE, THE KEY TO SUCCESS

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

We encourage a climate of trust and continuous improvement in the way we work, based

on a transversal approach and collaborative work between the different areas.

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 the exploitation of opportunities.

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



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

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

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

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

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

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

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



#### RELATIONSHIP WITH THE STAFF

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



#### LABOUR RIGHTS

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



#### PROFESSIONAL DEVELOPMENT BASED ON PERFORMANCE AND POTENTIAL

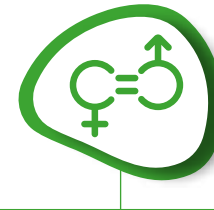
Providing a work environment in which staff members are informed about the strategic objectives of the Company and have the possibility to improve both personally and professionally.



#### RESPECT OF INDIVIDUALS / NON- DISCRIMINATION

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

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



#### EQUAL OPPORTUNITIES

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



#### WORK-LIFE BALANCE

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

### Family-Responsible Company (*empresa familiarmente responsable*)

Since the end of 2020, all Solunion countries have been certified as a Family-Responsible Company (efr, for its acronym in Spanish), an important 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.



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. In addition, 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 2021

**SOLUNION HAS BEEN OFFICIALLY RECOGNISED** for the second year as Top Employer Spain by the Top Employers Institute.

Solunion has achieved this certification as a result of the effort made to offer the best working environment to its people, which it places at the heart of its strategy. The Top Employer certification validates Solunion's best practices in areas such as Talent Strategy, People Plan-



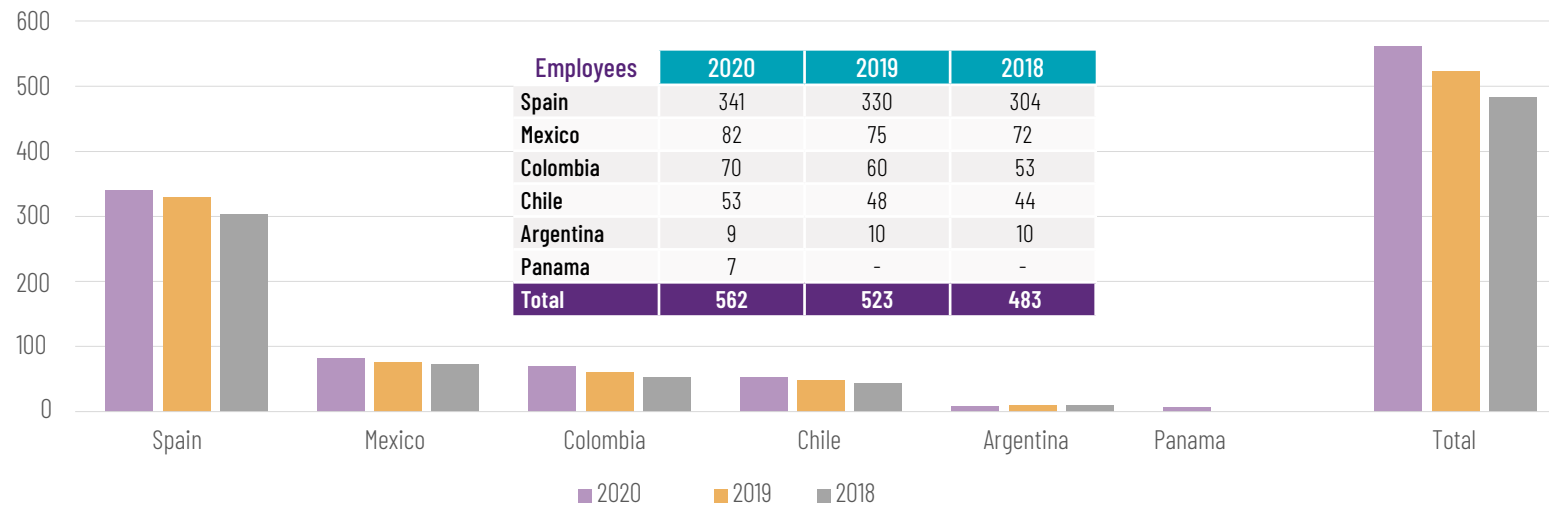
ning, Talent Acquisition, Onboarding, Learning and Development, Performance Management, Leadership Development, Career and Succession Management, Compensation and Benefits, and Culture.



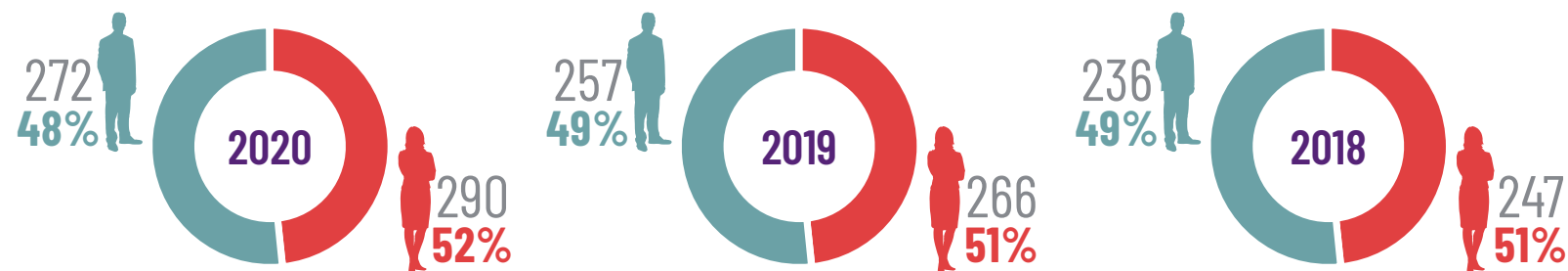
This year, *Actualidad Económica* magazine ranked Solunion 27<sup>th</sup> among the 100 best companies to work for in Spain.

*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; L.11/2018)



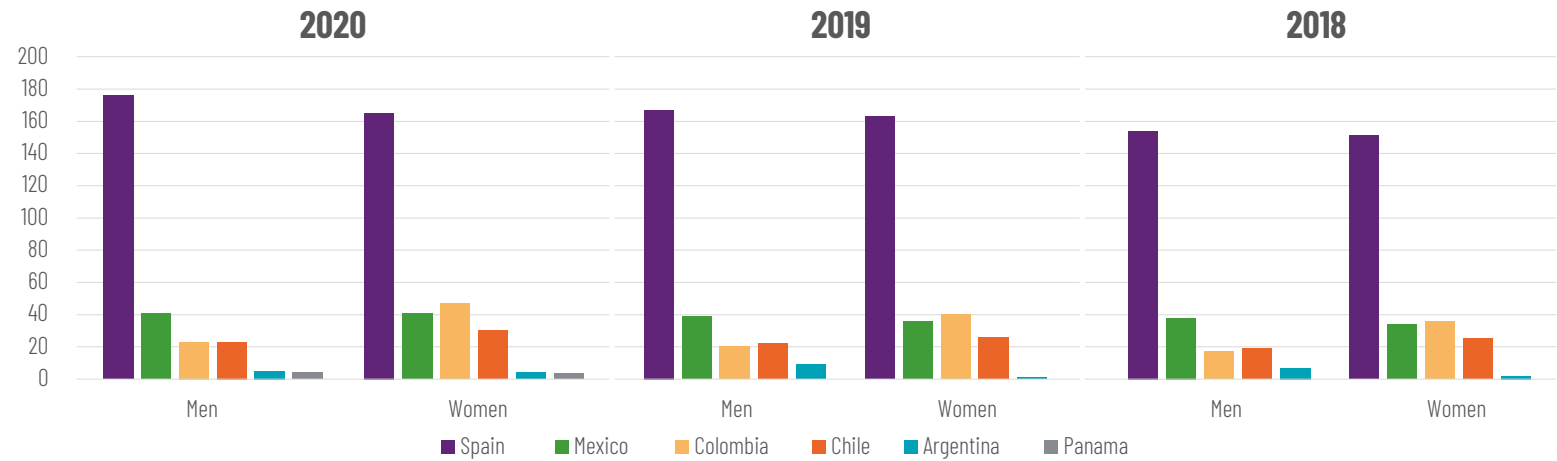
## TOTAL NUMBER OF EMPLOYEES BY GENDER (GRI 102-8, 405-1)



|                       | Men | %   | Women | %   |
|-----------------------|-----|-----|-------|-----|
| No. of employees 2020 | 272 | 48% | 290   | 52% |
| No. of employees 2019 | 257 | 49% | 266   | 51% |
| No. of employees 2018 | 236 | 49% | 247   | 51% |

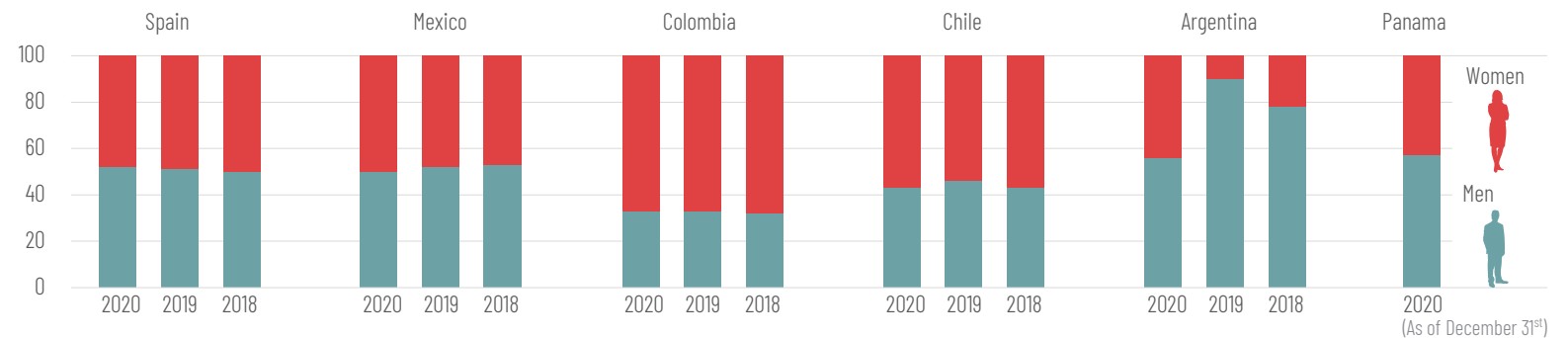
(As of December 31<sup>st</sup>)

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



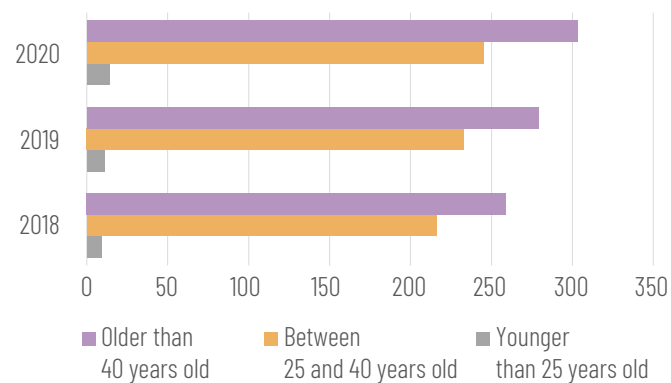
|           | 2020 |     |       |     | 2019 |     |       |     | 2018 |     |       |     |
|-----------|------|-----|-------|-----|------|-----|-------|-----|------|-----|-------|-----|
|           | Men  | %   | Women | %   | Men  | %   | Women | %   | Men  | %   | Women | %   |
| Spain     | 176  | 52% | 165   | 48% | 167  | 51% | 163   | 49% | 154  | 50% | 151   | 50% |
| Mexico    | 41   | 50% | 41    | 50% | 39   | 52% | 36    | 48% | 38   | 53% | 34    | 47% |
| Colombia  | 23   | 33% | 47    | 67% | 20   | 33% | 40    | 67% | 17   | 32% | 36    | 68% |
| Chile     | 23   | 43% | 30    | 57% | 22   | 46% | 26    | 54% | 19   | 43% | 25    | 57% |
| Argentina | 5    | 56% | 4     | 44% | 9    | 90% | 1     | 10% | 7    | 78% | 2     | 22% |
| Panama    | 4    | 57% | 3     | 43% | -    | -   | -     | -   | -    | -   | -     | -   |

## PERCENTAGE

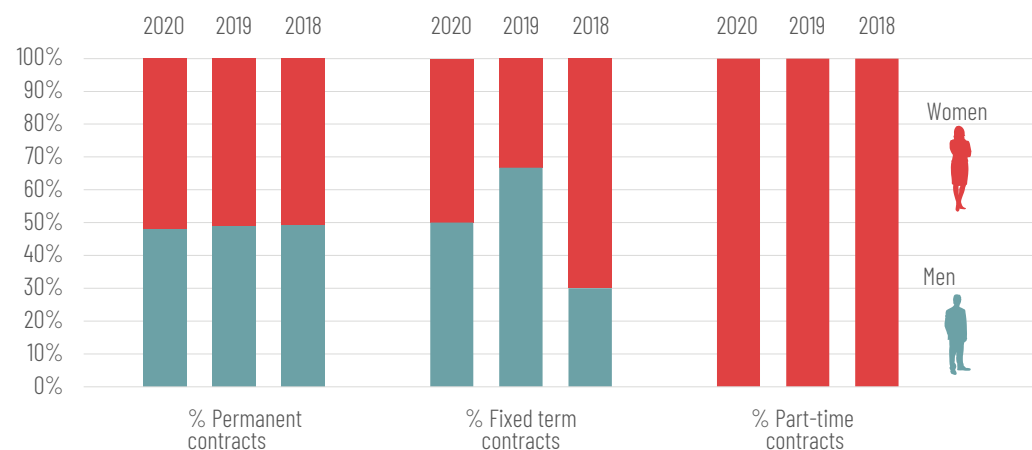
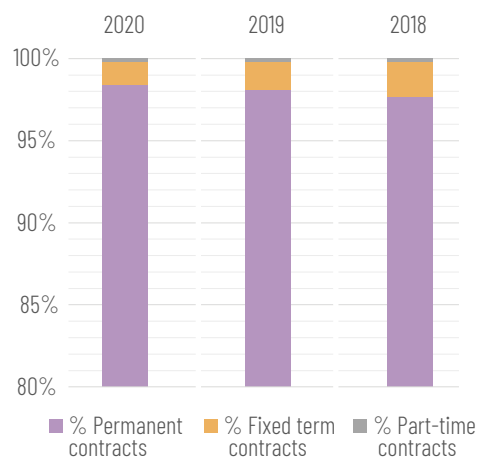


## TOTAL NUMBER OF EMPLOYEES BY AGE (GRI 102-8)

|                             | 2020 | 2019 | 2018 |
|-----------------------------|------|------|------|
| Younger than 25 years old   | 14   | 11   | 9    |
| Between 25 and 40 years old | 245  | 233  | 216  |
| Older than 40 years old     | 303  | 279  | 259  |



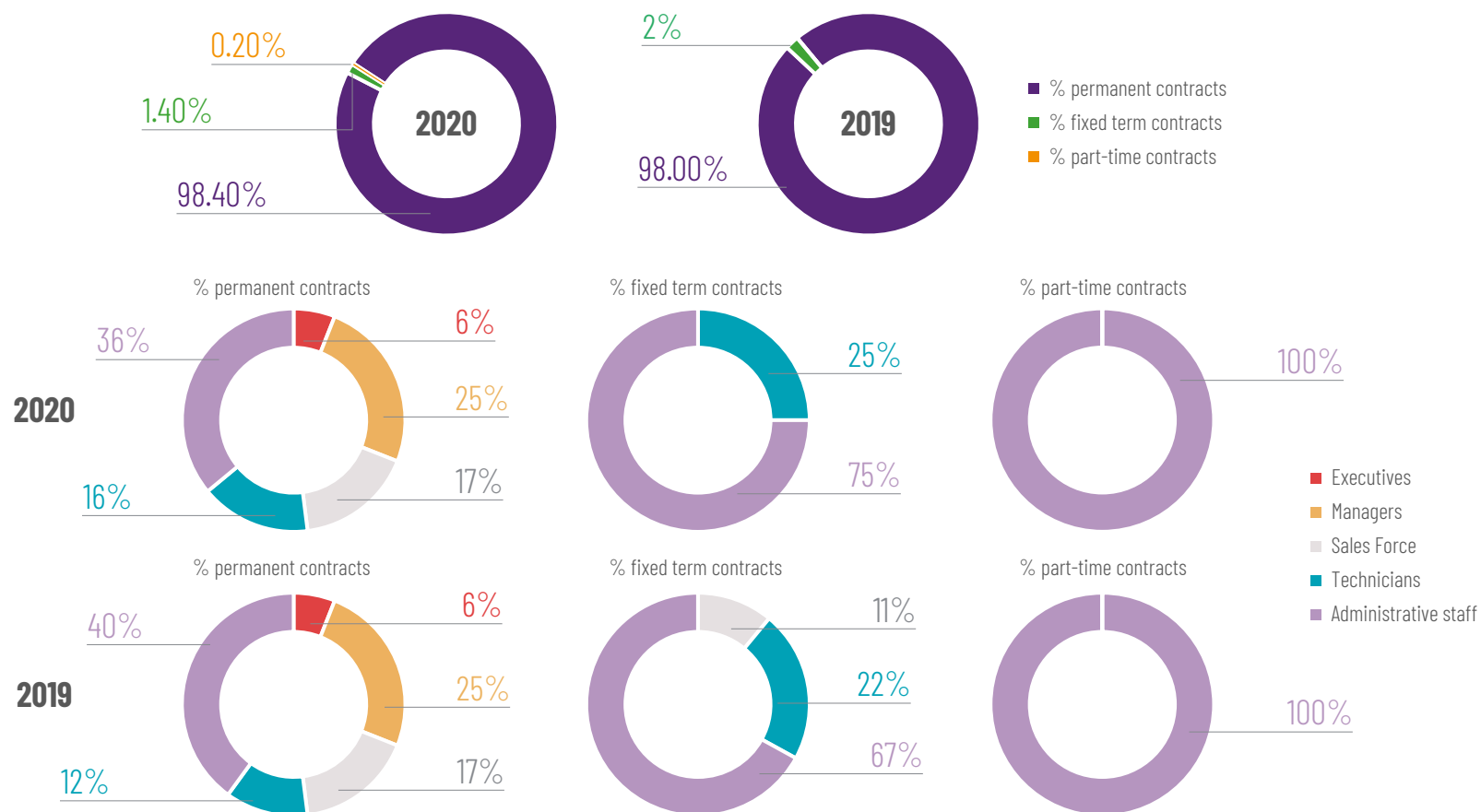
## TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT OR FIXED TERM) AND BY GENDER (GRI 102-8, 405-1, L.11/2018)



|                               | 2020  |     |       | 2019  |       |        | 2018  |       |        |
|-------------------------------|-------|-----|-------|-------|-------|--------|-------|-------|--------|
|                               | Total | Men | Women | Total | Men   | Women  | Total | Men   | Women  |
| Total of employment contracts | 562   | 272 | 290   | 523   | 257   | 266    | 483   | 235   | 248    |
| % permanent contracts         | 98.4% | 48% | 52%   | 98.1% | 48.9% | 51.1%  | 97.7% | 49.2% | 50.8%  |
| % fixed term contracts        | 1.4%  | 50% | 50%   | 1.7%  | 66.7% | 33.3%  | 2.1%  | 30.0% | 70.0%  |
| % part-time contracts         | 0.2%  | 0%  | 100%  | 0.2%  | 0.0%  | 100.0% | 0.2%  | 0.0%  | 100.0% |

(As of December 31<sup>st</sup>)

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



|                               | 2020   |            |          |             |             |                      | 2019  |            |          |             |             |                      |
|-------------------------------|--------|------------|----------|-------------|-------------|----------------------|-------|------------|----------|-------------|-------------|----------------------|
|                               | Total  | Executives | Managers | Sales Force | Technicians | Administrative Staff | Total | Executives | Managers | Sales Force | Technicians | Administrative Staff |
| Total of employment contracts | 562    | 35         | 137      | 93          | 90          | 207                  | 523   | 33         | 127      | 90          | 61          | 212                  |
| % permanent contracts         | 98.40% | 6%         | 25%      | 17%         | 16%         | 36%                  | 98%   | 6%         | 25%      | 17%         | 12%         | 40%                  |
| % fixed term contracts        | 1.40%  | 0%         | 0%       | 0%          | 25%         | 75%                  | 2%    | 0%         | 0%       | 11%         | 22%         | 67%                  |
| % part-time contracts         | 0.20%  | 0%         | 0%       | 0%          | 0%          | 100%                 | 0%    | 0%         | 0%       | 0%          | 0%          | 100%                 |

(As of December 31<sup>st</sup>)



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, promotion of professional careers, 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.

## 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:

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

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

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

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

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



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

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

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

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

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

## Gender diversity

GRI 405-1, 405-2



Solunion is involved in several initiatives to promote women's leadership, and inclusive dialogue spaces that aim to promote gender diversity initiatives.

Over 2020, we have implemented our Equality Plan, which establishes respect and the promotion of diversity as inherent to the nature of a multinational company such as ours. Both, together with the ongoing promotion of equal opportunities, are essential pillars in the management of Solunioners



## 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:

- 1 Establish high-level corporate leadership for gender equality.
- 2 Treat all women and men fairly at work-respect and support human rights and non-discrimination.
- 3 Ensure the health, safety and well-being of all women and men workers.
- 4 Promote education, training and professional development for women.
- 5 Implement enterprise development, supply chain and marketing practices that empower women.
- 6 Promote equality through community initiatives and advocacy.
- 7 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.



Likewise, Solunion participates in Spain in the **PROMOCIONA Project**, organized by CEOE and ESADE, whose main objective is to encourage more women to reach senior management positions in companies.

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:

- Identify strengths and areas for improvement in terms of gender equality performance through the Women's Empowerment Principles Analysis Tool, in which we initially scored as "Advanced".

- Participate in specific training activities to strengthen women's representation and leadership.
- Set ambitious and realistic business targets in terms of gender equality.
- Create a network of United Nations peers, partners and experts to support our gender equality strategy.
- Introduce sustainability and contribution to SDGs to Solunioners who drive business success.



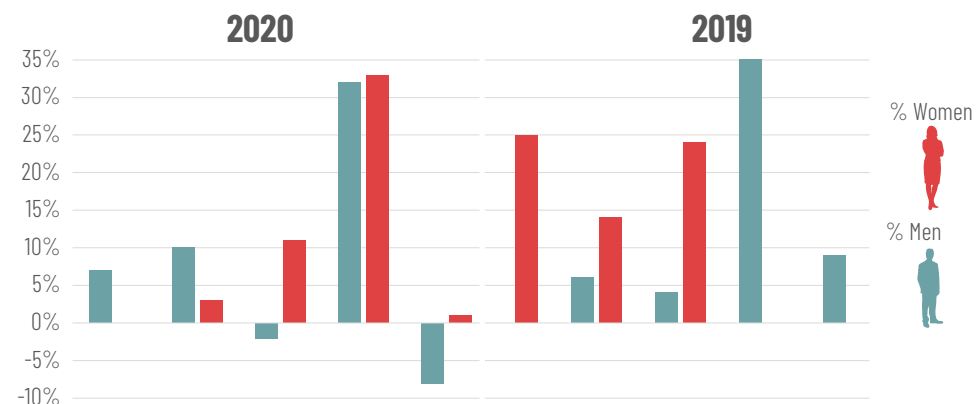
### TIEMPO DE MUJERES

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

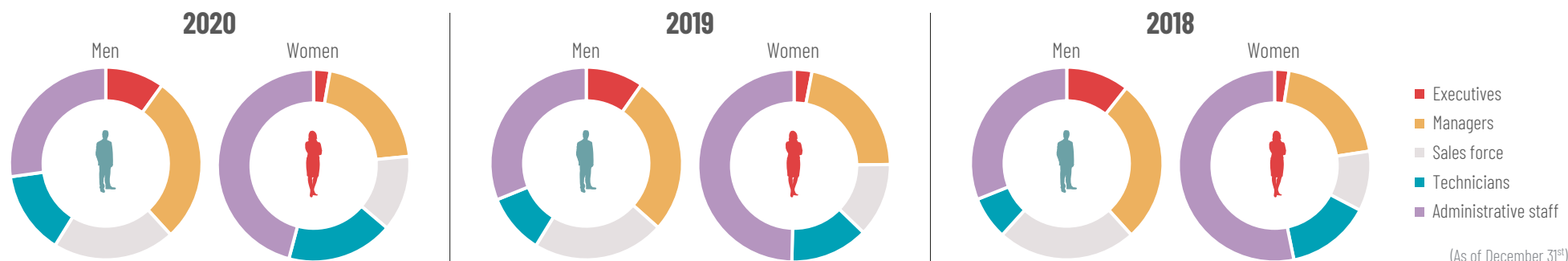
The Diversity, Leadership and Enterprise Forum aims to promote true diversity in companies by sharing knowledge and experiences, leaving room for practical networking between professionals who have common interests.



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



|                      | 2020       |           |            |           | 2019       |           |            |           | 2018       |            |
|----------------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|------------|
|                      | Men        | %         | Women      | %         | Men        | %         | Women      | %         | Men        | Women      |
| Executives           | 27         | 7%        | 8          | 0%        | 25         | 0%        | 8          | 25%       | 25         | 6          |
| Managers             | 77         | 10%       | 60         | 3%        | 69         | 6%        | 58         | 14%       | 65         | 50         |
| Sales force          | 56         | -2%       | 37         | 11%       | 57         | 4%        | 33         | 24%       | 55         | 25         |
| Technicians          | 38         | 32%       | 52         | 33%       | 26         | 35%       | 35         | 0%        | 17         | 35         |
| Administrative staff | 74         | -8%       | 133        | 1%        | 80         | 9%        | 132        | 0%        | 73         | 132        |
| <b>TOTAL</b>         | <b>272</b> | <b>6%</b> | <b>290</b> | <b>8%</b> | <b>257</b> | <b>9%</b> | <b>266</b> | <b>7%</b> | <b>235</b> | <b>248</b> |



(As of December 31<sup>st</sup>)

## 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:

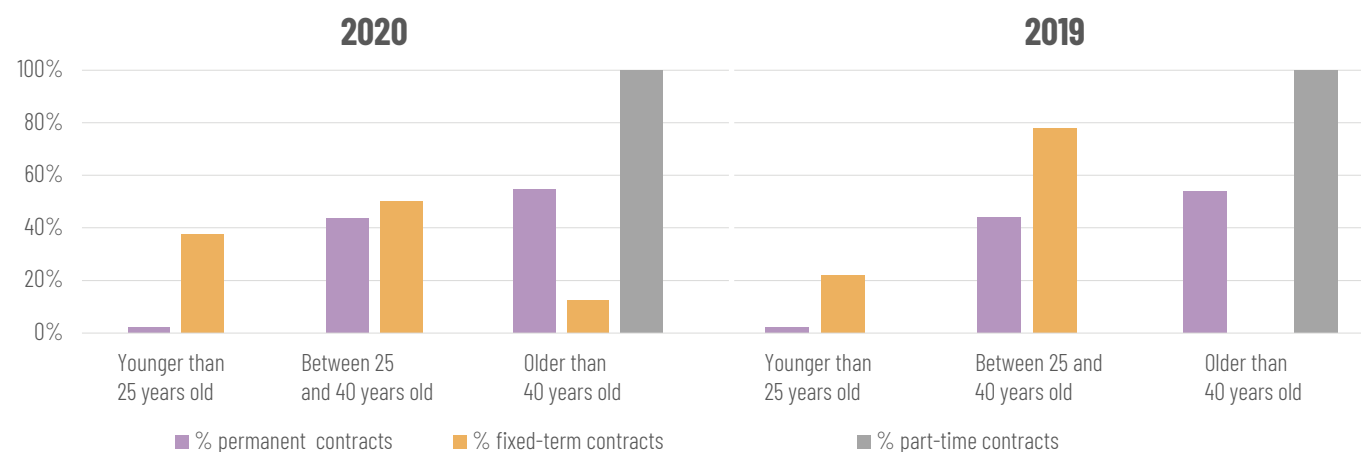
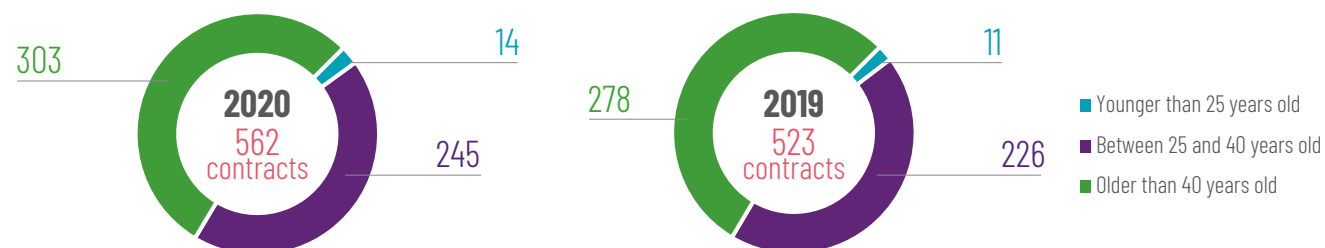
- Generating an inclusive culture and facilitating the transfer of knowledge between generations.
- Recognising and using the strengths and capacities to bring out the best in each staff member.
- Implementing work models that respond to the needs of the different generations

### 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



|                               | 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 | 562        | 14                        | 245                         | 303                     | 523        | 11                        | 226                         | 278                     |
| % permanent contracts         | 98.40%     | 2.00%                     | 43.50%                      | 54.50%                  | 98.00%     | 2.00%                     | 44.00%                      | 54.00%                  |
| % fixed-term contracts        | 1.40%      | 37.50%                    | 50.00%                      | 12.50%                  | 2.00%      | 22.00%                    | 78.00%                      | 0%                      |
| % part-time contracts         | 0.20%      | 0%                        | 0%                          | 100%                    | 0%         | 0%                        | 0%                          | 100%                    |

(As of December 31<sup>st</sup>)



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.

1

**Disseminate and apply the principles set out in the European Directives** prohibiting discrimination on grounds of racial or ethnic origin (Directive 2000/43/EC), religion or belief, disability, age or sexual orientation (Directive 2000/78/EC), in the field of employment.

2

**Promote the development of an active policy of generational diversity** within organisations that is able to combat rejection trends and attitudes and segregation, promoting the development of strategies of intergenerational solidarity within companies.

3

**Gradually commit to be a reflection of the environment of a diverse society**, to be part of and to be legitimised in the community in which they operate. Raising awareness and promoting a change in attitude to age-related stereotypes.

4

**Guarantee respect for generational diversity policies in employment**, without age acting as a factor of discrimination, through selection and recruitment practices, encouraging the integration of people, regardless of their age and taking into account their knowledge and training.

5

**Develop the principle of equal opportunity.** In particular, respect for talent, irrespective of the age of the professionals with regard to access to employment, training, development, professional promotion and working conditions. We are committed to practising and demonstrating equal treatment which ensures adequate performance and promotes the personal and professional progression of our team in the different areas:

**5.1 Recruitment and selection;** identifying the best professionals, supported by selection process based on the merit and skills of the candidates.

**5.2 Recruitment;** guaranteeing mechanisms to ensure that recruitment does not discriminate on the basis of age.

**5.3 Training;** ensuring the education and training of each person in the knowledge and skills required in each circumstance, motivating people and promoting equal opportunities.

**5.4 Promotion, development and compensation;** commitment to developing these models, valuing only the knowledge and skills necessary to perform the work, regardless of age, by evaluating targets and performance.

**5.5 Support for workers according to their abilities,** guaranteeing their effective employment.

**5.6 Implementation of work-life balance measures** adapted to generational diversity.

**5.7 Promote transparent communication policies,** encouraging innovation and granting the necessary autonomy in the performance of functions.



6

**Comply with current legislation.** Reject any manifestation of harassment, direct or indirect discrimination on the grounds of age and other factors, and any other conduct that creates an intimidating or offensive environment for the personal rights of their professionals.

### «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.

In this 2020 we have joined the «Learn to fly» initiative in collaboration with the consulting firm Lukkit, which aims to help children of employees who have just finished their studies to train and orient themselves before joining the job market.

This year two young people have benefited from the initiative.



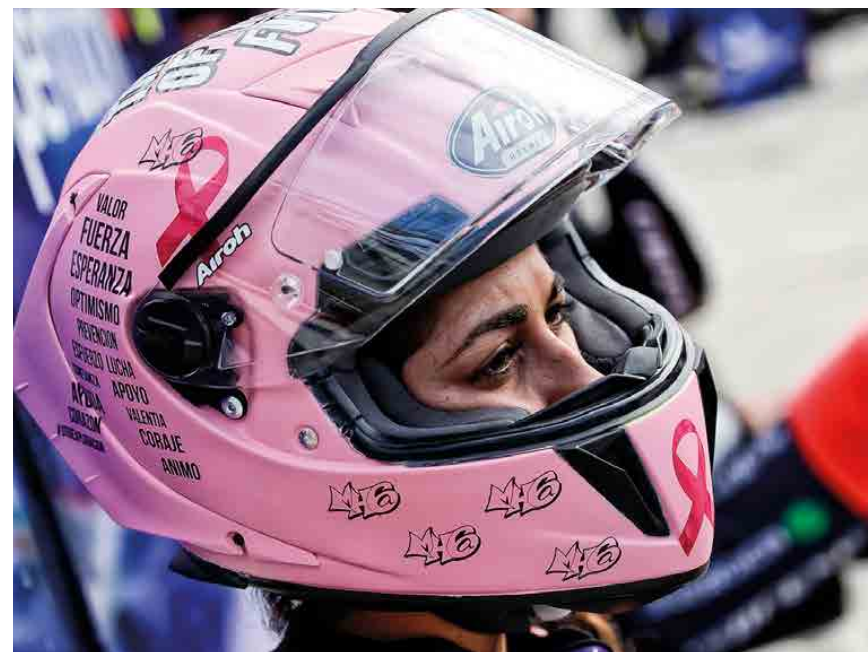
### Functional diversity

Solunion collaborates with the *Inserta* Program of *Fundación ONCE*, in the search for the talent of people with disabilities.

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

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

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



**Inserta**  
empleo POR TALENTO



UNIÓN EUROPEA  
FONDO SOCIAL EUROPEO  
El Fondo Social Europeo invierte en tu futuro

### N.º OF EMPLOYEES WITH A DISABILITY

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



## Cultural diversity

### GRI 202-2

Solunion employs 562 employees of 17 nationalities, which gives the Group great cultural diversity and provides the talent necessary for the business.

The Group promotes international mobility. Throughout 2020, three employees have changed their job to another country.

31.4% of senior management and executives working in the Group's companies are of a different nationality to that of the country in which they work.

## TALENT

**AT SOLUNION, WE APPLY THE BEST PRACTICES** in identifying, attracting, and retaining

the necessary talent for business development, ensuring the principles of equity and non-discrimination on any reason (disability, age, gender, prior professional career, etc.).

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

Over 2020 at Solunion we have performed various actions that seek to attract and retain the best and most diverse pool of talent in their different geographical areas, including:

- The integrated Talent and Succession model has been designed.
- New employment channel through the website and social networks, where candidates can consult and apply for available vacancies.
- Recruitment through video interviews in order to improve the talent acquisition experience.
- A guide for conducting inclusive interviews has been prepared.
- Space accessible to all Solunioners on the internal website where vacancies are published to promote mobility within the Company and personal and professional growth.

- We have implemented a Leadership school through the online training platform (Soltrain) with different resources and easy access.
- Start-up of a specific section for courses focused on Diversity and Work-Life Balance within the global learning and development portal, Soltrain.
- External Coaching processes have been offered as part of the development actions.







## EMPLOYEE SATISFACTION SURVEY: EMPLOYEE VALUE PROPOSITION (EVP) PROJECT

**MONITORING EMPLOYEE SATISFACTION IS** fundamental for Solunion, as it allows us to continue making progress in our goal of being the best place to work.

In 2020, we presented this project whose main aim is to understand the current experience of employees at Solunion.

The Employee Experience is a management model that is based on what employees experience and feel during the different key mo-

ments throughout their relationship with the company.

It measures facts and perceptions in order to:

- Obtain a real photo of the current situation of the Employee Experience.
- Learn about the specific needs of specific groups.
- Establish levers of action on which to start working.
- Understand the current experience of employees and be able to lay the foundations for building a relationship model with 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.

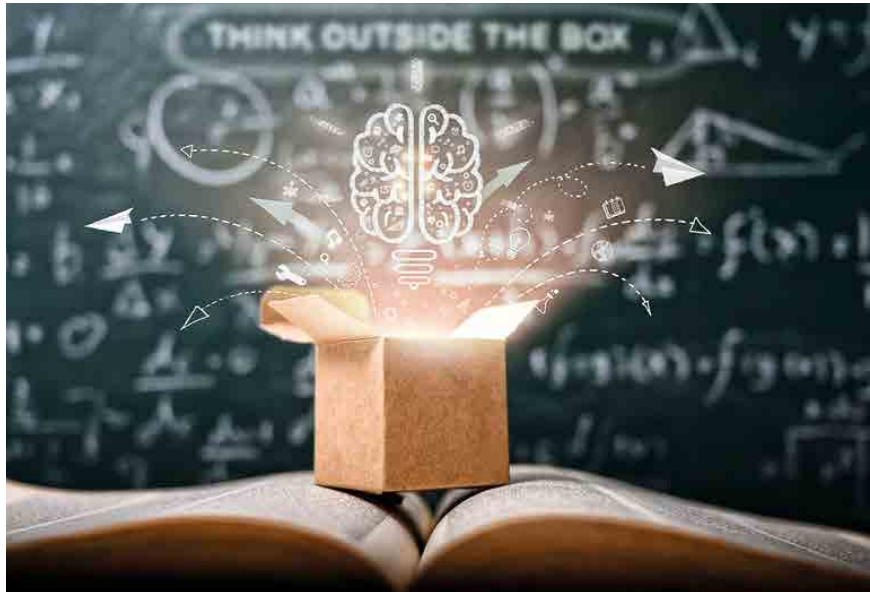
## INTERNAL MOBILITY

GRI 202-2, 404-1

Mobility remains key to employee development and to increasing employability.

In 2020, we have had 41 selection processes of which 13 were covered internally. 15% of internal processes have involved a promotion.

There are currently 89 managers and employees working outside their home country.



## LEARNING AND KNOWLEDGE MANAGEMENT

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



**AT SOLUNION, WE ARE STRONGLY COMMIT-**ted to promoting the professional development of the people who make up the organisation through training, and making the means, programmes, and tools necessary available to enhance their skills and competencies. All Solunion employees must personally involve themselves in their professional

development, actively participating and taking advantage of the training offered by the Company to enhance their skills and keep their knowledge permanently updated.

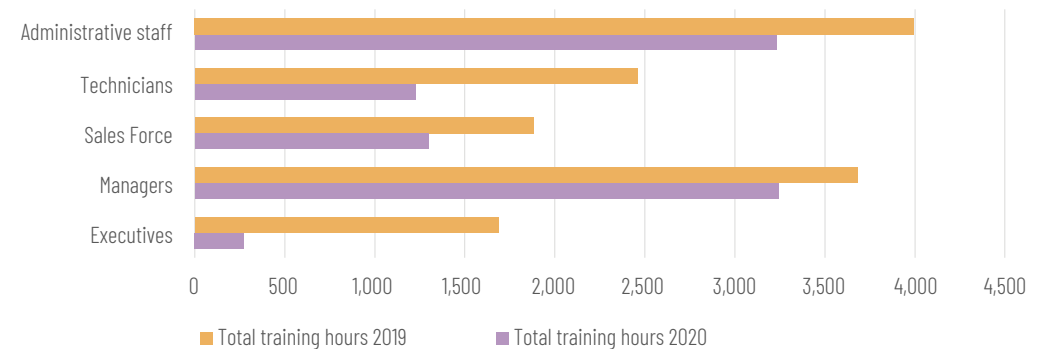
Training is a decisive factor in increasing the Company's competitiveness and must meet people's needs according to their position and roles in the organisation and must be aligned with the Company's objectives and strategy.

This is reflected in Solunion's Training Policy.

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.

During 2020, 9,266 hours of training have been given, implying more than 16 hours of average training per employee.

DURING 2020  
**9,266** HOURS OF  
**TRAINING**  
HAVE BEEN GIVEN



(As of December 31<sup>st</sup>)

|                           | Executives | Managers | Sales Force | Technicians | Administrative staff |
|---------------------------|------------|----------|-------------|-------------|----------------------|
| Total training hours 2020 | 271.58     | 3,242.68 | 1,297       | 1,225.00    | 3,229.32             |
| Total training hours 2019 | 1,687.60   | 3,679.90 | 1,882.50    | 2,460.40    | 3,994.00             |



## 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.

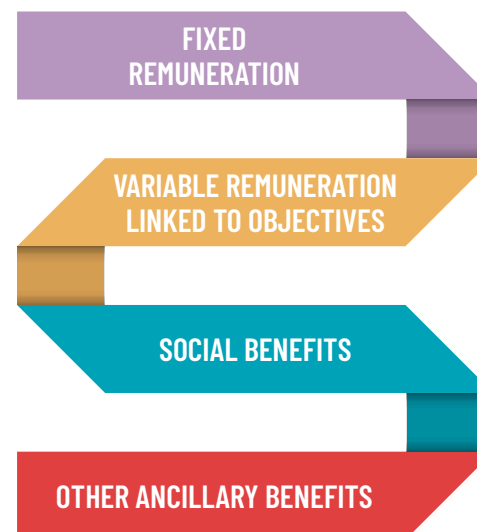
Solunion has a global remuneration policy applicable to all Group companies, which seeks to establish adequate remuneration according to the role, position, and performance of its professionals, as well as to act as a motivating and satisfying element that allows the achievement of the objectives set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

the Company's strategy, as well as the adaptation to the legal framework of the sector.

Thus, its objectives include:

- Encourage Solunion's business strategy, attracting and retaining talent.
- Incentivize employees to contribute to Solunion's objectives.
- Promote sound and effective risk management by establishing remuneration requirements for prudent and appropriate management of the business and to avoid remuneration mechanisms that encourage excessive risk-taking by Solunion.
- Avoid conflicts of interest.

The remuneration structure is composed on the following elements:



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

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



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.

For Solunion, valuing and recognising the individual effort of each employee is key, and

the performance assessment is the process through which the individual contribution of each employee to the strategy is valued and recognised.

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:

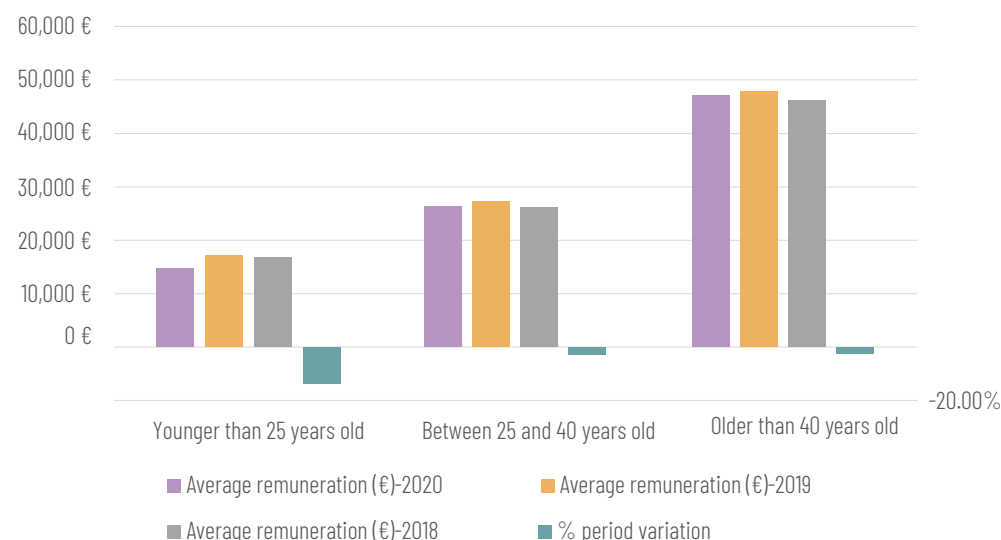
#### Percentage of employees that receive periodic professional performance & career assessments

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

|                               | Younger than 25 years old | Between 25 and 40 years old | Older than 40 years old |
|-------------------------------|---------------------------|-----------------------------|-------------------------|
| 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            | -16.5%                    | -1.9%                       | -1.7%                   |

|                               | Executives  | Managers    | Sales Force | Technicians/<br>Administrative staff |
|-------------------------------|-------------|-------------|-------------|--------------------------------------|
| 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            | -2.2%       | 5.4%        | -1.4%       | -7%                                  |

(As of December 31<sup>st</sup>)



These average remuneration figures are negatively impacted with respect to the previous year by the **effect of devaluations and depreciations with respect to the euro** of Latin American currencies (especially Colombia and Mexico).

## GENDER EQUALITY

GRI 102-37



### EQUAL OPPORTUNITIES FOR MEN AND

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



### Difference between the pay gap and pay equality

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

- The gender pay gap shows the difference between the average wage received by men and by women. In a first phase, Solunion has taken into consideration the total workforce, taking as a reference the median fixed remuneration of men and women. In order to find the pay gap, objective factors such as the level of the position held, professional category or seniority in the Company have been considered. In a first phase, Solunion has taken into consideration the total workforce, taking as a reference the median fixed remuneration of men and women. In 2020, the gap is 7% in Directors, 26% in Managers and 18% in the rest of the workforce, which includes technical, administrative and commercial staff. This difference has its origin in the sectoral context of insurance, a traditionally masculine sector, which translates into a higher average seniority of men compared with women. It is therefore an inherited gender difference that Solunion is combating by means of a remuneration policy and a selection process model that guarantees full equality.
- Equal pay gap is the right of men and women to receive the same salary for the same job. The remuneration structure for all



professional and responsibility categories of the Group is designed under the criteria of gender neutrality.

Solunion has its Diversity and Work-Life Balance Plan in force and over 2020 it 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 marital status.

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

**1. LEADERSHIP AND CULTURE.** We aim to foster a culture of Diversity and Equality at Solunion, raising awareness of the importance of the issue and increasing their level of commitment and satisfaction.



**2. COMMUNICATION.** We aim to strengthen Solunion's Diversity and Equality culture, both internally and externally.



**3. SELECTION AND RECRUITMENT.** We promote non-discriminatory selection and hiring under the principle of the least represented gender in each of the areas, based on principles of equality and on the company's selection policy and process.



**4. PROFESSIONAL DEVELOPMENT AND TRAINING.** We promote equal opportunities in professional development and training.



**5. REMUNERATION.** We guarantee the effective application of the principle of equal pay for work of equal value and, specifically, the non-existence of wage differences based on gender or discrimination based on gender, race, age or other status.



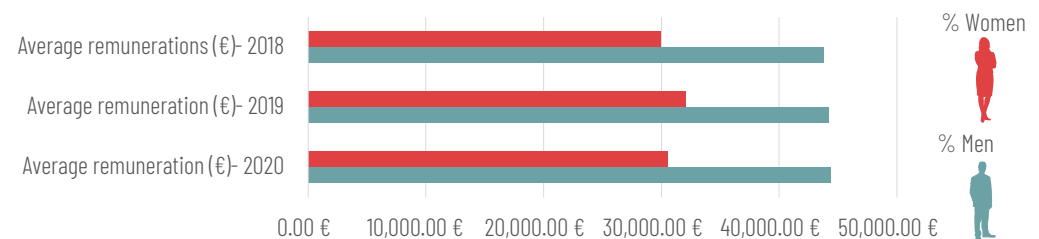
**6. WORK-LIFE BALANCE.** We promote a culture that facilitates a good balance between personal and professional life and co-responsibility.



**7. PREVENTION OF GENDER-BASED HARASSMENT.** We provide victims of gender-based violence with the support and the guarantee of the application of all the rights and protections provided for in labour regulations.



|                                  | Men         | Women       |
|----------------------------------|-------------|-------------|
| Average remuneration (€) - 2020  | 44,355.20 € | 30,565.98 € |
| Average remuneration (€) - 2019  | 44,221.54 € | 32,084.78 € |
| Average remunerations (€) - 2018 | 43,74.94 €  | 29,952.18 € |
| % period variation               | 0.3%        | -3.8%       |



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

## WORK-LIFE BALANCE

GRI 103, 401-2, 401-3



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

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

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

### Flexibility regarding physical presence

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

### Flexibility regarding time

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

The number of cases of maternity leave in 2020 was 14 and the number of cases of paternity leave was 12. 100% of women and 100% of men who took this leave returned to work. Of the 20 cases of maternity and paternity leave in the year 2019, all remain on the staff, representing a retention rate of 100%.

In Spain, which is Solunion's main country of operation, the number of cases of maternity leave in 2020 was 11 and the number of cases of paternity leave was 8. 100% of women and 100% of men who took this leave returned to work. Of the 18 cases of maternity and paternity leave in 2019, 18 remain on the payroll, representing a percentage of 100%.



## WORK-LIFE BALANCE MEASURES

|                                     | No. of employees benefitted 2020 | % of employees benefitted 2020 | No. of employees benefitted 2019 | % of employees benefitted 2019 |
|-------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| <b>SolFlex</b>                      | 557                              | 99.1%                          | 249                              | 99%                            |
| <b>Part-time work</b>               | 1                                | 100%                           | 1                                | 100%                           |
| <b>Reduced workday</b>              | 9                                | 100%                           | 13                               | 100%                           |
| <b>Paid &amp; unpaid leave</b>      | 121                              | 100%                           | 251                              | 100%                           |
| <b>Paternity leave</b>              | 12                               | 100%                           | 6                                | 100%                           |
| <b>Maternity leave</b>              | 14                               | 100%                           | 14                               | 100%                           |
| <b>Personal or academic leave</b>   | 0                                | 100%                           | 4                                | 100%                           |
| <b>Return after long-term leave</b> | 1                                | 100%                           | 1                                | 100%                           |



### Chárter del Teletrabajo -Remote-working Charter

Solunion has signed in 2020 the *Chárter del Teletrabajo*, 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:

- A recognition, as all companies can express their commitment to the principles.
- 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.
- Rigour and ongoing improvement through a follow-up of the established action plans.

### Principles

1 Organisation should commit to and support a culture of **flexibility and remote working** from the top management.

1



3 Committing to a culture based on **achieving and obtaining objectives** as opposed to a culture of presenteeism.

3



5 Implementing flexibility and teleworking action plans based on a **proprietary diagnosis** in accordance with the culture and business model.

5



7 Extending the commitment to flexibility and teleworking in the value chain to subcontractors (suppliers and general government).

7



2

Exercising exemplary leadership based on **trust and commitment** between collaborator and company.



4

Using **collaborative and ICT management tools** in favour of the person and the results to be achieved.



6

Raising awareness among the organisation and society at large of the benefits of flexibility and teleworking towards environmental protection, health and diversity and inclusion.



## 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 workers and management collaborate in applying a continuous improvement process to protect and promote health, security, and well-being of all workers and the sustainability of the workplace. WHO considers that a healthy business is one in which the employee finds greater security, as well as physical and mental health and well-being, which will improve their performance and job competitiveness.

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

In addition, we have adopted a model of prevention in which workers can actively participate in everything that may affect their safety

and health at work, for which the legally established representative channels are in place.

Beyond occupational risk prevention, we work on health promotion in a broad sense, conceiving the company as an important agent in promoting health.

This has been particularly important over the last year 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.





World Health Day

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:

- Several global campaigns with common content have been implemented through the Intranet available to all employees. Course on quitting smoking, healthy habits, etc.
- Various awareness-raising and face-to-face workshops have been held on healthy eating, active breaks, gymnastics in the office, etc.
- We have relaunched the *Elige Salud* 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 weekly remote training sessions with Trientrenos and a remote psychological guidance service and emotional health tips and courses (emotion management, stress management, relaxation...).

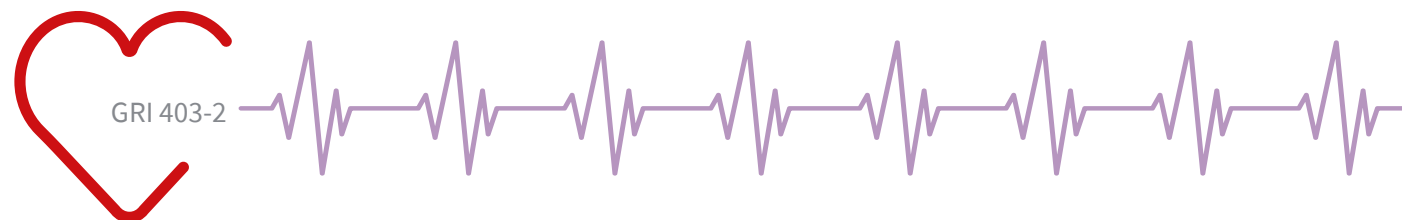


### Implementation of work disconnection policies

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.



|   | Men 2020 | Women 2020 | Men 2019 | Women 2019 | Men 2018 | Women 2018 |
|---|----------|------------|----------|------------|----------|------------|
| No. of work accidents that occurred         | 0        | 0          | 0        | 1          | 0        | 0          |
| No. of workdays lost to accidents at work   | 0        | 0          | 0        | 15         | 0        | 0          |
| Working hours lost due to accidents at work | 0        | 0          | 0        | 115.5      | 0        | 0          |
| No. of occupational illnesses               | 0        | 0          | 0        | 0          | 0        | 0          |
| Hours of absenteeism *                      | 3,262    | 10,016     | 3,786    | 17,751     | 4,165    | 12,379     |

\*Absenteeism: Medical appointment, employee illness or that of immediate relatives; deaths of immediate relatives. As of December 31<sup>st</sup>.

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 September 22<sup>th</sup> on remote working, and Article 88 of Organic Law 3/2018 of December 5<sup>th</sup> 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. [5](#)









## 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 2020. THIS IS THE SECOND 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. 2020 Sustainability Report is derived from the Annual Financial Report 2020.

## 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.

This analysis corresponds to 2020, as it has been prepared taking into account the reality of the organisation at this time.

## MATERIALITY ANALYSIS ACCORDING TO GRI

**THE ANALYSIS FOR 2020 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.

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.

The coverage of material issues, that is, whether the issues are significant within the organisation (internal impact on the Company or its employ-

### FINANCIAL ISSUES

|          |                            |         |
|----------|----------------------------|---------|
| <b>1</b> | ECONOMIC PERFORMANCE       | GRI-201 |
| <b>2</b> | MARKET PRESENCE            | GRI-202 |
| <b>4</b> | PROCUREMENT PRACTICES      | GRI-204 |
| <b>5</b> | ANTI-CORRUPTION            | GRI-205 |
| <b>6</b> | ANTI-COMPETITIVE BEHAVIOUR | GRI-206 |

### SOCIAL ISSUES

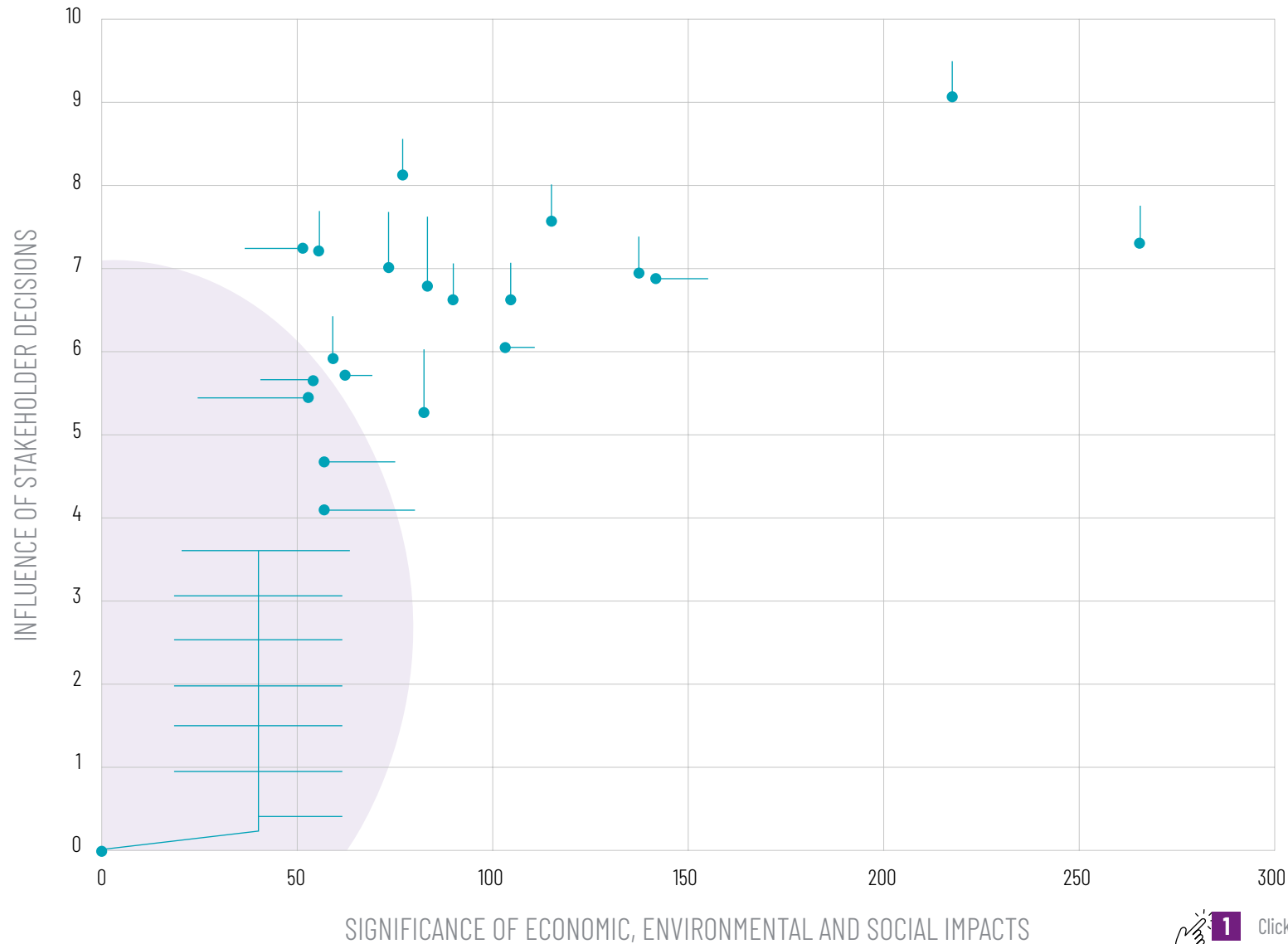
|           |  |         |
|-----------|--|---------|
| <b>15</b> | EMPLOYMENT                                       | GRI-401 |
| <b>16</b> | LABOUR/MANAGEMENT RELATIONS                      | GRI-402 |
| <b>17</b> | OCCUPATIONAL HEALTH AND SAFETY                   | GRI-403 |
| <b>18</b> | TRAINING AND EDUCATION                           | GRI-404 |
| <b>19</b> | DIVERSITY AND EQUAL OPPORTUNITY                  | GRI-405 |
| <b>20</b> | NON-DISCRIMINATION                               | GRI-406 |
| <b>21</b> | FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | GRI-407 |
| <b>27</b> | LOCAL COMMUNITIES                                | GRI-413 |
| <b>31</b> | MARKETING AND LABELLING                          | GRI-417 |
| <b>32</b> | CUSTOMER PRIVACY                                 | GRI-418 |
| <b>33</b> | SOCIOECONOMIC COMPLIANCE                         | GRI-419 |

ees) 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 MATRIX



### TEMAS ECONÓMICOS

|   |                           |         |
|---|---------------------------|---------|
| 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 |

### TEMAS AMBIENTALES

|    |                                   |         |
|----|-----------------------------------|---------|
| 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 |

### TEMAS SOCIALES

|    |  |         |
|----|--|---------|
| 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 |
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| 31 | MARKETING AND LABELING                           | GRI-417 |
| 32 | CUSTOMER PRIVACY                                 | GRI-418 |
| 33 | SOCIOECONOMIC COMPLIANCE                         | GRI-419 |



Click on the number to show the GRI

## 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.

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:

- **Evaluation of the significance and impact of the SDGs for the organisation (x-axis of the matrix).**
- **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.

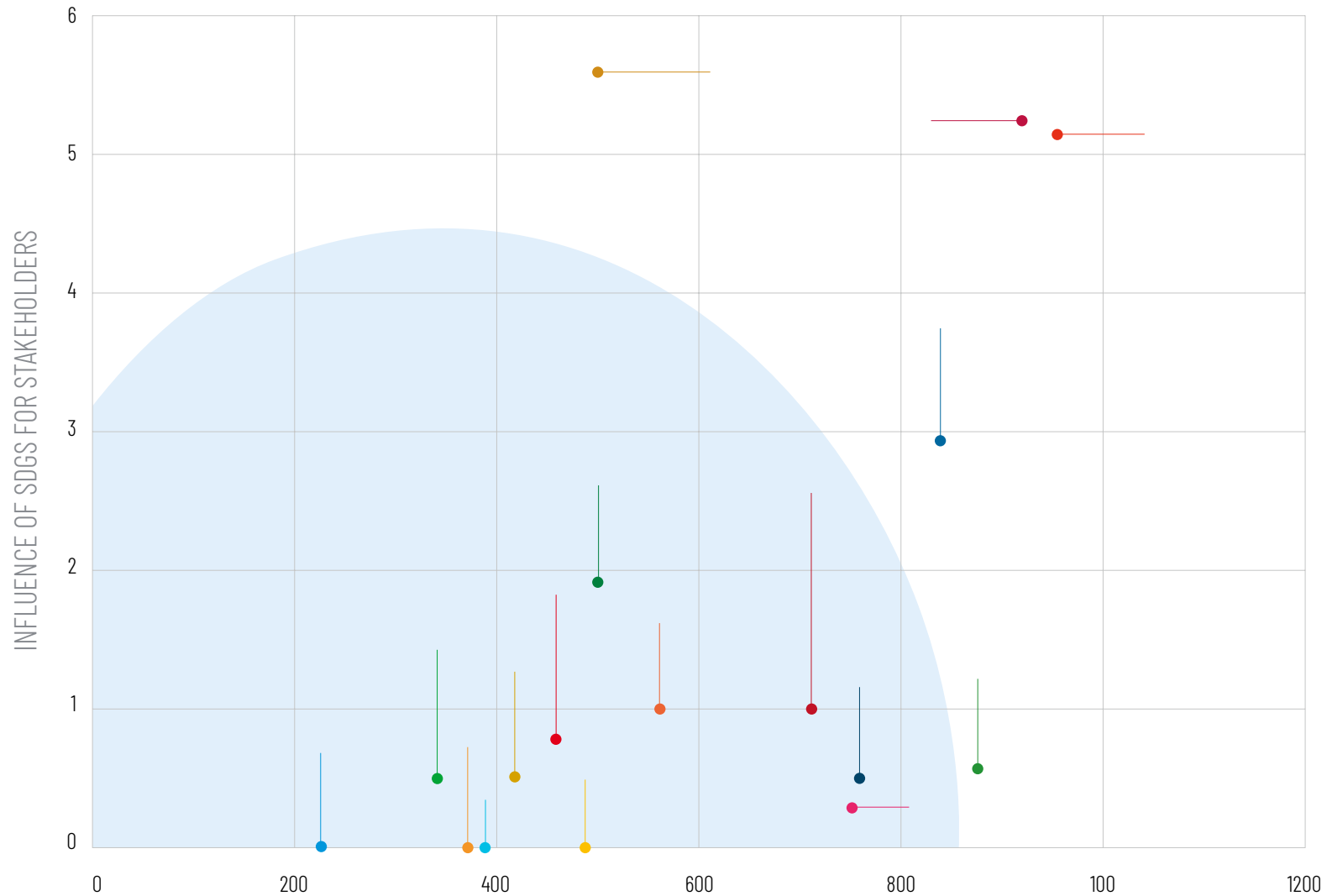
The border between non-material and material aspects is proposed, as shown in the previous graph, so that five of the 17 SDGs are identified as priorities for Solunion, resulting in the following list:

- **SDG 3 Good Health and well-being.**
- **SDG 5 Gender equality.**
- **SDG 8 Decent work and economic growth.**
- **SDG 12 Responsible production and consumption.**
- **SDG 16 Peace, justice and strong institutions.**

Thus, the following SDGs are ruled out as priorities for the organisation (for the first phase of the project): SDG 1 No poverty; SDG 2 Zero hunger; SDG 4 Quality education; SDG 6 Clean water and sanitation; SDG 7 Affordable and clean energy; SDG 9 Industry, innovation and infrastructure; SDG 10 Reduced inequalities; SDG 11 Sustainable cities and communities; SDG 13 Climate action; SDG 14 Life below water; SDG 15 Life on land; SDG 17 Partnerships to achieve the goal.



## MATERIALITY MATRIX SDGs



Click on the number to show the SDG





## 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 24<sup>th</sup>, and in 2018 Act 11/2018, of December 28<sup>th</sup> 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. 2020 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. 2020 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 14<sup>th</sup>, 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 10<sup>th</sup> 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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|--|--|---|-----------------|
| HUMAN RIGHTS<br>      | <b>PRINCIPLE 1</b><br>Businesses should support and respect the protection of internationally proclaimed human rights                          | 410-1 a 412-1, 412-2, 413-1                             | 1 2 3 4 5 6     |
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| ENVIRONMENT<br>     | <b>PRINCIPLE 7</b><br>Businesses should support a precautionary approach to environmental challenges.  | 201-2, 301-1, 302-1, 303-1, 305-1 a 305-3               | 2 3 4 5 6 7     |
|  | <b>PRINCIPLE 8</b><br>Businesses should undertake initiatives to promote greater environmental responsibility.                                 | 301-1 a 308-2   | 8 10 11 16 17   |
|  | <b>PRINCIPLE 9</b><br>Businesses should encourage the development and diffusion of environmentally friendly technologies.                      | 302-4, 302-5  |                 |
| ANTI-CORRUPTION<br> | <b>PRINCIPLE 10</b><br>Businesses should work against corruption in all its forms, including extortion and bribery.                            | 102-16, 102-17, 205-1 a 205-3, 415-1                    | 3 10 16         |



## 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<br>GLOBAL COMPACT  | SOLUNION'S PUBLIC COMMITMENTS<br>TO HUMAN RIGHTS  | PREVENTION AND MITIGATION<br>(DUE DILIGENCE)   | GRIEVANCE<br>AND REDRESS MECHANISMS   |
|-----------------|---|---|--|---|
| HUMAN RIGHTS    | <p><b>PRINCIPLE 1.</b> Businesses should support and respect the protection of internationally proclaimed human rights.</p> <p><b>PRINCIPLE 2.</b> Businesses must make sure that they are not complicit in human rights abuses.</p>  | <p><b>Code of Ethics and Conduct.</b><br/><b>Social Responsibility and Sustainability Policy.</b><br/><b>Signing up to:</b></p> <ul style="list-style-type: none"> <li>United Nations Global Compact.</li> <li>UNEP FI Principles for Sustainable Insurance.</li> <li>Women's Empowerment Principles (WEP).</li> </ul> <p><b>Commitment to the United Nations 2030 Agenda</b> and its Development Goals (SDGs).</p> | <p><b>Solunion's anti-corruption framework. Systems for the prevention and evaluation of internal risks and risks arising from our activity:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>Solunion materiality survey (Detects internal risks and risks arising from the activity.)</li> <li>ESG analysis in underwriting and investments.</li> <li>EVP Survey.</li> <li>Healthy Company Model (assessments of occupational risk, safety, hygiene and economics, psychosocial risk, medical check-ups, epidemiological studies etc.)</li> <li>Internal control and Compliance audits.</li> <li>Ethics whistleblowing channel for non-compliance with the Code of Ethics and Conduct, available to all stakeholders.</li> <li>Specific channels and means for the protection of rights and the management of customer complaints.</li> <li>Internal systems and procedures established to detect corruption and to prevent fraud and money-laundering. Ongoing dialogue with stakeholders and workers' legal representatives.</li> <li>Training in human rights as a measure of prevention and awareness-raising of the United Nations 2030 Agenda.</li> </ul> | <ul style="list-style-type: none"> <li>Ethics whistleblowing channel for employees and third parties.</li> <li>Claims and complaints channel for clients.</li> <li>People Area.</li> <li>Workers' legal representatives.</li> <li>Compliance Committee.</li> <li>Social Responsibility and Sustainability Committee.</li> </ul> |
| LABOUR LAW      | <p><b>PRINCIPLE 3.</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p><b>PRINCIPLE 4.</b> Businesses should uphold the elimination of all forms of forced and compulsory labour.</p> <p><b>PRINCIPLE 5.</b> Businesses should uphold the effective abolition of child labour.</p> <p><b>PRINCIPLE 6.</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p> |   |  |   |
| ENVIRONMENT     | <p><b>PRINCIPLE 7.</b> Businesses should support a precautionary approach to environmental challenges.</p> <p><b>PRINCIPLE 8.</b> Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p><b>PRINCIPLE 9.</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>   |   |  |   |
| ANTI-CORRUPTION | <p><b>PRINCIPLE 10.</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>  |   |  |   |



## 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. 2020 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](mailto:rss@solunion.com).
- Communication Area: [comunicacion@solunion.com](mailto:comunicacion@solunion.com).
- Solunion's Corporate Portal: [www.solunion.com](http://www.solunion.com).

**SOLUNION SEGUROS, COMPAÑÍA  
INTERNACIONAL DE SEGUROS Y  
REASEGUROS, S.A.**

**Independent Verification report on the  
consolidated statement of non-financial  
information for the year ending December 31,  
2020**



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

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

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

According to article 49 of the Commercial Code we have carried out the verification, with the limited scope of certainty, of the attached Statement of Non-Financial Information (EINF) corresponding to the financial year ending 31 December 2020, for Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. (Solunion) and dependent companies (Solunion Group or the Group), which forms part of the consolidated Management Report of the Group.

#### **Responsibility of the directors**

The drawing up of the EINF included in the consolidated Management Report of the Group, as well as the content of the same, is the responsibility of the directors of Solunion. The EINF has been prepared according to the content set out in the current commercial regulations and following the selected Sustainability Reporting Standards criteria of Global Reporting Initiative (GRI standards), according to what is stated for each area in the table "Índice de contenidos en relación con los Principios del Pacto Mundial y los Objetivos de Desarrollo Sostenible (ODS)" included in chapter 5.6 to said Statement.

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

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



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AUDITORÍA Y ASSURANCE



#### Our independence and quality control

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

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

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

#### Our responsibility

Our responsibility is to express our conclusions in an independent verification report of limited certainty based on the work carried out. 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, that those carried out in a reasonable certainty engagement and, as such, the certainty obtained is substantially less.

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

- Meeting with the personnel of the Group to ascertain the business model, the management policies and approaches applied, the main risks related to these issues and obtain the information necessary for the external review.
- Analysis of the scope, relevance and integrity of the content included in the EINF for the 2020 financial year in line with the materiality analysis carried out by the Group and described in chapter 5.4 "Definición del contenido del informe. Análisis de Materialidad", considering the content required by the commercial regulations in force.
- Analysis of the processes for gathering and validating the data presented in the EINF for the 2020 financial year.



- Review of the information on risks, and management policies and approaches applied in relation to the material aspects presented in the EINF for the 2020 financial year.
- Confirmation, by means of tests, based on the selection of a sample, of the information on the content included in the EINF for the 2020 financial year and the proper gathering of the same using the data supplied by the information sources.
- Obtaining a letter of representations from the Directors and from Management.

#### Conclusion

Based on the procedures carried out in our verification and the evidence obtained, we have not found any aspects that lead us to believe that the EINF for the Solunion Group for the financial year ending 31 December 2020 has not been prepared, in all significant respects, in line with the content included in the commercial regulations in force and following the criteria of the selected GRI standards, in accordance with what is stated for each area in the "Índice de contenidos en relación con los Principios del Pacto Mundial y los Objetivos de Desarrollo Sostenible (ODS)" table included as chapter 5.6 to said statement.

#### Use and distribution

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

AUREN AUDITORES SP, S.L.P.

Original signed in Spanish by  
Julio López

April 15, 2021





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