

Sustainability

Liberty Seguros is obliged to provide information on sustainability risks in the framework of the REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Liberty Seguros is part of a group of companies whose parent company in Spain is Liberty International European Holdings, S.L.U. ("LIEH") and the ultimate parent company is Liberty Mutual Holding Company Inc., domiciled in Massachusetts, United States of America.

The group core belief is that progress happens when people feel secure. That belief is underpinned by the conviction that insurance is a socially responsible product, delivering security to people and businesses. Our commitment to social good, making environmentally conscious decisions and upholding the highest standards in corporate governance has been a part of who we are for over 100 years.

At Liberty Mutual group, environment, society and governance (ESG) issues such as employee engagement, responsible business practices and climate change are considered not only deeply connected to the organizational purpose but also critically relevant to the success of the business. A greater focus on ESG efforts is one of the critical priorities to enable the future success.

The commitment to ESG is a company-wide effort and will require collaboration across the entire leadership team and the Board of Directors to ensure greater transparency of the ESG efforts for all stakeholders.

Liberty Mutual aim to enhance its business decisions by considering the environmental impacts of the underwriting, investing and operations in support of a transition to a low carbon economy.

Liberty Mutual is also committed to serving as a force for social good by empowering its employees to be inclusive and embrace unique perspectives, supporting the most vulnerable neighbors, and considering the societal impacts of its business decisions.

To achieve this vision, Liberty Mutual will:

- Identify the topics, frameworks and best practices to focus on as it engages with all our stakeholders.
- It will continually measure its progress as a global industry leader in sustainability,
- - Work to ensure the sustained progression of its goals.

The goal for Liberty Mutual is to continue to be a force for good in society while maintaining the financial strength to fulfill our promises to our customers, making environmentally conscious decisions and upholding the highest standards in corporate governance.

For Liberty Mutual, integrating ESG across our enterprise means creating a sustainable mindset in our businesses and employees. To build sustainable business strategies, we envision the world of tomorrow and then evaluate what we need to do today to help make that world a reality. Integral to this process is viewing ESG as an opportunity. This allows us to embrace change and seek innovative solutions to help build a more sustainable world tomorrow.

During 2020

Due to the COVID-19 pandemic greenhouse gas (GHG) emissions, air pollution, noise levels and loss rates of biodiversity were dramatically reduced. At the same time the digital transformation made a big step forward for many organizations and individuals so this new year we will benefit from the digital infrastructure for work, education and private purposes in a way we would have never considered only one year ago.

In the first part of 2020, Liberty Mutual published the first Environmental, Social and Governance (ESG) Report.

As part of its ongoing commitment to environmental, social, and governance (ESG) progress, Liberty Mutual Insurance announced that it has become a signatory of the United Nations-supported Principles for Responsible Investment (PRI). Liberty Mutual is the first U.S. Property and Casualty (P&C) insurer to join the leading international network of institutional investors committed to including ESG factors in their investment decision making.

The Principles for Responsible Investment (PRI) is the world's leading proponent of responsible investment. Supported by the United Nations, it works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society.

The goal of the PRI is to understand the implications of sustainability for investors and support signatories to incorporate ESG factors into their investment decision-making and ownership practices. As a signatory, Liberty Mutual has committed to incorporate the PRI's set of six investment Principles that offer a menu of possible actions for incorporating ESG factors into investment practice. The decision to join the PRI marks Liberty Mutual's ongoing commitment to its ESG journey.

As a global insurer and investor, Liberty Mutual has a broad set of opportunities to address important ESG considerations through its business and investment decisions. The company has been committed to ESG principles for decades and its Office of Sustainability was established to deliver an integrated ESG strategy across the enterprise.

At Liberty, the Shine program is used to recognize and appreciate each other. During 2020, Liberty introduced a brand new "Sustainable" Shine award category, featuring 173 awards that fit the criteria for products that:

- Use recycled or minimized packaging
- Undergo an environmentally friendly manufacturing process
- Are made of a recycled or renewable resource
- Are solar powered, take a reusable battery or use electricity
- A percentage of the product proceeds are donated to a sustainable initiative or organization
- Have a reduced carbon footprint or energy consumption
- Are functionally sustainable (i.e., bikes)

Liberty Digital Way

- In 2021, one year after starting to work with a cloud-based business model, Liberty Seguros has announced a new milestone in its commitment to digitalization, giving its employees in Europe (Spain, Portugal, Ireland and Northern Ireland) the possibility of freely and permanently choosing where they work from.
- It has become the first large company in Spain to commit to a digital life model, in which its employees can always have the possibility to work from home.
- In July 2020, Liberty Seguros already announced an investment of 100 million euros to create a revolutionary technological ecosystem to reinvent its business model in the cloud.
- Under the slogan "Liberty, Best Place to Be", Liberty Seguro's employees will be able to work for Liberty from anywhere in the national territory with a digital life model, improving their working conditions, as they will receive 660 euros gross per year to cover any expenses.
- Liberty Seguros wants to anticipate the future by putting people first, be more efficient and respond to the expectations of flexibility required by the best talent in the market, so that those who work at Liberty can live where they prefer.
- Liberty Seguros has worked closely with their employees to create a new work model that is consistent with our strategy and their current needs. A model to improve the Liberty Seguros employee experience, in which the benefits we already had are adapted to the digital environment and others such as geographic mobility are added, and work-life balance and flexibility are further boosted.
- For years Liberty Seguros has been committed to programs that guarantee health and well-being in the workplace. In the last year, Liberty Seguros has also focused on guaranteeing the physical and emotional wellbeing of our employees, fostering relationships and communication channels, as well as facilitating the adaptation of the workstation in each employee's home.
- This Liberty Digital Way has also the positive effect of reducing Liberty Seguros carbon footprint, since it has significantly reduced mobility and the use of private vehicles as a means of transportation to the company, according to the group commitment with ESG principles.

Liberty Seguros Products

Liberty Seguros in Spain is a promoter of three individual pension funds. The investment policy of these funds is based on the monitoring of the following benchmark indexes, that promotes and includes ESG consideration and principles into their investment policies:- For equities, the benchmark is the MSCI All Countries ESG Focus, which maximizes exposure to positive ESG factors and excludes tobacco and arms.

- For fixed income, it is the Bloomberg Barclays MSCI Euro Corporate 0-3 Sustainable SRI TR index which applies ESG screening filters with responsible investment principles.

Also, Liberty Seguros, in Spain have an institutional for occupational retirement provision for their employees.