



Non Financial Information Report 2022

Liberty International European
Holdings, S.L.U

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Introduction

Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU regarding the disclosure of non-financial information and diversity information, aims to identify risks to improve sustainability and increase the confidence of investors, consumers, and society in general and for this purpose increases the disclosure of non-financial information, such as social and environmental factors.

In this context, Law 11/2018, of December 28, was published, amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Auditing of Accounts, in matters of non-financial information and diversity. This Law, extends the non-financial information requirements, as well as broadens the scope of application, replacing those established in the previous Royal Decree-Law 18/2017, of November 24, on non-financial information and diversity.

This report aims to comply with said regulatory requirements and to present the information necessary to understand the evolution, results and situation of the Company, and the impact of its activity with respect, at least, to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as relating to personnel, including the measures that, where appropriate, have been adopted to favour the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of people with disabilities and universal accessibility.

It is important to highlight that due to the publication of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (hereinafter "Taxonomy Regulation"), from 2021, this report has to include non-financial statement information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable.

Specifically, in 2021 and 2022 reports, they have to include:



- The proportion in its total assets of exposures to eligible and non-eligible economic activities according to the Taxonomy.
- The proportion in its total assets of exposures to Public Administrations, Central Banks, Supranational Issuers and Derivatives.
- The proportion in their total assets of exposures to entities not required to publish non-financial information.
- Qualitative information to support the financial undertakings' explanations.

Insurance and reinsurance undertakings shall also disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible non-life insurance economic activities. (This information is included in point 5.3)

1. About the Company

► 1.1 Company Profile

Profile of LIEH

Liberty International European Holding, S.L.U. (hereinafter "**LIEH**"), is a Spanish-based intermediate insurance holding company of a sub-group of entities: (insurance companies, insurance service companies and other holding companies). **LIEH** and its subsidiary companies form a sub-group as a part of a global insurance group, Liberty Mutual Group.

The parent company of **LIEH** is **Liberty Mutual Holding Company Inc.**, domiciled in Massachusetts, United States of America.



Chart 1: Corporate Structure LMG (Abbreviated for illustrative purposes)

Liberty Mutual Holding Company Inc., the parent company of the Liberty Mutual Insurance group of entities (hereinafter '**LMG**', '**Liberty Mutual Group**'), was founded in 1912 in Boston, Massachusetts. **LMG** is a diversified global insurer and sixth largest global property and casualty insurer in the U.S. based on 2021 direct written premium. The Company also ranks 78th on the Fortune 100 list of largest corporations in the U.S. based on 2021 revenue. Liberty Mutual Holding Company Inc. employs over 45,000 people in 29 countries and economies around the world.

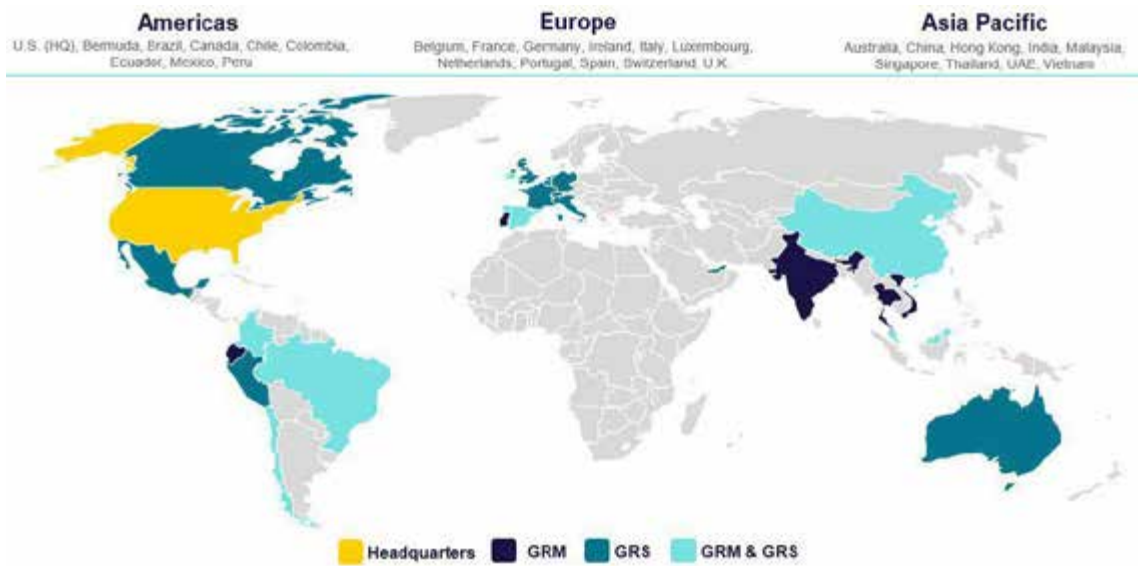


Chart 2: Countries of LMG

During 2020 LIEH went through a restructuring process, resulting in a total change of the Sub-group’s structure, with a significant reduction of entities. Such restructuring was adopted to benefit the Sub-group and its controlled entities by both aligning with the European regulatory oversight structure and simplify Sub-group corporate governance.

As a result of this process, from 2021 to 2022, LIEH was comprised of several insurance companies, service entities and holding companies with a presence in the following countries: Ireland, Portugal, Luxembourg, Spain, UK, France, Germany, Italy, the Netherlands, Switzerland and Brazil.

Nevertheless, the restructuring process was completed on 21st of December 2022, with the sale of the indirect shareholding in Brazil entities.

So, this is LIEH structure in 2022 before Brazilian entities exit:

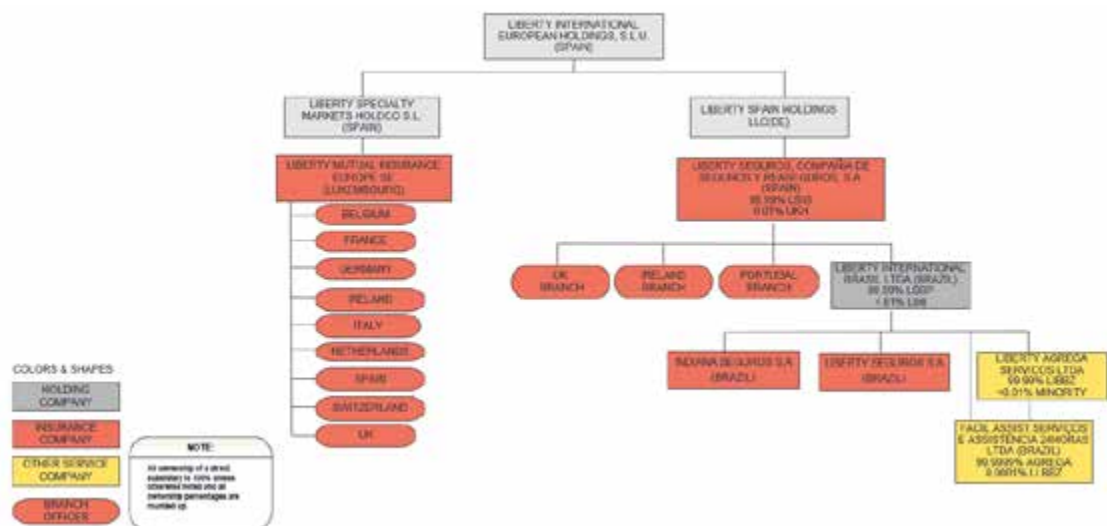


Chart 3: LIEH 2021-2022 structure before exit of Brazilian entities of the group

From an operating viewpoint, **LIEH** conducts its insurance business through two Strategic Business Units (hereinafter “SBU”) Global Retail Markets and Global Risks Solutions. Each SBU operates independently, due to the different characteristics of the business lines, operations, and customer needs. Both SBUs have dedicated sales, underwriting, claims, financial and certain information technology resources.

- **Global Retail Markets (GRM¹):** Offers a broad array of personal line products and small commercial. The most significant product lines are Auto and Homeowners Insurance. GRM combines the Company's local expertise in growth markets outside the U.S. with strong and scalable U.S. capabilities to take advantage of opportunities to grow its business globally. GRM is organized into the following segments: U.S., West, East, and Reinsurance. Liberty Seguros Compañía de Seguros y Reaseguros in Spain, Liberty Seguros S.A and Indiana Seguros in Brazil are the insurance companies belonging to GRM (West) under LIEH structure until 21st of December 2022, with presence in Latin America and Europe, most focus on motor, property, casualty, and other lines of business such as health and life.
- **Global Risk Solutions (GRS):** Offers a wide array of property, casualty, specialty, and reinsurance coverage distributed through brokers and independent agents globally. GRS is organized into the following market segments: Liberty Specialty Markets, GRS North America, Global Surety, and Liberty Mutual Reinsurance (Structural change for Reinsurance in 2022 now part of the Business Units of GRS (previously under Liberty Specialty Markets).

Liberty Mutual Insurance Europe (LMIE) is the insurance company belonging to GRS under the current LIEH structure and it is focus in the mid and large commercial and specialty sectors.

The following lines are a brief description of the corporate structure of the entities comprising each LIEH region:

A. Liberty Seguros (WEM)

Liberty Seguros Compañía de Seguros y Reaseguros (hereinafter "Liberty Seguros") currently operates in the Spanish market, Portuguese, Irish and United Kingdom ones through branches in these countries.

B. LMIE

Liberty Mutual Insurance Europe Societas Europaea (hereinafter "LMIE") has been operating from its headquarters in Luxembourg since 1st March 2019. LMIE was incorporated as a subsidiary entity of Liberty Specialty Markets (hereinafter "LSM"). LSM offers specialty and commercial insurance and reinsurance products across the UK, Europe, Middle East, US, and other international locations.

C. BRAZIL

The corporate structure has two insurance companies in Brazil: Liberty Seguros S.A. and Indiana Seguros S.A; two services companies: Facil Assist Serviços e Assistência 24 horas Ltda and Liberty Agrega Serviços de Atendimento LTDA, and one holding company Liberty International Brasil LTDA. Hereinafter those five companies will be referred as Brazil or Brazil Companies unless otherwise stated.

Notwithstanding the above, as noted before, on 21st December 2022, as a consequence of the sale of the participation in Liberty International Brazil by Liberty Seguros, Compañía de Seguros y Reaseguros, the Brazilian companies exited of LIEH group, finalising the restructuring process initiated in 2020 to benefit the group and its controlled entities by both, aligning with the European regulatory oversight structure and simplify Sub-group corporate governance.

Therefore, since on 21st December 2022, the new structure of the group is shown in this chart:

¹ There are entities within GRM and GRS that are not under LIEH operational control.

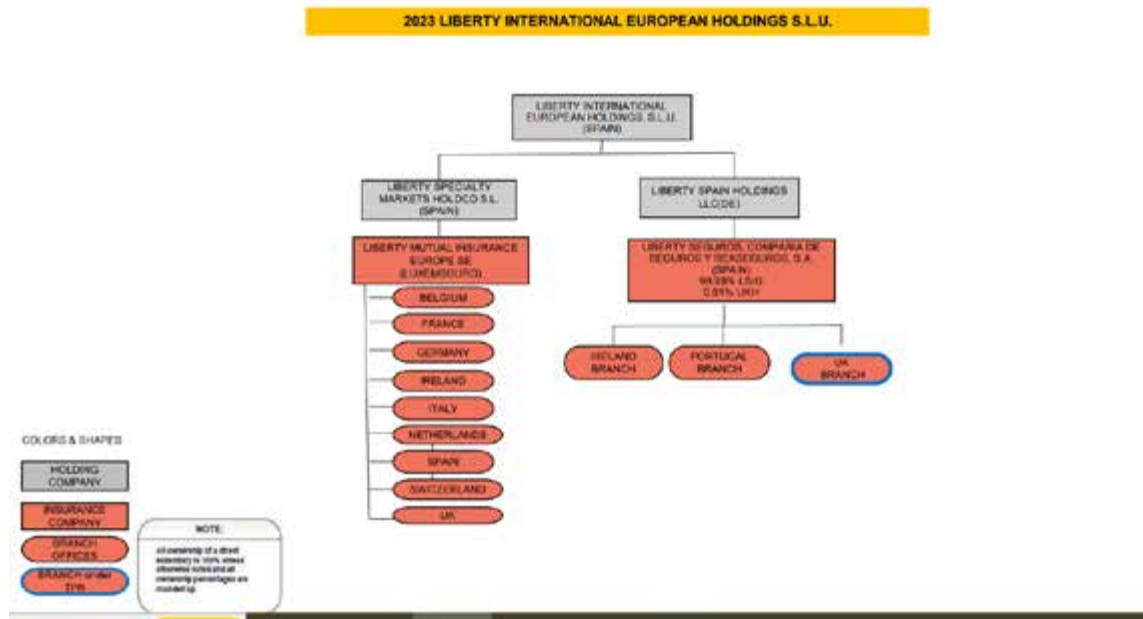


Chart 4: LIEH 2023 Liberty International European Group

Therefore, this report provides information on all entities belonging to the LIEH group up to 21st of December 2022, except for those aspects where data is required as at 31 December 2022, such as Taxonomy point, where Brazilian companies have not been taken into account, as a consequence that companies left the the group.

► 1.2 Business Model and Strategy

In this section, there is an analysis of the business environment and trends:

a. Business environment

EUROPE

According to the December 2022 Economic Bulletin of the European Central Bank (ECB), Europe’s growth outlook has been declining considerably due to higher inflation. The summer of 2022 was unexpectedly stronger than expected due to the revival of the service sector resulting from the reopening of the economy and supportive measures taken by governments. However, the energy crisis and high inflation have created great uncertainty, this coupled with the global economic slowdown and tighter financing conditions have resulted in the economy slowing down and GDP for the third quarter of 2022 being affected.

Political uncertainty due in particular to Russia’s war against Ukraine and the tightening of financing conditions have caused export price increases to directly affect the euro area’s purchasing power.

What is noteworthy, despite the outlook for 2022, is that employment increased by 0.3% in the third quarter of the year and unemployment was at an all-time low of 6.5% in the last quarter of the year, which will result in a recovery of purchasing power through consumption, however, according to projections new job creation will gradually decline in 2023.

The outlook for Europe with such low growth and high inflation is for a short and not very deep recession by the end of 2022 and the beginning of 2023. The war in Ukraine continues to take its effect on economies through rising inflation, consumer and business confidence, and some sectors have been affected, such as the energy sector. The ECB expects the economic repercussions to decrease, largely due to fiscal policy. Likewise, given the high natural gas reserves and efforts to reduce consumption and replace Russian gas with alternative sources, it is expected that cuts can be avoided, although projections indicate that energy supply will be high for the winter of 2023-2024. The labour market is also projected to hold up despite the recession as companies are believed to prefer to retain labour. Overall, annual GDP growth is expected to experience a decline from 3.4% in 2022 to 0.5% in 2023 and then increase to 1.9% in 2024 and 1.8% in 2025, Compared with the September 2022 projections, the outlook for GDP growth has been revised up by 0.3

percentage points for 2022, owing to positive surprises over the summer, and revised down by 0.4 percentage points for 2023, while it is unchanged for 2024.

By December 2022, inflation slowed to 10%, mainly due to a decline in the rate of change of energy prices, while services inflation also declined. However, food inflation continued to rise and stood at 13.6% as the costs of inputs for food production increased and consequently prices rose. Inflation, except in the cases of energy and food remained at 5% for the month of November, however, inflation pressure remains intense in other sectors mainly due to the impact of energy costs.

The fiscal measures taken to compensate households for higher energy prices are expected to curb inflation during 2023, but are more likely to increase once the measures are removed. The same has happened with the withdrawal of pandemic-related restrictions, the effect of stagnating demand, although decreasing, is still pushing up prices, especially in the services sector. The depreciation of the euro in 2022 also continues to feed through to consumer prices.

Risks to the economy's growth projections are set to decrease, mostly in the short term. The war in Ukraine remains a high risk to the economy. Energy and food costs may also remain higher than expected and a weakening of the global economy may pose a problem for euro area growth.

In Spain, economic growth for 2023 is estimated at 1% compared to 4.4% in 2022, despite the harsh effects of inflation (7.3% in October), the Spanish economy continues to be very dynamic due to the recovery of the tourism sector and the labour market remains strong, the insurance sector experienced significant growth in premium volume (5.7% and 5.6% in Life and Non-Life business, respectively).

UNITED KINGDOM

In the United Kingdom, the economic growth projection for 2023 is -0.4%, due to political instability over the appointment of the Prime Minister and the announcement of a fiscal plan in an environment of high inflation.

BRAZIL

In Brazil, growth for 2023 is expected to be 0.9%, in line with the global macroeconomic environment where inflation has been on the rise, in the Brazilian case growth has performed better than expected due to domestic consumption, however, for 2023 a downward trend is expected due to the tightening of financing conditions as a result of the rise in interest rates and inflation. Brazil's central bank was one of the first to tighten monetary policy by raising interest rates, which helped the country to optimally cope with rising inflation.

b. Insurance market trends

Monetary policy measures in both developed and emerging economies have caused adjustments in financial markets to have a greater impact on the real economy, resulting in low growth, even if the labour market remains strong. So far, these restrictive monetary policies have not succeeded in reducing the loss of purchasing power and inflation. As a result, there is a high probability that the world's major economies will enter into recession, which will directly affect the insurance market, making the projections for the sector complex.

The war in Ukraine together with the rise in energy prices and the increase in inflation has affected the development of the insurance market since, despite the growth in premiums, it has not been possible to counteract the effect of inflation and this is putting pressure on insurance prices, which means that profitability is directly affected. In the case of the motor sector, the supply problems that were affecting registration have been resolved, but with the tightening of financing conditions, the purchase of new vehicles will be affected, which will have a direct impact on car insurance.

Despite the tightening of monetary policy by the European Central Bank, risk-free interest rates remain below inflation, but levels are trending upwards, so this improves the outlook for life insurance savings and annuities. However, in the case of life insurance in which the policyholder assumes the investment risk, they have to adapt to an environment of falling equities and a fixed income offering higher interest rates and risk premiums more in line with the credit risk of the issues.

In Spain, the insurance sector experienced significant growth in premium volume (5.7% and 5.6% in Life and Non-Life business, respectively).

In the UK, due to political instability this has resulted in households having less disposable income which will cause a slowdown in the economy and a clear complication for the development of the insurance sector which means pressure on insurance prices.

In Brazil, the performance of the insurance market has been optimal, especially in the Non-Life business, which has experienced a growth in its volume of turnover with a notable recovery in the automobile and agricultural insurance lines of business. However, due to the economic slowdown, it is estimated that the sector's growth will not be the same in 2023.

Climate change

Sustainability risks remain a major concern for the insurance industry as financial losses from climate risks continue to reduce the profitability of risk and liability insurance companies, which is of great concern to investors. Some insurance companies have increased their efforts to quantify and address climate risk in both their underwriting and investment portfolios.

The European Insurance and Occupational Pensions Authority (EIOPA) is calling for insurance companies to do more robust and longer-term scenario analysis in risk and solvency assessments, so that physical weather-related risks such as fires and floods can be identified.

c. Business Model and Strategy

LIEH's vision, established by its shareholder Liberty Mutual Group, is to build a profitable, growing, customer-focused business to "help people embrace today and face tomorrow with confidence" and consistently deliver on their financial plans. LIEH establishes its strategy and objectives according to its business units (GRM & GRS), considering the goals established by its shareholder.

LIEH's strategy and objectives are defined through the consolidation of the business units' strategies, consistent with the Group's global strategy and that of the different individual controlled entities.

Strategy it's articulated under three overarching pillars for the upcoming years (profitability, capital management and customer/employee experience) while controlling the risk exposures through disciplined Enterprise Risk Management (ERM). Major pillars of the strategy include:

- **Profitability:** Exercising discipline underwriting, controlling the expenses, and developing an action-oriented ROE management.
- **Capital Management:** Managing reserve risk volatility, diversifying sources of profit, and growing where profitable/ time horizons indicate strategic growth opportunities.
- **Customer and employee experience:** Creating a customer centric business that meets and exceeds customer expectations, increasing customer loyalty and retention as well as ensuring employee satisfaction and advocacy.



Chart 5: LIEH Strategic Priorities

► 1.3 Corporate Governance

The governance system of LIEH aims at ensuring a sound and prudent management of the subgroup. The system consists of a transparent organizational structure and lines of responsibility, effective processes to identify, manage, monitor, and report on the risks to which the Company is exposed, adequate internal control mechanisms and remuneration policies that promote the effective management of the organization.

The governance system has been designed to provide the Board of Directors of LIEH with adequate supervision and control of the material risks derived from the Subgroup. The system of governance in place during 2022 is illustrated below:



Chart 6: Governance Structure LIEH

The **Board of Directors** is the backbone of LIEH's governance system and is ultimately responsible for LIEH's compliance with legal and administrative requirements.

The Board performs supervisory functions and plays a key role in ensuring the effective governance of LIEH's operations.

The Board has established and delegated specific rights to various committees. The **Risk Committee** is responsible for oversight of the subgroup's risk management system. Similarly, the **Audit Committee** is responsible for oversight of the subgroup's internal control system and the **Remuneration and Nomination Committee** is dedicated to the development and application of the Subgroup's Remuneration Policy.

The **Management Oversight Committee** has been established with the objective of providing oversight and guidance on governance and risk management at LIEH and controlled entities, overseeing risk aggregation for the Subgroup, assessing risks that are specific to the Subgroup and monitoring entities as necessary.

The Board recognizes the importance of ensuring that persons running LIEH or performing key functions have the appropriate professional qualifications, knowledge, and experience to carry out sound and prudent management of LIEH and that they maintain a good reputation and integrity. To this end, all directors, as well as executives with key responsibilities, must comply with the **LIEH Fit and Proper Policy**.

In addition, in 2022 an Information Security Function, responsible to perform the functions established in the Guidelines on Governance and Security of Information and Communications Technologies published by the European Insurance and Occupational Pension Authority, (EIOPA) was appointed in LIEH, as part of their system of governance.

► 1.4 Risk Management

LIEH's Risk Management System aims to ensure that the main risks relevant for LIEH are identified and monitored, which allows for their adequate risk management. Risk management in LIEH is articulated through the Risk Management Strategy and Risk Management Policy.

To ensure that the risk and control processes of LIEH work satisfactorily, the Risk Management System is based on the three-line of defence model, which provides a simple and effective way to improve communications in risk management and control through a clear definition of responsibilities and tasks.

The Risk Management Function periodically reports on the Company's exposure to the various risks to the Board Risk Committee and the Board Audit Committee

Periodically, the Risk Management Function carries out an evaluation of the Company's risk profile, assessing the capital adequacy and the current and future risk profile of the Group, given the strategic and commercial plans, using a series of measures that include stress tests, sensitivity analyses and capital modelling.

LIEH assesses the group's exposure to relevant current and future risks, including specific group risks and exposures such as group concentration risk, and considers the adequacy of the associated contingency plans and related factors.

The risks identified within the framework of this **LIEH system are classified** into the following categories:

- Underwriting risk

- Market risk
- Liquidity risk
- Credit risk
- Operational risk
- Strategic risk
- Group risk
- Reputational risk

From an aggregate point of view, underwriting and market risks are the most important LIEH risk categories.

Within underwriting risk, catastrophe risk is identified as a significant risk, assessing the likelihood of natural disasters such as earthquakes, floods, and hurricanes, as well as man-made disasters such as acts of terrorism. Catastrophe risk is assessed in conjunction with climate change risk, which is increasing the volatility of weather patterns, making the process of pricing catastrophic risks more difficult. To manage and limit exposure to catastrophes, **LIEH** incorporates a variety of modelling techniques, subsidiary controls, and reinsurance placements.

About market risk, the main driver is spread risk, which is mitigated by a liquid, diversified, and positively rated portfolio.

In addition to the ongoing risk assessment, **LIEH** also studies the impact on future projections according to the business plan to better understand what may go wrong and to maintain appropriate contingency arrangements.

► 1.5 Environmental commitments

LMG fundamental principle is that progress happens when people feel secure. This principle is underpinned by the conviction that insurance is a socially responsible product that provides security for people and businesses.

Liberty's commitment to society, environmentally sound decision-making and upholding the highest standards of corporate governance is an essential part of what has defined us for more than 100 years.

Liberty Mutual is committed to addressing the challenges posed by environmental issues like climate change. Through a combination of short and long-term approaches we integrate sustainability efforts while balancing the needs of our customers and stakeholders with our business operations. Our efforts include the following overarching commitments:

1. We commit to undertaking activities that will help inform our climate strategies because we recognize the role of property and casualty insurers in the transition to a low-carbon economy.

Liberty Mutual will remain informed and engaged in policy decisions across jurisdictions to support customers and ensure business operations remain resilient.

2. We commit to building capabilities to monitor environmental impacts, opportunities, and risks, and measure progress on our climate journey.

Our efforts will include expanding and refining our public disclosures, aligning with global expectations.

3. We commit to support development of responsible guidelines that will enable our climate journey while supporting businesses in traditionally high-impact sectors as they embark on their own journeys.

We apply a holistic lens, integrating sustainability considerations across underwriting and investing strategies. Liberty Mutual's underwriting strategy incorporates robust sustainability information to meet the nuance and complexity of risks, while refining tools for underwriters to assess risk in ways that are most relevant to our customers. Our investment strategy carefully incorporates identification, understanding and management of sustainability factors to enhance our ability to meet our long-term investment objectives.

4. We commit to using a '3-Rs' strategy to transition our operations to a low-carbon future and minimize our environmental impacts by:

- 1) Reducing our emissions through improved efficiency.

2) Accelerating the energy transition.

3) Utilizing RECs (renewable energy credits) and offsets.

Liberty Mutual will continue to decrease our operational carbon footprint by taking actions to increase operational efficiencies and identifying renewable energy opportunities across our real estate portfolio. We have committed to a 50% reduction of Scope 1 and 2 global greenhouse gas (GHG) emissions from 2019 levels by 2030.

5. We commit to accelerating the adoption of innovative technology and alternative energy solutions through client and customer risk identification, underwriting, and investments.

We will advance global conversations on data and risk discovery and applications and commit to physical risk management. In addition, we commit to informing and advocating on adaptive solutions for systems and policy solutions that advance resilience and promote sustainability at scale.

In order to address environmental issues and contribute to a just and orderly transition, Liberty Mutual prioritizes business unit integration and embedding sustainability and climate risk and resiliency considerations into day-to-day operations.

LIEH and Liberty Seguros framework for sustainable investment is based on the incorporation of environmental, social, and corporate governance factors (ESG criteria), in addition to traditional financial criteria, in investment decision-making. For Liberty Group, the integration of ESG criteria throughout our entity and its subsidiaries means a sustainable mindset in both our businesses and our employees. To build sustainable business strategies, we imagine the world of tomorrow to assess what we must do today to help make that world a reality by viewing ESG criteria as an opportunity. This allows us to embrace change and seek innovative solutions that will help build a more sustainable world tomorrow.

Building on our identity and values, we articulated five principles that unify our approach to ESG. We are applying these principles as we continue to integrate ESG into our operations, businesses, and investments.



Chart 7: Liberty Mutual's ESG Principles

As part of its ongoing commitment to environmental, social and governance (ESG) progress, Liberty Mutual Insurance is a signatory to the **Principles for Responsible Investment (PRI)**, endorsed by the United Nations and other organizations dedicated to sustainability. Liberty Mutual is the first U.S. property and casualty insurer to join the leading international network of institutional investors committed to including ESG factors in their investment decision-making.



As a global insurer and investor, Liberty Mutual has a broad set of opportunities to address important ESG considerations throughout 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 company. We are committed to continuing to take steps towards our energy transition goals to achieve a low-carbon future.

In 2022, LMG implemented a new ESG governance structure. The Board approved the creation of a new Governance and Sustainability Committee to provide strategic oversight and performance evaluation of Liberty Mutual's sustainability practices and priorities. It also created an ESG Executive Committee, a small group of senior executives collectively responsible for monitoring the implementation of this strategy.

In Liberty Seguros, Sustainability, formerly called corporate social responsibility, has been embedded for many years in the company values, in strategy, in the decision making, in short, in the way we work. We are now evolving towards a broader vision of sustainability, integrating environmental, social and governance aspects under the acronym ESG. We are committed to "Put People First", we are working to always guarantee equality and diversity in all our teams, and we are focused on incorporating transparent reporting and governance mechanisms that guarantee the integrity of our actions.

Employees are the ones who have made it possible for such a disruptive model as Liberty Digital Way to become a reality and who, day after day, make it possible for Liberty to be not only a benchmark in digitization, but also an example of integration, equity, and equality thanks to active participation of the teams. It has been also implemented the DEI Council.

2. Ethics and Corruption

LIEH has established a Compliance Function to support and promote the company's objective of doing the right thing, in accordance with **LMG's** Code of Business Ethics and Conduct.

LIEH Compliance Function is responsible for:

1. Advise the Board of Directors of **LIEH** on compliance with the laws, regulations, and administrative provisions applicable to the Subgroup (in particular the Solvency II Group regulations) and its controlled entities, as well as on compliance with its internal regulations, such as the Code of Ethics.
2. Collaborate with the company in the effective identification and assessment of compliance risks by establishing and maintaining effective compliance risk management and control systems, including monitoring and reporting.
3. Assess the potential impact of any changes in the legal environment on the Subgroup and its controlled entities and ensure that regulatory and legislative requirements are understood throughout the organisation.

In turn, each **LIEH** entity has a Chief Compliance Officer responsible for overseeing the compliance program in the entity, directing, supervising, and advising the business on all compliance matters.

LIEH adheres to **LMG's** Code of Conduct, which establishes how employees conduct business with customers, policyholders, business partners and each other. Adherence to the Code of Conduct is mandatory for all **LIEH** employees, officers, and Board Members. **LMG's** Code of Conduct embodies policies and guidance for acting with honesty and integrity.

In addition, all **LIEH** entities must comply with **LMG's** Anti-Corruption Policy, which sets forth the responsibility of each employee to abide by all anti-corruption laws and defines prohibited and permissible payments as well as the importance of third-party due diligence.

To complement the Anti-Corruption Policy, **LIEH** entities must comply with the **LMG** Anti-Corruption Due Diligence Procedure, which aims to detect and/or mitigate the risk of corruption and support existing policies on outsourcing of services, assignment of agents and intermediaries and delegation of authority procedures. This procedure also aims to ensure that business activity is conducted in accordance with **LIEH's** values.

To prevent money laundering and any activity that facilitates it or the financing of terrorist activities, a Global Money Laundering Prevention Policy is in place.

In 2020, LMG introduced the Compliance and Ethics vision. This sets a clear framework for a range of supporting programs such as the whistle-blower helpline and our Compliance Helpline, which is available 24/7 to connect employees to members of the compliance team.

LMG is also focused on creating a culture of compliance throughout the organization, normalizing practices of speaking up, and creating a responsible "mood in the middle." LMG promote peer accountability in the belief that every team member has a role in encouraging ethical and compliant operations. The Company train the managers to be first line responders to compliance issues and to quickly connect employees with questions to the compliance team.

All employees receive extensive training and reminders on compliance, policies, and ethical behaviour. For example, new hires are usually required to take at least three courses and regular anti-corruption, anti-bribery, and anti-money laundering training is provided to relevant employees. Educational materials and policies are available in 12 languages to ensure accessibility across the organization. Also, there is an annual training programmes for all employees on the Code of Ethics, Acting Responsibly and Conflicts of Interest and for key employees on anti-corruption and sanctions. Further detail in in Section 4.6 Training and development.

LMG has a prevention programme through the Compliance Risk Assessment in which each entity, for each area, analyse not only the regulatory risks and especially the criminal risks, including mainly the risk of corruption and bribery. Adequate controls are established, and evidence are required for risks classified as "high".

LMG head office in Boston (GC&E) conducts an annual anti-corruption certification, in which key people are questioned, as well as an annual conflict of interest certification. In this certification all employees must disclose any potential conflicts of interest as soon as they arise, and prior to engaging in the activity. Global Compliance & Ethics works with all the employees to provide guidance and safeguards to follow to ensure the employees and the company are protected from a conflict of interest.

► 2.1 Specific Ethics and corruption programs

WEM, LMIE and Brazil companies are committed to conducting business in a fair, honest, and open manner and in compliance with all local and international anti-bribery and anti-corruption laws. Employees and associated parties are expected to conduct their day-to-day business with transparency and integrity to avoid any improper advantage or the appearance of questionable conduct.

In this regard all the programs in place are similar in the European jurisdictions. There are Anti-Bribery and Corruption policies in place, and ultimately the Board is responsible for ensuring that risks to the business are identified, assessed, and managed effectively. The Board has delegated responsibility for detailed oversight of financial crime compliance to the Risk Management Committee. The Compliance Officer is responsible for the maintenance of this Policy. Any breaches of this Policy will be referred to the Risk Management Committee. In all the companies across LIEH there are different initiatives to limit risks of bribery and anticorruption such as:

- **Annual Risk Assessment:** Companies conduct an annual financial crime risk assessment to identify and assess the risks to which they are exposed. The aim of this is to establish appropriate and risk-based controls and procedures that effectively mitigate risks and equip the business with information and tools to identify and escalate suspicions of wrongdoing.
- **Due Diligence:** In instances where third parties perform a service for the Company or for one of its entities, a due diligence exercise needs to take place to ensure that suitable standards and controls are maintained to mitigate bribery risks.
- **Monitoring:** Entities conduct ongoing transactional monitoring of its business relationships to identify and investigate any transactions that could give rise to suspicions of bribery or other wrongdoing.
- **Staff Training:** LIEH employees are made aware of financial crime risks, the relevant legislation, and their obligations. Employees receive regular training on procedures, including how to recognise and deal with arising suspicions.
- **Escalation Routes:** Staff are made aware that any suspected breached should be referred to the Compliance position in charge, who will take the appropriate action to investigate and resolve the matter. It is also possible to anonymously report suspicious activity or any suspected wrongdoing or unlawful conduct.

► 2.2 Anti Money laundering

In **WEM** there is also a specific Anti Money Laundering (hereinafter "AML") policy, AML handbook and AML Committee Terms of Reference in place to fight against the Money Laundering. Specific AML risks are included in the Compliance Risk Assessment Programme and appropriate controls are put in place. The databases of both new and existing customers and payments are checked daily against political exposed persons, United Nations (UN) , and European Union (EU) lists. Annual AML training is given to all employees, agents and mediators and the Board and an annual evaluation is carried out by an external expert who audits our AML prevention system, and an annual action plan is drawn up to improve the system.

LMIE is committed to adhering to requirements under applicable anti-money laundering, terrorist financing and fraud laws and regulations. Staff are trained on what constitutes an offence and the implications of committing an offence on both a corporate and individual level. In conjunction with the associated LSM policies and procedures, employees are equipped with the knowledge to identify and report suspicious activity, ensuring that adequate and proportionate measures can detect, discourage, and disrupt money laundering and terrorist financing. The Board has delegated responsibility for detailed oversight of financial crime compliance to the Risk Management Committee (RMC).

Both the anti-money laundering and anti-bribery and corruption policies are reviewed annually.

In the same way as bribery and anticorruption LMIE mitigates risks with annual risk assessment, due diligence, monitoring staff training, escalation routes and in addition encompassing the following:

- Appointment of a Money Laundering Reporting Officer (MLRO): LMIE has a nominated officer to ensure that it applies a sound approach to counter the risk that the firm is used to further financial crime.
- Disclosure Obligations: All staff have an obligation to report a transaction that they are suspicious of and may face a primary offence if they fail to do so.
- Suspicious Activity Reporting: LMIE provides a framework within which staff can raise an internal report where they have knowledge or suspicion, or where there are reasonable grounds, that another person is engaged in money laundering or terrorist financing activities.
- Staff Awareness, Training and Alertness: LMIE employees are made aware of financial crime risks, the relevant legislation and their obligations via the circulation of LMG's financial crime policies and procedures. Employees receive regular training on procedures, including how to recognise and deal with arising suspicions.
- Monitoring: LMIE conducts ongoing transactional monitoring of its business relationships in order to identify and investigate any transactions that could give rise to suspicious of bribery or other wrongdoing.

For the specific case of anti-monetary laundering in Brazil, an AML policy as well as some know your client procedures and AML periodic communications are in place.

► 2.3 Donations

Since 2021 pandemic situation began, **LIEH** entities have made a significant effort to donate to foundations and organizations, carrying out a multitude of initiatives in different countries in which in many cases employees have participated, either by donating directly or through various initiatives that the company rewarded with donations to organizations selected by the employees themselves.

The aim was to protect the neediest and most vulnerable people and to support local initiatives. For example:

During 2022, in Brazil, two campaigns were carried out to donate money to Non governmental organizations (NGO's):

1. Volunteering During 2022:

- Project Petropolis: Donations of 1.774,68 euros for food and water to people.
- Project Serve with Liberty Week: this activity was hosted in Brazil.
- Project 110 Gifts: Liberty Mutual completed 110 years and were able to donate 18.739,75 euros to 2 NGOs : Victorias Pela Vida and Casa José Coltro.

2. Solidary Christmas (December 2022) There was collected via crowdfunding a money to help to purchase of sporting materials that will be used to support social development of people with spectrum disorder autistic and down syndrome.

It is important to note that the Serve with Liberty Week, 110 Gifts and Solidary Christmas projects were donated directly by Liberty employees.

In addition, in Brazil there are laws that give tax incentives to companies that decide to sponsor projects, in 2022 the following projects have been sponsored:

a) Culture Incentive Law.

- Project Associação Orquestra Parassinfônica do Estado de São Paulo - Associação OPESP: 76.311,11 euros have been donated to this project aimed at musicians with disabilities. The proposal is to contribute, through music, to a society free of stigmas and prejudices about people with disabilities
- Caminhada Musical para Terceira Idade: Promote citizenship, improve the quality of life, autonomy of the elderly, encouraging their socialization through physical and intellectual activities that rescue and value their social role, their experiences and their knowledge. 44.367,04 euros have been donated to this project.
- Gincana Fotográfica: The project is focused on using photography as a tool for human development for youth generation. 41,344.04 euros were donated for this project.
- Moda Tech: Modatech is a fashion festival with fashion shows, exhibitions and talks that incentive youth to express their art. 46.141,72 euros have been donated to this project.

b) Child and Youth Fund.

- Trabalho Em Ação: 21.084,96 euros were donated to this program which offers professional qualification to students in São Paulo. The institution's main objective is to fight social inequality through education and employment through courses that help prepare and train students to get their first job.
- A Autonomia e o Protagonismo na Inserção de Adolescentes Surdos no Mercado de Trabalho: The program offers professional qualification to deaf students in São Paulo, 19.521,50 euros have been donated to this program.
- Programa de Habilitação e Reabilitação para Crianças e Adolescentes com Deficiência Visual: 14.197,45 euros were donated to this rehabilitation Program for Children and Youth with Visual Impairment.

c) Sport Incentive Law.

- Rede de Núcleos Esportivos Sócio-Educativos IEE_B: This project's aim is to teach volleyball to youth in São Paulo, 17.746,82 euros have been donated to this project.
- Corrida e Caminhada pela Inclusão Olga Kos - Ano IX: Walking for inclusion in respect of people with down syndrome, 37.057,11 euros were donated to this program.

d) Elderly Fund.

- Influenciadores da Melhor Idade: 28.183,70 euros have been donated to this program that focuses on providing a dignified old age, with comfort, care and quality life.
- Projeto Maturidade 2021-2023: 26.620,03 euros have been donated to this project that focuses on providing a dignified old age, with comfort, attention and quality life.

In **WEM**, there were several initiatives to mention.

- Under the "Serve With Liberty" campaign in Spain, a donation of €15.589,05 was made to the FDI Foundation, whose social purpose focuses on the integration of people with disabilities and/or at risk of exclusion into the workplace through education and sport, as well as commitment to the environment.
- In Ireland a donation has been made to the Erica's Fairy Forest Foundation for a value of €500, this park is located in Cootehill Park Run and was created in memory of Erica Ni Draighneain who died at the age of 6 years old from cancer, this park is free to enter.

At the Christmas Campaign here can find a non exhaustive list of **WEM** donations to NGO, Foundations and Charity:

Spain

- 5.000 euros to Fundación Global Nature. NGO
- 5.000 euros to Fundación para el Fomento del desarrollo y la Integración. NGO
- 5.000 euros to Banco de Alimentos : NGO
- 5.000 euros to Juegaterapia: Foundation

Portugal

- 5.000 euros to Fapas: Foundation
- 5.000 euros to Academia do Johnson NGO
- 5.000 euros to Alertamente NGO
- 5.000 euros to Emergência Social NGO

Ireland and Northern Ireland

- 5.000 euros to Pieta. Charity
- 5.000 euros to Women's Aid Northern Ieland. Charity
- 5.000 euros to Barnardo's - Ireland & UK. Charity
- 5.000 euros to Hometree . Charity

In addition, WEM have made a donation under "Ukraine Aid" to the Red Cross Spain for 30.000 euros with the aim of helping people affected by the war.

As part of the Liberty Race campaign, WEM has made donations to the following charities:

Portugal

- 5.000 euros to The Iron Brothers Project, of the Lisbon Cerebral Palsy Association
- 3.000 euros to The Associação PingPong Parkinson Portugal (PPPP) project, in partnership with Associação Parkinson Portugal
- 2.000 euros to The SURFaddict project

Spain

- 10.877 euros to Paralympic promises team

Ireland

- 20.000 euros to Irish Wheelchair Association

Durante 2022, **LIEH** destinó **521.316,64** euros a donaciones a fundaciones, organizaciones sin ánimo de lucro y organizaciones benéficas.

DONATIONS	2022*	DONATIONS	2021
Fundations	€20.877,00	Fundations	€19.000,00
Non-profit organizations	€46.089,05	Non-profit organizations	€790.244,00
Charity	€454.350,59	Charity	
Total	€521.316,64	Total	€809.244,00

Note:

- The total donated by LIEH in 2022 was 521.316,64 euros, however 65.000 euros will be paid in Q1 2023.

3. Human Rights

LIEH is highly committed to the respect of Human Rights and the entities of the Group comply with the fundamental conventions reflected in the International Labour Organization, facilitating respect for free association and the right to collective bargaining.

Moreover, in **LIEH** we fight against any kind of labour discrimination, as well as child exploitation and forced labour, through both the LMG Code of Conduct and the local policies, following the Guidelines defined by the Group.

We maintained our commitment to developing our people. We continued to focus on leadership and capability growth and transitioned our Leading at Liberty module online.

It is worth mentioning all the recognitions that LMG has been awarded with during 2022:

- Score of 100 on the Human Rights Campaign Foundation's Corporate Equality Index for fifth consecutive year
- Forbes Best Employer 2022 for New Grads
- PEOPLE Magazine Company That Cares.
- Great Place to Work™ – Certified Organization.
- Best Place to Work for Disability Inclusion based on the 2022 Disability Equality Index.
- BuiltIn's 100 Best Large Companies to Work For in Tech.
- US Chamber of Commerce Best Community Improvement Program.
- Firsthand's list of 100 Best Internship Programs.

At Liberty Mutual Insurance, we all have a responsibility to raise ethical issues or report possible violations of the Code of Ethics and Business Conduct through the Compliance Helpline. None of the entities that make up **LIEH** received any complaints or accusations for violation of Human Rights during 2022.

In this regard, it's critical that employees are comfortable raising compliance and ethics concerns. To ensure employees are protected when they report concerns, Liberty does not allow retaliation. You can feel secure knowing that when you raise a concern, you will not be retaliated against. Liberty does not tolerate discrimination, demotion, suspension, or harassment in any form because of an individual's protected status or for raising a compliance concern in good faith or cooperating in a compliance investigation. Likewise, you may not retaliate against any employee you think may have made a report about your conduct. When an investigation indicates that discrimination, harassment or retaliation has occurred, the company will take appropriate disciplinary action, up to and including termination of employment. Appropriate disciplinary action, up to and including termination, will also be taken against managers who knowingly allow such behaviour.

For the purposes just mentioned in **WEM** Companies a Criminal Compliance Policy and a Crime Prevention Manual are in place. In this document the prohibition of any discrimination, forced or compulsory labour, or child labour is included.

In **LMIE** there is freedom of association and collective bargaining agreement, promotion and compliance with the fundamental agreements of the International Labor Organization. In addition, it is forbidden to discriminate in employment and occupation and any kind of child labor or compulsory labor has been abolished.

In **Brazil**, Liberty companies guarantee the human rights and follow de Brazilian Law and International Labor Organization. Freedom of association and collective bargaining agreements are guaranteed by the promotion and compliance with the fundamental agreements of the International Labor Organization. Once a year Brazil companies have a Union Assembly where the employee has opportunity to know and participate to the insurance union decisions. The collective union agreement is published in the intranet. Following LMG Principles, Brazil does not discriminate in employment, occupation, neither force nor compulsory labor. Liberty does not have any employee with age less than 18 years.

4. Human Resources

Human capital is one of **LIBEH**'s most important assets, so the ability to continually attract and retain the best talent is a key part of the company's future success.

Guided by the values of **putting people first and acting responsibly**, we took swift and decisive action to transition our global workforce to being fully remote. We also restricted business travel and put in place security protocols, such as health screenings, for employees who needed to enter our offices. In March 2020, a dedicated COVID-19 hub was launched to provide employees with the most up-to-date information, policies and resources to support their physical and mental wellbeing throughout 2022.

All **LIBEH** entities are aligned with a common way of working and with the Group's values, which are as follows:

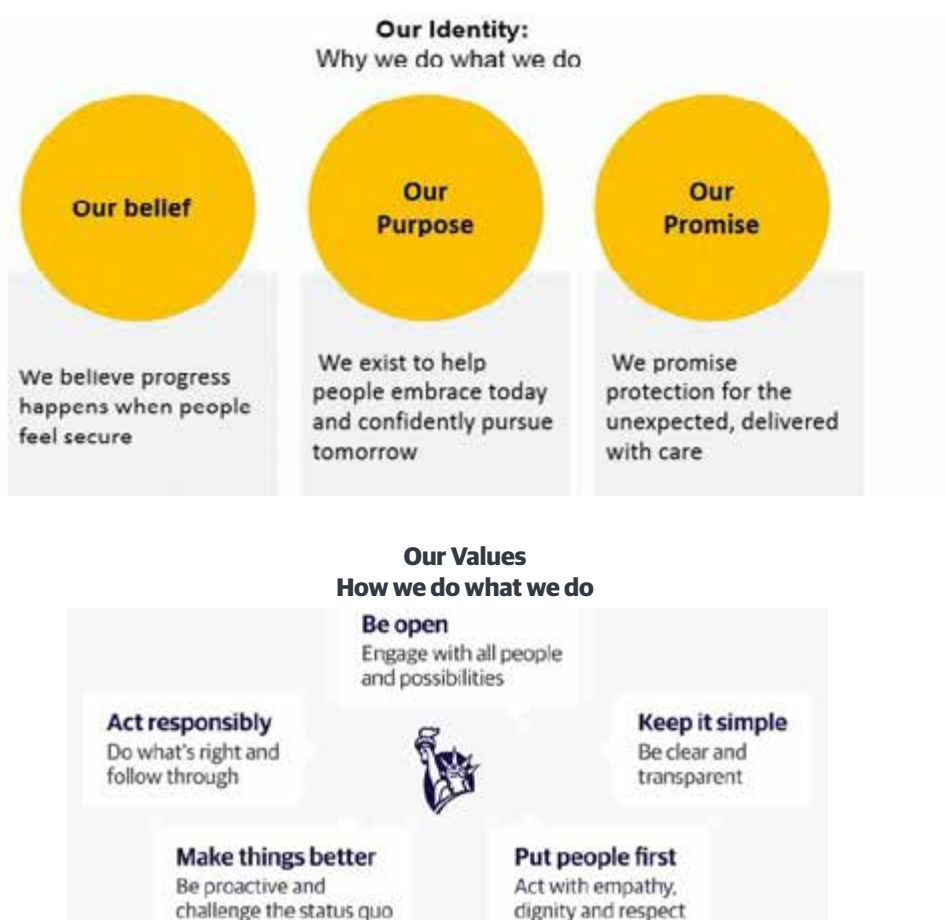


Chart 8: Liberty Identity and Values

At **LIBEH**, human resources management is carried out at entity level, generally depending on the different geographies and companies in the group. At the local level is where policies, standards, protocols, procedures or initiatives are established.

► 4.1 Staff Description

As of December 31, 2022, **LIBEH** had a worldwide workforce of 5.384 employees. The most relevant countries in terms of the volume of employees are Brazil, 55% of the total workforce, WEM 34% of the total workforce and LMIE, which represents 11% of the total workforce.

Approximately 60% are women, 99% are permanent employees and 18% are under the age of 30, 98% of contracts are full-time.

There is no homogeneous categorization for professional classification at the group level, however, to create this report, 5 large professional groups are differentiated. The categories included in each typology are detailed below:

- Category 1: Executive
- Category 2: Senior Manager
- Category 3: Manager
- Category 4: Individual Contributor
- Category 5: Other

► 4.2 Remuneration and employee benefits

The salary system applied in the different **LIEH** companies is determined first and foremost by compliance with legal regulations and agreements or pacts reached through collective representation.

The Employees Remuneration Policy is defined by the Liberty Mutual Group and applies to all employees of the company. In addition, each country develops its own remuneration policy in line with **LMG** principles according to its own regulations and collective agreements. The policy sets out the key principles that are applicable to the Subgroup and contains specific provisions about the Company's Board and its management team. As a member of **LMG**, the Subgroup's compensation policy is based on **LMG's** compensation philosophy which includes the principles detailed below:

- Be competitive in the market.
- Retribute for performance.
- Offer salary growth through promotion opportunities.

Average remuneration within **LIEH** companies during 2022 was 38.176 euros. More information about these figures are disclosed on the Annex 2 of this report.

Remuneration consists of a fixed remuneration (base salary and supplement) and a variable remuneration (short and long term). The remuneration is also made up of additional benefits.

The salary gap² in **LIEH** during 2022 was 0,60. However, it should be noted that of the total number of **LIEH** employees, the Brazilian entity *Facil Assist Serviços e Assistência 24 horas Ltda*, whose main activity consists of providing assistance services and where most of employees are call center agents, represents 21% of the total number of employees of **LIEH** entities. This entity is made up of 78% women belonging to professional category 4, which has a significant weight in the calculation of the salary gap.

Thus, in **WEM** the company grants, for active employees, a group insurance policy, a temporary insurance policy, renewable annually, covering the risks of death and advance payment of capital in cases of total permanent disability, absolute permanent disability or severe disability for a capital sum equivalent to the gross annual salary plus 6,000 euros.

For example, in **Brazil** and **WEM** there are platforms with employee discounts ("*Be WEM Discounts*"). In **WEM** employees have at their disposal a flexible remuneration program that allows them to allocate part of their salary to health insurance, nurseries, transport, etc., with a discount and advantages that the employee chooses according to their needs to maximize the value of their salary.

In **WEM** there is a so-called "**Personnel Reference Plan Policy**", which rewards any employee who presents the Company with an external candidate who is admitted to a permanent position and successfully completes the probationary period (6 months). Thus, depending on the vacant position, the Company will reward any employee with an amount up to €1.500.

Other social benefits to be highlighted in **WEM** are:

- Pension Plan of the employment system, called "*Plan de Empleo de Promoción Conjunta de Liberty Seguros*" which integrates all employees included in the personal scope of this Collective Bargaining Agreement. The incorporation to the Plan will take place once the employee has one month of seniority in the Liberty Group. The amount of the

² Salary gaps have been calculated as the ratio between the average remuneration of women respect to the average remuneration of man.

contribution made is 2.5% of the Gross Annual Salary. And employees who voluntarily contribute 1% will contribute an additional 0.5%.

- For employees who complete 15 years with the company, a recognition award of 500 euros is paid as a lump sum in their paychecks. Employees who complete 25 years with the company in Portugal and Spain are also recognized with an additional bonus.
- Corporate Scholarship Program to promote the personal and professional development of Liberty employees, providing them with financial aid to support their initiatives and interests in training actions that are not included in the Annual Training Plan. Grants are awarded for language courses, updating and development of technical knowledge or skills, masters or postgraduate courses.

In **Brazil**, there is the "Grow with Liberty" program, which offers a package of shares based on three pillars: efficiency, sales and knowledge. Innovation is one of the pillars of the strategy that drives Liberty Seguros in Brazil and is based on three pillars: culture, research and projects. For each of these aspects, Liberty has developed initiatives aimed at involving the internal public (employees), providing grants so that the teams can work on innovation daily and connecting the company with the external public, such as customers, start-ups, brokers and educational institutions that can add to and strengthen this process.

Remuneration of the Board of Directors

In 2022 LIEH had three independent (2 males and one female) directors on the Board of Directors with an average salary of 67.000 euros. The rest of the members were executives of other companies of Liberty Mutual Group, not receiving any remuneration as members of the Board of Directors, only salaries from their respective employer companies.

► 4.3 Work Organization

For **LIEH**, work-life balance is based on work efficiency and the flexibility that the group provides to its employees.

At a global level, work is being done to standardize the way in which work is carried out based on the Group's own 'the way we work' model. The aim is to share similar team meetings in all companies every week (the so-called huddle meeting) with a similar format to help ensure that information is shared, that there is space to listen to the voice of the teams, that continuous improvement is facilitated, that KPIs are monitored or that space is dedicated for recognition. The standardization of a certain way of working helps the group to facilitate the integration of its employees.

Since 2013, **Liberty Seguros** has been recognised with the EFR Certificate (Family Responsible Company), which distinguishes those organisations that strive to create a culture of support for personal and professional development, while at the same time aiming to improve the working environment. This certification is the result of being a company that is proactive in reconciling personal, work and family life and that considers the diversity of employees, ways of working and situations of all of us who are part of Liberty.

One of the most repeat comments in positive inside the WEM eNPS survey is related to work life balance, and of the most valued aspects inside the employee experience roadmap, as Liberty Seguros is focusing on the flexibility and conciliation methods. This is reflected in many of the benefits, beyond those established by legislation, which the company has had for years in Spain to promote work-life balance in terms of leave and flexible working hours.

In addition, **LMIE** has created a culture of high-performance, where puts people first by ensuring that all employees are encouraged to give their best and are encouraged to find the right balance between work and their personal lives:

- Taking time off: Ensuring that employees take adequate daily breaks and annual leave.
- Maintain Sustainable Working Hours.
- Manage Expectations.
- Using time effectively.

Each entity also demonstrates this commitment to the organization of working time by adapting it to its own needs and those of its employees through initiatives of a different nature, promoted and managed at company or country level.

LIEH group entities have an enormous variety of actions and initiatives across all its jurisdictions. The following is a list of the most relevant topics: i) working from home; ii) reduction or reorganization of working time; iii) disconnection from work and iv) improvement of maternity or paternity leave.

- i. **Working from home:** As a result of the digitalisation plan for the entire Liberty company, under the slogan "Best Place To Be", Liberty Digital Way was created, a commitment to transform the company in a transversal manner and evolve the work model to a virtual model based on a culture of trust and responsibility. A model that offers all LIEH employees the possibility of teleworking on a permanent basis with the flexibility of continuing to come to the offices up to 8 days a month.

Liberty Digital Way is not only a new model of teleworking, but a new model of digital work that promotes well-being. It is a model created based on listening to employees and whose main objective is to improve their experience and flexibility to reconcile their personal lives by adapting the benefits they previously had to the digital environment and adding new advantages.

Undoubtedly, if there is a relevant aspect that is being worked on and promoting at Liberty linked to emotional health and work-life balance, which has gained significant weight after the implementation of the Liberty Digital Way, it is that of digital disconnection, which is important in a virtual work environment such as the current one.

Training has also been a key lever to help employees work positively in this digital environment. In that sense, all employees have available the Be Digital training, fully adapted to Liberty, which reviewed critical issues to work positively in the virtual world, such as work organisation, relationships or wellbeing.

In addition, thanks to Liberty Digital Way, employees have the possibility to change their residence and work from anywhere in the country. Nowadays, many people have already moved to other locations or regions to live closer to their family in their hometown or simply because they prefer to live in other areas with other particularities such as smaller or coastal cities or to consider living in their second homes for part of the year, moving between them with flexibility.

In **Brazil**, during 2022 Brazil entities developed actions to promote digital disconnection:

- Experience Week: A yearly event that unites the Health, Agile Transformation, Customer Experience and the Development Activities, during this week meetings, conferences and activities focused on customer orientation are held with the aim of developing, raising awareness and improving the employee experience.
- Escritório Digital - for Leaders - In 2022, every Friday morning, meetings were held with leaders to talk about mental health, professional, relationships, communication and collaboration, respect for time, well-being, etc. The importance of disconnection is highlighted and how leadership can help the team in this process.
- Escritório Digital - for Individual Contributor - Twice a month, meetings were held with employees (IC) for conversations about mental, financial and professional health, in addition to topics covered in the Digital office for leaders. The importance of disconnection is emphasized.
- Chat of Conversation - Conversation with family doctor, psychologists and other professional for talk about health.
- Liberty in motion - It is a game app created to encourage physical exercise with all the employees around the world.
- MeQuilibrium - It is a wellbeing platform with emotional content including meditation.
- VideoBot - There are 3 modules of animated video presentations, with voiceover, subtitles and translation in libras (Brazilian Sign Language) for candidates and employees, with the aim of offering a digital, simplified and inclusive journey. The modules are: Pre Offer - with interactive information about the company, Job Offer - with the hiring proposal for candidate acceptance, Admission - completion of the admissions process. All modules were designed with the user experience in mind and maintaining data privacy.

- ii. **Reduction or reorganization of working time:** in different companies and countries, such as Ireland, Portugal, or Brazil, a flexible schedule is being implemented, so that the employee can choose according to his or her managers what time to arrive at his or her desk, as well as the time of departure or the distribution of hours.

In Brazil, the work journey as well as rest hours are inspected by government through the Government's auditors. There are policies to guarantee that the Law is observed in all its locations. The external access is blocked, and only authorized employees grant access under control. There is an initiative in Brazil called "Happy Friday", it's a program that aims to promote the well-being and life quality of Liberty's employees and allows employees to leave at 2 PM on Fridays. The goal is for the employee to stay longer with family and start their weekend beforehand. This program contributed positively to the organizational climate, digital disconnection, productivity, health quality, wellbeing and to the reduction of overtime.

- iii. **Disconnection from work:** work is also beginning on initiatives to encourage disconnection from work. In 2021, in line with Liberty Digital Way, **WEM** launched the Right to Disconnect policy that support the creation of a culture in which employees feel they can disconnect from work and work-related devices outside of their normal working hours and during their leaves or holidays, and where employees' personal time is respected. The implementation of this Right to Disconnect Policy is a key step in creating and developing this culture. Employees, including those remote working arrangements, are reminded to switch off from work, monitor their working hours, take breaks away from work devices and ensure that they take annual leave for the purposes of rest and recreation, thus avoiding the risk of computer fatigue.

Like WEM and following LMG principles **LMIE** implemented in 2021 a Right to disconnect policy, called LSM-Work-life balance.

Employees are also encouraged to schedule post-work leisure activities to create separation between the end of your workday and the beginning of your personal time.

Directors and Managers play a central role in the successful implementation of this Policy. Managers should respect their team members' right to disconnect and should demonstrate a clear commitment to the Policy through leadership and being active role models, being an example to be followed in complying with this policy.

The Company expects that as a rule employees will disconnect from their work devices, refrain from checking work emails or messages and be unavailable to take work-related phone calls or attend meetings outside of their normal working hours and during any periods of annual leave.

As an international organisation operating on a global scale, Liberty work across many time zones. As a result, there may be some employees receiving work emails, messages, meeting invites, calls, etc. at times outside of their normal working hours. This does not mean that the recipient needs to respond at the same time, unless agreed or where necessary for business or operational reasons which it is consider to be the exception to normal practice.

Where an email is issued within one employee's working hours which is outside the recipient's working hours, the email should specifically state that an immediate response is not expected (unless business or operational needs require otherwise. The Company respects people's time and expects its employees to respect each other's time. When arranging meetings, employees must consider who should attend and only invite those whose presence is required for reasons including, that they will play an active role in the meeting, have something to contribute, is required to perform their role, will benefit from attending as part of their training etc.

In **Brazil**, a message system has been established that informs employees and the direct manager about the hours worked during the working day when the maximum limit of overtime per day is about to be reached. They receive two messages: the first one, when the limit is about to reach 30 minutes, and the second one, 15 minutes later. External access is allowed only for authorized employees with management approval and authorization from the VPN system.

In **WEM** there is a time control system (adapted to the needs and legislation of each country) to record the hours worked avoiding overtime.

- iv. **Improvement of paternity and maternity leave:** most of the group enjoys more advantageous paternity and maternity leave than required by law. In Spain, it is allowed to work from 8:00 to 15:00 from the 30th week of pregnancy. The mandatory maternity leave lasts 16 weeks plus 15 days of paid breastfeeding leave, there is a reduction of working day for the care of a child under 13 years of age. In Ireland, there is a specific policy that formalizes and frames this type of leave, allowing up to 16 weeks of maternity leave in addition to the officially approved maternity leave.

In **LMIE** there is an Employee Assistance Program, family friendly policies covering various leave types to support working parents and through our D&I initiatives and learning programmes. Remote working is supported across the regions. Statutory country laws apply in terms of current parental, maternity, paternity etc. entitlements for pay and leave, we do not have separate policies. LMIE have an interactive wellbeing toolkit which provides tips and techniques on the four aspects of human wellbeing: Mental, Physical, Emotional and Spiritual.

In **Brazilian companies** it is considered that the family bond of father and mother with their child is essential for the health and well-being of the family, so Brazil companies join the Citizen Company Program (government program), which allows the extension of the maternity leave for another 60 days and paternity leave for another 15 days. This way the maternity leave at Liberty Seguros can be extended from 120 to 180 days and paternity leave is granted for an additional 15 days, in addition to the 5 days already guaranteed by law.

Other initiatives that LIEH Companies are setting in place are working hours flexibility, depending on the jurisdiction there are different possible schedules and possibility of adaptation in case of serious illness of one's own or of the spouse or unmarried partner, of first degree relatives of consanguinity or care of the children during the process of separating the employee, leave for the care of a child under the age of three as well as 40 hours per year of the employee's own medical visits or of accompanying first or second degree relatives.

► 4.4 Employee Health and Wellness

One of the main concerns at Liberty Mutual is being there for people when they need it most.

Liberty is committed to living its value of putting people first by providing their employees the flexibility they need to balance their work, family, health, and well-being during this time. The Company continues to be thoughtful and flexible in all its decisions, guided by its own employees' sentiment, local risk, government guidance and other factors.

Employee Health and Safety management is carried out at a local level, based on specific policies, management systems, rules and procedures that guarantee compliance with current regulations. **LIEH** aspire to be a company where everyone feels included and that they belong to a company that values diversity, not only in its words but also in its actions, and that brings its values to life every day.

This year, the International Day of Persons with Disabilities has been celebrated, and an Accessibility Committee has been created at **LMG** level, with a team of senior business leaders. This Committee will continue to guide decisions with the goal of improving workplace accessibility and inclusion at Liberty. We are also collaborating with Disability N, a non-profit organisation for disability inclusion in business, through this partnership we are learning new ways to help our employees around the world and create better products and services for our customers.

Liberty Seguros, in **Spain** has an Employee Health and Safety Management System certified under OSHAS 18001 since 2013 at its main offices in Madrid, Bilbao and Barcelona.

In 2021, ISO 45001:2018 certification was achieved, according to international standards in which the migration from OSHAS 18001:2007 to ISO 45001:2018 is specified.

In the case of **Ireland**, there is a specific health and safety policy.

In **Brazil**, the Brazilian Law establishes Occupational Safety and Health Regulatory Norms which are mandatory. Liberty Companies based in Brazil fully observe the Law. It is worth mentioning the Occupational Health and Medical Control Program (PCMSO) specialized in Employee Health and Safety a technical nurse that evaluates the employees during the hiring process and periodically according to the Law. Examinations are also done when the employee has health problems and when the work contract ends. Regulatory Norm (NR 7) - PCMSO - Medical Control Program and Occupational Health Standards and Procedures are monitored by the Talent Area and are available to all employees. Liberty Health Centre makes it easier for employees to access and follow up on some therapies, such as speech therapy, physiotherapy, nutritionist, family doctor, family nurse, etc.

Additionally, there is the Risk Management Program, in order to map the risks and guarantee the adequate physical work environment to the employees. Liberty Seguros has the Ergonomic Technical Report which identifies ergonomic risks as well as recommendations and necessary interventions/adaptations, whether in the workplace, furniture, machinery, equipment and tools, or in work processes, in order to provide maximum comfort, safety and efficient performance. In addition to preserving the health of the worker and in particular to prevent the involvement of repetitive strain injuries and work-related musculoskeletal disorders.

The Ergonomics Programme is in charge of the workplace ergonomics and posture programmes. This programme is accompanied by a physiotherapist, a specialist in ergonomics, who is in charge of transmitting guidelines and information on various topics related to the working environment, but also on the activities of daily life (such as sleeping correctly, pillow height, ergonomic use of mobile phones, etc.). The guidelines are implemented in the work areas during the execution of occupational activities, in order to raise awareness for the prevention of inappropriate and unhealthy postures. Likewise, in the case of women, there are initiatives about ergonomic, voice, therapeutic relaxation practices, clarification and guidelines for gestation, delivery and postpartum for the pregnant woman and family which ultimately increase motivation and productivity on the part of mothers returning to work. Following you can find listed some of them:

- Labour Gymnastic: Online activities for all employees and their families.
- EAP Program - The Program offers confidential and specialized assistance for: stress, anxiety and/or depression and we have the coverage in the health plan the psychological and psychiatric for the employee and your dependents.
- The Program "Nossos Filhos" - "Our Children". Through the guidance of a specialized professional, themes are discussed for the parent's preparation for the baby's arrival and about care and tips for parent's with children up to two years old.
- Health Plan: - Offer telehealth by app and telephone, and virtual doctor's appointment and psychotherapy.

In addition, there is an Internal Committee for Accident Prevention (CIPA) composed by employer's members appointed by the employer itself, and employees' members elected by the other employees by secret ballot. All CIPA's activities are coordinated by Safety Technician at Work.

In **Brazil** is following the law on sick leave which refers both to sick leave caused directly by work (e.g. accident during work) or on the way from home to work and back home and non-work related sickness when there is a medical proof of illness.

Technical safety at work is very important, which is why there is a professional occupational safety technician who monitors compliance with all safety and prevention regulations to maintain the safety of employees and all those who move around the company premises. There is also a programme called "Experience Week", in which lectures and workshops with virtual participation of employees are held for one week. In addition, training courses on safety at work and fire brigades are held.

In addition, in **Brazil companies** there are an Environmental Risks Prevention Program (PPRA) to map the risks and guarantee the adequate physical work environment to the employees and an Ergonomic Program in which an ergonomics specialist is responsible for transmitting guidelines and information on various subjects related to the work environment, but also on daily living activities.

In the case of **LMIE** there is a strong commitment to a safe and healthy workplace is outlined in several policies and has a dedicated section on the intranet. Ergonomic assessments are provided and a guide for employees to follow. A formal process for the reporting of injuries that occur in the workplace is in place and a comprehensive Employee Assistance Program explained below, as well as medical, accident, life and disability benefits insurances.

In **LIEH**, the effort for the welfare of all employees is a priority. In most of the LIEH entities, there are people specifically dedicated to mental health and first aid, there are specific programmes and benefits for employees, such as health insurance, and there is specific training in health and safety. In **Brazil**, talks and workshops are held on occupational health and safety, and a nutritionist is available free of charge to employees. Also, talks with nutritionists are now available in a virtual format.

In **WEM**, as part of Wellness Plan accessible to all employees, always had different options of activities carried out by professionals that have favoured many people deciding to do sport and take care of their wellbeing, in a global way, together with their colleagues.

Linked to promoting mobility, with a sustainable approach, Liberty Seguros has pioneered an initiative that has made the company a benchmark in the market, subsidising the use of bicycles as sustainable transport to get to work. In addition, Liberty subsidises €0.37 for each kilometre travelled from the office to home as an additional incentive to encourage many to take up cycling.

Nutritional care is also key in the company as a source of health for people. That is why Liberty Seguros has been incorporating nutrition into its Wellness Programmes for years, being aware that it is a basic pillar of our health, both physical and emotional, as well as an ally when it comes to preventing illnesses. In this regard, Liberty has a nutritionist available to employees who has now been transformed into a virtual nutrition advisor who is available all year round to deal with any queries that people working at Liberty may have.

WEM and LMIE is also committed to emotional health, which is reflected at different times of the year. As an example, it has an Employee Assistance Programme, which offers all employees and their families unlimited 24/7 personalised psychological support to help them cope with special situations with the help of professionals. In Spain and Portugal, the Employee Assistance Programme is complemented by other professionals who offer personalised advice on legal or financial matters to help people resolve any doubts in this area, ultimately also favouring their emotional wellbeing.

In addition, mental health has an important place in Liberty's calendar every October, coinciding with the celebration of Mental Health Day. Therefore, in that month every year, different news, videos and activities are shared to raise awareness of this issue and support, with resources, employees to continue taking care of their emotional wellbeing.

WEM also relies on technology to facilitate the positive management of teleworking, which is accessed through the Mequelibrium platform, another additional tool available to employees to support their emotional well-being.

WEM has a Welfare, Health and Safety team. The Prevention team has been instrumental in anticipating and ensuring that everyone works at home in the best conditions, as one of Liberty's main commitments to its employees. In this sense, the Health and Safety team has carried out an individualised assessment of each person to provide them with the necessary furniture to telework in optimum conditions. They also coordinate the medical services available to all employees and have provided various guides with recommendations for working safely at home.

In 2022, in the **LIEH** group, there have been 3 accident suffered by a men. The frequency and severity rates by gender are shown in the following table:

Work related-accidents 2022		Work related-accidents 2021	
Number of accidents		Number of accidents	
Women	0,00	Women	1,00
Men	3,00	Men	0,00
Frequency rate		Frequency rate	
Women	0,00	Women	0,52
Men	0,85	Men	0,00
Severity rate		Severity rate	
Women	0,00	Women	0,01
Men	0,04	Men	0,00
Occupational diseases rate		Occupational diseases rate	
Women	0,00	Women	1,00
Men	0,00	Men	0,00

Note: the indices have been calculated as follows:

- Frequency Index: Number of accidents * 10 / Number of scheduled hours per year.
- Severity Rate: Number of days lost * 10 / Number of scheduled hours per year.

In general, the applicable collective agreements include aspects related to Health and Safety. The content of the collective agreements in this area includes everything related to policies on the prevention of occupational risks and aimed at improving working conditions.

In **WEM**, there are works committees in the work centres of Barcelona, Madrid and Bilbao in accordance with the law. The information regulated in Article 64 of the Workers' Statute is reported to the legal representation of the workers.

Through the Health and Safety committees, as bodies of collegiate participation, regular and periodic consultation is carried out on actions in risk prevention. There are topics discuss such as:

- Prevention plans, risk assessments and technical-preventive action.
- General conditions of the work centres, procedures, safety instructions, specific preventive measures, personal protection equipment.
- Emergency plans and drills.
- Health surveillance, medical examinations, protocols, epidemiological studies, and health campaigns.
- Training and information to workers in the field of health and safety.
- Investigation of accidents in the workplace, statistics.
- Welfare programmes, good practices for healthy companies.
- Specific actions for sensitive personnel, pregnant women, disabled people.

- Health and safety measures against COVID.
- Health and safety guidelines for teleworking.

In Spain, the collective agreement refers to the application of an occupational risk prevention policy, under which a health and safety committee has been set up. The agreement establishes an annual medical check-up for employees, a series of measures for the protection of maternity, and a clear prevention against harassment, whether moral, sexual or for reasons of sex.

► 4.5 Social Relations

For **LIEH**, the management of its talent begins by listening to the people who are part of the Group. This is achieved through different channels of relationship with them.

Likewise, **LIEH and WEM** has begun to apply analytical tools and customer experience through the eNPS methodology (Employee Net Promoter Score) to its employees which, since 2019, has gone from being measured quarterly to monthly. Now, managers have access to the Qualtrics tool to access their teams' results (both quantitative and qualitative) every month, and to analyse their evolution. The detailed information from the EOS allows the teams to build annual plans based on the results. The monthly eNPS results help the teams to assess whether they are on the right track or to adapt the plans.

In **WEM**, culture is based on putting people first and the focus of the Employee Experience especially encourages ratios among colleagues with various stocks during the year.

One clear example would be Recognition Program, which, beyond promoting the recognition of large projects, above all, favours ratios with partners by providing them with a platform to be in touch with them and to recognize the small things of the day to day and their continued support. Under this Program, employees have 3 recognition that they can share through a platform with other partners based on values. Thanks to this program, since its launch, Liberty's 2,000 employees in Europe share a mean of 900 monthly exams, which colleagues are eager to receive, and which are also public so that the rest of us can celebrate.

Celebrations are another important moment at WEM to encourage people to recognise each other, to further improve colleague ratios and to enhance the employee experience culture. That's why WEM celebrations are special moments that we all take part in and always want to discuss with our friends and family. It is where our special way of doing things is reflected. And beyond the many celebrations that take place throughout the year, there are two important events in the calendar, Summer of Welcome and the Christmas Party.

The Ambassadors' Program is also key to fostering ratios with people and social health among employees. Today, we have 120 people, representing all the teams of the company, who are developing this role. These people are in constant contact with their colleagues, managers and the Employee Experience Team to keep up to date with the different initiatives promoted by the company. The ambassadors, through a chat in Teams, can pass on any doubts or suggestions from their colleagues, as well as keeping up to date with news through this channel.

As part of the empowerment of employees, they also have meetings with their managers and managers to support them in implementing the team's experience plans. In addition, WEM CEO and the Director of Talent also meet with them to share the things that matter to teams and make decisions with their feedback. This role is now key in this new teleworking context to maintain connections and communication with teams as well as company culture.

As part of their role, the ambassadors are helping to create new experiences, reviewing programs and improving them.

In **Brazil**, there are different communication channels: e-mail, leadership communication, CEO's Town Hall, intranet, newsletter, internal campaigns and CEO's breakfast with employees. The purpose of the channels is to communicate news, internal opportunities, rules, etc. The collective Union agreements are available in the intranet's channel.

Furthermore, as an additional communication channel, at Liberty Mutual Group level there is a helpline to escalate possible violations of the Code of Ethics, and a Talent Support Centre (parallel to the support that may be given by the Talent departments at the company or geographic level) to make queries or raise possible problems that employees may have, on aspects such as flexibility and vacations, performance evaluation and management, compensation, disciplinary actions, alleged acts of harassment, discrimination or other employment policies.

LMIE uses the myLiberty intranet, myConnections (internal social platform), internal video platform, corporate emails and regular hybrid 'Town Halls' to actively share information with employees across Europe in a timely manner, providing news, access to events, podcasts, training, policies and procedures. Company-wide meetings are held at least four times a year, and more frequently for specific functions. Teams is used as a daily communication tool, allowing employees to stay in constant contact with each other, regardless of their location. events are held face-to-face and/or hybrid, on a variety of social issues, and include external speakers, LMIE executives and business leaders.

In **LIEH**, worker representation is promoted as a resource to facilitate labour relations and continuously improve the conditions of its employees, being in 2022, 89% of the employees subject to agreement.

Collective Agreement Coverage	
2022	2021
89%	89%

Please, note that more information about these figures is disclosed on the Annex 2 of this Report.

► 4.6 Training and development

LIEH, every year, makes sure to train and develop its professionals with a robust training plan that ensures the fulfilment of the professional strategy, betting also on the personal development and growth of its employees. As in the case of health and safety, training management is carried out at a local level, based on specific policies and procedures for each company or geography.

The different **LIEH** companies offer an extensive training catalogue to their employees, both online and in person, on interpersonal skills, technical and management aspects, so that their talent can be developed according to their specific needs (detected in their evaluation and development process). The training offered includes, depending on the country, help with onboarding, specific training for each job, language training, mentoring, coaching or training related to succession planning, among others. This year, platforms such as LinkedIn Learning have been added in all **LIEH** countries.

The development programs related with the Manager role; development plans, succession programs to key business positions, mentoring, support the areas with coaching and feedback methodology, leadership programs and diversity and inclusion programs.

In **LMIE**, there is an offer of an extensive range of leadership, management, behavioural and technical training options which includes mentoring, coaching, succession planning, career development, leadership development including even a performance and appraisal policy.

This initiative responds, on the one hand, to the request from employees to be able to choose part of the training for personal or professional growth, beyond what is needed for the job, thus enhancing with this initiative, in addition to development, also the employee's experience. A new Underwriting Academy was launched globally in 2022 to support the Underwriting career pathway.

Everyone at **LMIE** plays an important role in driving a high performance culture based on high performance values. Performance management is about having regular quality conversations with your manager, planning, updating and providing two-way feedback on goals and behaviours. It is about working with the boss to find opportunities for performance improvement and development.

And on the other hand, the training offer also responds to the need to reinforce the Skills and Knowledge necessary for a common goal that is our new GROW2025 strategy for **WEM**, a common goal that will only be possible with the collaboration of all.

In addition to this training offer, it is available the self-consumption tools: LinkedIn Learning and L&D sharepoint with several training material resources as well as a Coaching Virtual Program available for all employees to improve our knowledge. Thanks to the partnership made from the GLLT (LM) team with LinkedIn Learning to offer these tools to all LM employees and which are ideal complements to the other training and development formats, which we already have in place in WEM.

LinkedIn Learning provides access to more than 13.000 online courses taught by industry experts and grouped into small capsules, covering a wide range of technical and business management topics and is free access for all employees.

In WEM we also have available our L&D sharepoint where we have several contents and materials developed internally and accordingly and aligned with the strategy, focused on specific skills (Be Agile, Be Partner, Be Change and Be Digital), Collaboration tools training, Win with Digital training skills and Business/Function Webinars.

To continue invest on development and Grow, we developed a partnership with an external Vendor, that offers the opportunity to have 1:1 virtual coaching sessions, with specialized coaches, open to all employees, and that allow them to work and strengthen specific skills accordingly with their development needs.

All the training and development offer is delivered in 3 languages, Portuguese, Spanish and English, with the goal of provide employees access to tools to strengthen the skills needed for today and for the future. In this regard, these tools will help our employees continue to grow by furthering their development and career at Liberty. They will also be of great help in identifying and building the skills to be pursued in development plans or in their own interests, opening up opportunities and contributing to a learning environment and a culture of innovation.

Total training hours in 2022 was 143.914 hours. More information about these figures are disclosed on the Annex 2 of this Report.

LIEH's support for professional and personal development goes beyond the training programmed by the company itself, and therefore, with study support policies and examination guidelines for certain technical profiles - mainly actuarial, pricing and finance - and also with the Training Scholarship program.

In **Brazil**, regarding training there is a policy where the criteria and procedures for requesting internal and external trainings are defined and communicated to all employees. All employees are eligible to participate in the training programs. There are face-to-face, online, virtual training by skype, on the job. Every year the companies align the corporate training grid offered by Campus Group Liberty with the company's strategic plans, including onboarding for new employee and global programs.

Brazil strongly believes in employee development as a strategy to improve its internal talent pool and to have better prepared professionals to fill key positions in the future. To this end, Liberty has alternatives such as:

- Engagement: By carrying out the environment organizational survey, they measured the level of satisfaction of the employees. Through this survey, they can identify what are the most critical gaps and employee´s needs and how is the relationship among teams and leaders. To measure it is use Moments that Matter survey, with the aim of understanding the moments of truth in the employee's experience. Additionally, in 2020, 2021 and 2022, they also participated in two other engagement surveys, the Best Companies to Work For (in three years had a growth of 37rd positions, reaching 10th place).
- Performance - They have a performance cycle: objective setting, interim check-ins, evaluation and recognition (merit).
- Talent Review - Performance evaluation, potential, readiness, individual development plan. In this process they map talents (9box) and identify successors.
- Development actions - External coaching, mentoring, participation in strategic projects, formal training, etc.
- Career and development path – They have a roadmap for each job with the steps and the development required to achieve the career goal, i.e: Leading at Liberty
- Campus Group Liberty (LMS) - Facing a competitive market, a challenging scenario and increasingly demanding customers, they recognize that it is crucial to maintain the employees in high level of engagement and well prepared, behaviorally and technically. Through this need, they connect all actions to the company's values: be open, keep it simple, Make things better, put people first and act responsibly."
- DEI (Diversity Equity and Inclusion): Global Fundamentals for all leaders at the company and Leading at Liberty training, in addition to our talks to reduce unconscious bias.

► 4.7 Diversity and equal opportunities

LIEH is committed to developing high-performing leaders capable of creating inclusive environments and inspiring their teams. Committed to diversity and equal opportunity among its employees, and actively defends the equal treatment of all workers and the elimination of any type of discrimination, regardless of race, colour, ethnicity, culture, nationality, religion, sexual orientation/identity, family or marital status, gender, ability or age.

Putting people first is one of Liberty's core values, this is linked to our firm commitment to being a Diverse, Equitable and Inclusive company.

Most LIEH entities are covered by a Diversity and Equal Opportunity policy. In addition, during 2018, specific Diversity and Inclusion training was launched for all Liberty Mutual Group countries, and regular diversity events and training are held in Liberty Specialty Markets.

In WEM, following the pilots of the Global Foundations of DEI (Diversity, Equity and Inclusion) program, between 2020 and 2022, all managers and people managers have been invited, a total of 376 participants, in which the programme is completed with a virtual debriefing session (60 minutes) for reflection and discussion to allow participants to deepen their learning by reflecting and sharing what they have learned with other colleagues, and with a meeting of each employee with their manager for the final review to discuss their experience and answer any questions they may have. In addition, the DEI Global Foundations programme will be launched in 2023 for all individual contributors in different phases to further strengthen our commitment to the DEI.

After laying this foundation for inclusive leadership with the DEI Global Foundations training, in 2020 we began rolling out the Leading at Liberty programme, a foundational development experience for all people managers globally where participants explore strategies for leading themselves, leading others and leading change, all through the lens of inclusive leadership. This programme has been further extended to all other people managers between 2021-2023.

In 2022, also related to DEI Global Foundations and driven by the DEI board, Liberty for Women, a space to promote leadership and give visibility to female talent, was created in June. At that time it was aimed at mediators, to create a network of trust to promote growth. As part of the company's commitment to promoting diversity, this programme, Liberty for Women, is now part of the Liberty Open Employee Training. The programme is about building women's leadership skills and that is a journey that involves all of us at Liberty. Because we are all responsible for making Liberty a Diverse, Equitable and Inclusive (DEI) place and we can only improve if we all, in our daily work, raise awareness and make it happen.

Linked also to Change Management and Diversity, aspects that have become increasingly relevant in recent times and which we at WEM consider fundamental to our success, since 2020 we have been working on additional programmes for managers and people managers linked to the Leader Objective and its relationship with the DEI, Communication and Feedback and Coaching skills for team management.

Also for all individual contributors within our open training programme we ensure that each and every employee is equipped with the tools and insight needed to understand the needs of the current environment (BANI) and the keys to Change Management in this diverse and changing environment, such as Emotional Management, Resilience, Growth Mindset and Proactivity as well as bringing all employees closer to a broader understanding of this context.

WEM is working in different team groups to identify key actions to put in place in relation with disability. Currently, cover 67% (12) of the employees required by the LGD (General Law on Disability) through direct hiring, the remaining 33% is covered by hiring from special employment centres. In addition WEM promote internal information campaigns so that those who may have a disability can take advantage of the benefits granted by law and by the company. Some of the examples of disability awareness actions that currently exist are: D-Disability Week and the Liberty Seguros Race. In the same way, the following measures for people with disabilities are included in the Liberty Agreement:

- €1.700 per year for employees with a spouse and dependent children with disabilities who are unable to look after themselves and are not in paid employment.
- €1.500 in one lump sum for employees who declare a disability by means of a disability certificate.

- The Diversity, Equity and Inclusion Committee has been created, made up of employees with the aim of promoting an inclusive and egalitarian culture within the organisation and whose areas of work are gender, disability, LGBTI and non-discrimination based on culture, race or religion. The Diversity, Equity and Inclusion Committee began its work on 5 October 2021.

In Portugal, companies with more than 250 employees must have 2% of employees with disabilities, so according to the regulation there should be 7 employees with disabilities. Currently in Portugal there is 6 employees with disabilities which cover just 1.71% of the 2% required.

Liberty's management, in order to promote the achievement of a fairer and more caring society, is committed not only to respecting the effectiveness of the principle of equal treatment and opportunities, but also to promoting it, with the aim of ensuring that equality between women and men is a guarantee and a reality within Liberty's business structure.

With this main objective in mind, the Management approved the First Liberty Seguros Equality Plan in 2011.

Nevertheless, the society has changed and in this desire to continue promoting a culture of diversity and equality, it has been negotiated a II Equality Plan,

The legal representatives of the employees have been actively involved in the preparation of the 2nd Equality Plan, proposing the appropriate actions to promote gender equality in all aspects affecting the relationship between the worker and the company, from access to employment, through professional development to the reconciliation of work and personal life, in which the co-responsibility of men and women is encouraged.

In **LMIE**, there is a Diversity and Inclusion Policy in place that encourage an Equal Employment Opportunity and it is committed to being a non-discriminatory employer. In interviewing processes, LMIE ensures that employees and candidates are encouraged to advise if there are any reasonable adjustments that are required for disabilities. In addition, a project has been launched across the organization to review the tools that they have for accessibility and various awareness workshops on Neuro diversity have been held in 2022 to ensure hiring managers are aware of possible adaptations needed during the interview process.

Moreover, the Executive Sponsor for the DE&I agenda and they have a resources in the Talent and Inclusion team to support across the regions to deliver the Diversity, Equity and Inclusion activities, supported by the Liberty Mutual Office of Diversity, Equity and Inclusion. There are 7 employee-led Networks including the Gender Matters (6 in UK and 1 in Europe) continue to represent different dimensions of diversity and are intended to provide colleagues with a space to come together to connect, learn and engage. These networks are open to all employees and aim to raise awareness and engage employees in inclusion matters. In addition, through the networks is continue to have a programme of events that promote and inform the employees and leadership on diversity and inclusion topics.

A selection of senior woman (across all legal entities) have attended woman specific development programmes over the last 2-3 years with more candidates planned to attend these programmes. During 2022 they held face to face rather than virtual Springboard sessions, the woman's development programme for individual contributors across all teams, aimed at growing a more gender diverse talent pipeline across LSML.

In **Brazil**, all companies are addressing DEI matters. Under the Brazilian Laws, Liberty Seguros has to guarantee access into its headcount at least 5% of employees with handicap. The company invests to prepare and hire people with disability and also provides trainings to develop them. The resources, softwares, hardwares and furniture are adapted to the handicap needs.

In addition, Liberty invests in preparing and hiring people with disabilities and also provides training to enable them to develop. Resources, software, hardware and furniture are adapted to the needs of the person/handicap. Some of the adaptations for people with disabilities carried out in Brazil include:

- There is a special system for visually impaired employees.
- Accessible bathrooms
- Access ramp
- Wheelchair Accessibility of Buildings (Matrix Building)
- Elevator with accessibility (voice message)

- Touch floor
- Parking for the disabled
- Support from the ergonomist
- Sign language translation in meeting for hearing impaired employees
- Meeting room with braile for visually impaired employees

With regard to the promotion of non-discrimination on the basis of gender and the encouragement of female talent, specific initiatives are carried out at the level of society. In Brazil, training is provided to all leaders in Diversity and Inclusion and there is a local and global hotline for employees to report any incidents.

Additionally, in 2022 they had leadership trainings that addressed DEI (Diversity, Equal and Inclusion) issues, including gender equity: Leading @ liberty training 1744 hours with 112 participants, and Global Fundamentals trainings 728 hours with 33 new leaders and newly promoted untrained in 2021.

In 2022 Brazil maintained the monthly meetings with the Gender Equity ERG (Mulheres Seguras) addressing issues related to the importance of equity as: Health and well-being actions, female leadership, entrepreneurship, hire a mother program. Some of their main actions was the program "Hire a Mother" and the program for women to become stockbrokers, with part of the openings targeted at vulnerable women and they practice the same salary policy for all employee despite the gender.

Throughout 2022, Liberty increased the number of allies in the Employee Resource Group "Able" by more than 49% allies compared to January 2022 who participated in monthly meetings to promote the plans and mapped the accessibility by looking at what they have and what they can evolve, etc.

Achieving real and effective equality within Liberty requires the full collaboration of all the people who make up the company. Liberty invite all of its employees to commit to equality between women and men, participating in the measures that comprise it, as well as disseminating, promoting and creating a culture based on diversity and equal opportunities. / An assessment of the situation has been carried out which affects the following areas:

1. Recruitment and hiring
2. Access to employment
3. Permanence in employment
4. Under-representation of women
5. Promotion and training
6. Organisation of working time
7. Working conditions
8. Pay audit
9. Sexual and gender-based harassment
10. Awareness-raising and communication
11. Gender-based violence
12. Occupational health

Based on the results of each of these, the Legal Representation of Workers and Liberty Management have agreed on corrective measures that contribute to continuing to build a diverse, inclusive and egalitarian Company.

5. Environment

► 5.1 Climate Change: a sectorial challenge



Climate change is one of the greatest challenges facing humanity, and the insurance sector is well aware of it.

Climate change is an overarching global threat. It affects human, social, environmental and economic systems through rising temperatures, rising sea levels, and an increasing frequency and severity of natural catastrophes and extreme weather-related events. Climate change, as well as the global response to the threats posed by climate change (e.g., the reduction of greenhouse gas (GHG) emissions and adaptation programmes), may have wide-ranging impacts on the structure and functioning of the global economy and financial system.

As such, climate change is a source of financial risk. It may have an impact on the resilience of individual financial institutions, including insurers, as well as on financial stability through physical risks and transition risks. Physical risk refers to increased damage and losses from physical phenomena associated with climate-related trends (e.g., changing weather patterns or rising sea levels) and events (e.g., natural disasters or extreme weather). Transition risk refers to disruptions and shifts associated with the transition to a low carbon economy, which may affect the value of assets or the costs of doing business.

The insurance industry bears the impact of climate change first-hand, as extreme weather events affect policyholders in many parts of the world. Through our stakeholder materiality assessment, our stakeholders - from employees to investors - made it clear that they also care about climate change and expect **Liberty** to take a strong role in accelerating the transition to the low-carbon economy. We are committed to serving as a force for progress in the fight against climate change and recognise that climate adaptation is critical to the success of our business and our policyholders.

Despite the increasing attention of the insurance sector (including policymakers and supervisors) to the financial risks posed by climate change, to date there is still little evidence on the magnitude of these risks - in particular at a cross-jurisdictional level. In terms of new regulation, the Regulation (EU) 2020/852 (Taxonomy Regulation) was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. It establishes the basis for the EU taxonomy by setting out overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable.

The Taxonomy Regulation establishes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

Under the Taxonomy Regulation, the Commission had to come up with the actual list of environmentally sustainable activities by defining technical screening criteria for each environmental objective through delegated acts.

On July 6th 2021, the Delegated Act supplementing Article 8 of the Taxonomy Regulation was adopted by the Commission for scrutiny by the legislators. This delegated act specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. This information about Taxonomy disclosures is reported in Section 5.3 of this Report.

Regarding Law 7/2021 on climate change and energy transition, the purpose of this law is 1) to ensure compliance by Spain with the objectives of the Paris Agreement, 2) facilitate the decarbonisation of the Spanish economy, its transition

to a circular model, so as to guarantee the rational and supportive use of resources, and 3) promoting adaptation to the impacts of climate change and the implementation of a sustainable development model that generates decent employment and contributes to the reduction of inequalities. This law notably ends new licensing for the exploration and extraction of oil and gas in the country.

LIEH belongs to the financial sector and given its activity, does not generate a major impact on the environment. Furthermore, no significant environmental aspects have been detected in the materiality analysis. Nevertheless, it is a concern of the Group and measures are taken to reduce the main environmental impacts.

As for environmental certifications, LIEH does not have any environmental certification.

► 5.2 Sustainable use of resources

Liberty Mutual is promoting climate resilience and supporting a global energy transition, while putting people first: our customers and policyholders, our employees, our investors and our communities. We recognise that the energy transition is a journey. We have made this transition a business priority and are making steady progress. Enabling sustainable growth is essential to Liberty Mutual's strategy and ambition, which is therefore its primary objective is to promote a more equitable and responsible climate transition by embedding sustainability in our decision making, both in underwriting and investments.

LMG has been able to advance its own sustainability journey while supporting the development of others, influencing through its investments and educating employees about the value of sustainability and ESG-related efforts, as well as realising that it cannot solve current problems alone, it has collaborated with other groups to expand its influence, as a result of which it has supported climate change adaptation strategies, promoted ESG risk assessment and developed sustainable practices for environmental and social issues.

In order to support sustainability integration, in to handle energy transition work, a Global Energy and Transition Risk Leader was named in November 2022. In addition, they revealed the hiring of a Chief Sustainability Officer for Global Risk Solutions in January 2023, who will answer to the Chief Strategy Officer for Global Risk Solutions and be responsible for advancing sustainability strategy throughout the business unit. These tools can be incorporated into the company's main business divisions to make sure that sustainability considerations are a constant part of daily operations.

In addition, Liberty Mutual takes steps to close crucial gaps in the climate transition, it continues to close them and be a pioneer in this field by integrating climate into its strategy.

Insurance's part in Resilience

All goods and services have resilience built in because it is crucial to business. LMG actively assists clients in reducing risks, which can include everything from severe weather conditions to hacking and employee safety. This is accomplished through internal business innovation, collaboration with other organizations, and user education to develop long-term resilience. Given the significance of climate change, LMG has concentrated on adopting features in all facets of its operations in 2022 to deal with the rising frequency of weather-related climate disasters. LMG innovates and develops products and services that help its clients address a range of existing and emerging risks. For example:

- *Increasing home resilience:* A new component of Liberty+'s digital value-added services platform, WeatherReady, which educates and equips users to improve their homes' resilience to extreme weather occurrences, was introduced in May.
- *Flood risk preparedness:* Liberty Specialty Markets now provides customers with access to Previsico's FloodMap Live flood predicting and warning system through the Liberty Risk Reduce interface in an effort to lessen the damaging effects of flooding on companies.
- *Investigating sea level rise:* In partnership with flood modeling firm, Liberty Mutual's research and development team expanded its forward-looking sea level rise modeling to better understand how risks from climate change affect the developed environment.

Underwriting for the energy transition

Liberty Mutual's Global Risk Solutions provides leading risk advisory services to help clients advance their sustainability journeys, underwrites and invests in emerging sectors to support "green" growth, and strives to become the partner of choice for our brokers and others working to advance the transition. It acts in three areas:

- Systemic discovery and risk mitigation, including resilience.
- Supporting a low-carbon future.
- Investing in improved data and analytics to enable us to better understand risk.

For instance, Liberty Mutual collaborated with other entities to create a pioneering insurance and reinsurance system that offers specialized insurance capacity for new and ongoing green energy and blue hydrogen projects.

LMG Operational Impact

The main cause of climate change is the release of greenhouse gases (GHGs) from burning fossil fuels, and LMG keeps working to lessen its own environmental effect. A proposal to cut its worldwide Scope 1 and 2 GHG emissions by 50% from 2019 levels by 2030, was made public in 2021. LMG maintains its target to reduce emissions, however it has been noted that in 2022 there was an increase in emissions due to the return of employees to the office.

The newly purchased State Auto and AmGeneral Insurance businesses are now part of the effort to minimize Liberty Mutual's operational footprint. Increased workplace use and business trips present a chance to experiment with fresh approaches to pollution reduction. In order to achieve sustainability, we are implementing a minimize, reuse, and recycle strategy. Particular actions that have been taken include:

- **Print:** The total number of pages produced in 2022 was 73% less than it was in 2019, according to Liberty Mutual's Print\$mart project, which tracks printing activities both in-person and remotely. Employees saved 27,796 trees, 24 million gallons of water, and 3,295 and 1,158 tonnes, respectively, less CO₂ and GHG pollution as a consequence.
- **Furniture reuse:** Donated 167 tons of office furniture with a fair market value of \$668,675 to local social service agencies, non-profit organisations and schools.
- **Landfill diversion:** Centralized waste management programs put in place in 2020 in US-owned structures are still preventing garbage from going to landfills as workers have returned to the workplace.
- **Driving paperless adoption with our customers:** Around the globe, liberty is using digital tools to transition customers from manual, paper-based procedures to online interactions. In addition, they have digitized 85% of communications in the Andean area (including Colombia, Ecuador and Peru) and Brazil, as well as 80% of communications in their Western European Market.

It also continues to gain efficiencies in its owned buildings by reducing emissions through Green-e certified renewable energy credits in Plano, Texas, sourcing 100% renewable energy for offices in Ireland and implementing operational changes to building automation controls to optimise performance in several facilities. In addition:

- In the US, four of its 11 owned buildings have LEED certifications, representing 37% of total owned floor space in the US.
- In the US, five of its eleven owned buildings are Energy Star certified, representing 29% of the total square footage of property in the US.
- The leased London office is BREEAM UK certified and the Melbourne (Australia) office is NABERS Carbon Neutral certified.

LIEH jurisdiction initiatives

It is worth mentioning that each LIEH jurisdiction has their own climate change related initiatives:

Brazil has invested each day more on initiatives, which aiming the society through its Sustainability Plan. For three years, Liberty Seguros has reinforced its commitment to the environment and the community, through Liberty Mais Sustentável 2023 - the company's sustainability plan in line with the 17 goals of the UN (United Nations). This initiatives include eco-efficiency actions at the head office in São Paulo and the digitization of processes, which contributes to saving paper and renewable energy.

In terms of emissions from operations, Brazil has been implementing actions to reduce emitions on scopes 1 and 2 such as Led lighting, reduce of equipment such as printing machines, documents sign, etc.

In 2022, Brazil has been committed to its enviromental plan that includes looking deeper at their carbon footprint emissions, build a stakeholder materiality assessment, look at their portfolio and operational risk and publish their annual sustainability report.

Brazil published and audit their first carbon footprint inventory in order to look at their emissions from 2019 - 2021 and make improvements in their process to achieve Liberty Mutual ´s target to reduce 50% on scopes 1 and 2 by 2030.

Brazil also reviewed their materiality assessment in order to hear their stakeholders expectation and to build their sustainability plan based on it.

Brazil environmental, social and governance (ESG) area also took the opportunity to teach their employess about sustainable issues and how to make better pratices and individuals and company, this helped them create sustainability awareness.

In their Hubs of work Brazil have non renewable sources but they implemented some improvements such as: carbon footprint inventory, led lighting, water management, reduction of paper and plastic. Use of colaborative mugs/cups in our Hubs to extinguish disposable

LMIE acknowledges the important role of biodiversity, especially oceanic biodiversity, in helping to both combat the global temperature increases as well as offset some of the physical impacts of climate change. As a financial services business, LMIE has a relatively small environmental impact through their direct operations (i.e. the premises that we occupy and our business travel).

They have a Responsible Business Policy that covers environmental impact. They are focused on creating and implementing a climate change approach that thoughtfully addresses both the risks and opportunities presented by climate change, while supporting their customers, investors and employees in their efforts to advance and adapt to a low-carbon future. While working toward a low-carbon economy through their underwriting and investments, they are also reducing their own operational impacts.

In addition, LSM is committed to responsible and accountable internal risk management in alignment with ESG priorities to inform business decision-making. In particular, we use climate change risk management tools to identify, monitor and report different types of risk, including environmental; internal groups and forums actively monitor and discuss ESG risks and topics to ensure a holistic approach to the management of these risks (e.g. through our Climate Change Forum and Emerging Risks Task Force); climate change and ESG risk responsibilities are embedded within our risk management governance.

Moreover, LSM work to educate and engage staff on ways to better engage with, and reduce the impacts of, climate change, recognising that employees are an active part of their low-carbon journey. LSM invite colleagues to share best practices and participate in eco-conscious programmes through an internal responsible business community. Over 2022, LSM have developed two modules of ESG training material (including a strong environmental component) for LSM underwriters, which has been undertaken by a vast majority (e.g. 80%). In collaboration with other parts of Liberty Mutual, LSM will benefit from ESG and climate-specific training throughout 2023.

LSM also engage externally on ESG/environmental topics, predominantly related to climate change:

As a member of the Liberty Mutual Gro:

- We are part of the Partnership for Carbon Accounting Financials (PCAF) and will participate in the Insured Emissions Working Group to develop the first global standard to measure and disclose insured GHG emissions.
- We are part of the Taskforce on Nature-related Finance Disclosures (TNFD) Forum, a consultative network of over 100 organisations who share the TNFD's vision of creating a new risk management and disclosure framework for reporting and acting on evolving nature-related risks.

Liberty Specialty Markets (LSM):

- Is a member of ClimateWise, which is part of the Centre for Sustainable Finance, and brings together the insurance industry and related organisations with world class academic expertise and global sustainability leaders to collectively and innovatively tackle climate change. ClimateWise helps to align its members' expertise to directly support society as it responds to the risks and opportunities of climate change. As a member, we disclose our response to climate change through the ClimateWise Principles framework and are independently assessed, scored and benchmarked. A collective public review is published by ClimateWise each year, which serves to inform regulators and broader financial markets on the insurance industry's response to climate change.
- Participates in some of the working groups of the Climate Financial Risk Forum, co-chaired by the Financial Conduct Authority and the Prudential Regulation Authority to build capacity and shares best practice across regulators and the financial services industry, to advance our sector's responses to the financial risks from climate change.
- Participates in climate and ESG-related working groups and committees of the International Underwriting Association and the Lloyd's Market Association.

As mentioned LSM has also started to measure and manage GHG emissions at local entity levels and will be setting reduction targets through a transition plan in 2023. A foundational component of LSM's sustainability program is the measurement of our annual global carbon footprint.

LMIE operational footprint predominantly comprises where and how they work (our office spaces and travel, including company fleet). LMIE take environmental and sustainability factors into account, many of which help manage their emissions, from office selection through to occupancy and how they travel for business.

LMIE have focused on a number of initiatives aimed at reducing their operational impact on the environment, other than those focused on supporting a low-carbon economy through our underwriting and investments. These have focused on printing conservation, paper recycling and furniture reuse, as well as direct emission reductions.

LSM's Headquarter office which accounts for over 50% of global staff has BREEAM Excellent status, including being powered by renewable energy, and is one of the most environmentally friendly office buildings in London.

All company cars throughout Europe are to be fully-electric or hybrid drive. We are supporting this move with the installation of charging points in relevant offices. LMIE is also offsetting the carbon footprint of our travel.

In **WEM**, the Liberty Digital Way initiative, launched in 2020 contributed significantly to reducing facilities footprint, as 2,000 employees shifted to a work-from-home based model. This working model, built along with employees as a flexible, efficient, and sustainable system, has also been key in reducing our carbon footprint by elimination long distance travel, daily commuting and reducing the energy consumption necessary for the maintenance of buildings. This will trigger a significant reduction in energy consumption in 2022 versus 2019 baseline.

As part of WEM commitment to reducing facilities footprint, WEM established a working group, that in 2022 was responsible for collecting and documenting energy consumption. The output of the work from this group will be a list of local strategies to reduce energy consumption and contribute to Liberty Mutual commitments to global emissions reduction.

WEM has digitalized 80% of their communications, moving to a paper-less model which has generated significant savings of paper. In Ireland they have switched energy provider so that our electricity is coming from renewable sources.

In 2023, WEM will present their first Sustainability Review, referring to year 2022.

LIEH's activity does not generate a significant direct environmental impact, as it is concentrated in offices located in urban areas. The materiality analysis carried out concludes that aspects related to waste and materials management, biodiversity and water catchment sources around its facilities are not material for the organisation, nor are the noise and light pollution that its facilities may generate, or emissions of ozone-depleting substances (ODS), nitrogen oxides (NOX), sulphur oxides (SOX) and other emissions³.

The consumption and significant elements of the carbon footprint for 2022 are detailed below.

- Scope 1 emissions are direct emissions from owned or controlled sources. They include stationary combustion (heating, generators, etc), mobile combustion (jet, fleet), and refrigerants.
- Scope 2 emissions are indirect emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Significant consumptions of the Carbon Footprint	2022	
	Consumption	Emissions (MTCO2e)
Consumption Scope 1 (MWh)	3,74	798
Electric Consumption Scope 2 (MWh)	5,59	997
Scope 3	0	0
Total	9,32	1.795

Note:

- The data provided follows a location-based method that reflects the average emissions intensity of grids on which energy consumption occurs using mostly grid-average emission factor data.

► 5.3 Taxonomy report

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, (hereinafter "the Taxonomy Regulation")⁴ aims to allow investors and key stakeholders to know whether an economic activity is environmentally sustainable by setting common EU-wide criteria.

The Article 8 of the Taxonomy Regulation requires insurance and reinsurance undertakings subject to the Non-Financial Reporting Directive (hereinafter "NFRD")⁵ to disclose in its non-financial statement or consolidated non-financial statement information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable.

The Taxonomy Regulation qualifies an activity as environmentally sustainable when an activity contributes substantially to one or more of the 6 environmental objectives defined by the regulation. To date, the Taxonomy Regulation has developed 2 of the 6 environmental objectives (climate change mitigation and climate change adaptation) under the Delegated Regulation (EU) 2021/2139 of 4 June 2021⁶, which has established the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to these two environmental objectives. During 2022, this regulation has been amended by a Complementary Delegated Act which introduces the screening criteria for nuclear energy and gas related activities in order to be consider sustainable. The criteria for the rest of the environmental objectives remain to be defined.

³ Due to the low environmental impact of the activity, LIEH has no provisions or guarantees for environmental incidents.

⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector.

⁵ NFRD refers to the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU regarding the disclosure of non-financial and diversity information by certain large companies and certain groups.

⁶ Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

The specific disclosure requirements have been established in the Delegated Regulation (EU) 2021/2178 of 6 July 2021⁷, that from 1st January 2022 until 31 December 2022, requires insurance and reinsurance undertakings to disclose the exposure of their total assets to Taxonomy non-eligible and Taxonomy-eligible economic activities, as well as the proportion of Taxonomy-eligible and Taxonomy non-eligible non-life insurance economic activities, among other ratios. However, it is important to point out that eligibility is not an indicator of the environmental performance or sustainability of an activity. Eligibility only indicates that they are activities included within the Taxonomy Regulation and that they have the potential to contribute to the defined environmental objectives of climate change mitigation or climate change adaptation.

From 1 January 2024, the Taxonomy Regulation will require financial undertakings to disclose Taxonomy-alignment, as an indicator of activities that contribute substantially to the environmental objectives of the Taxonomy, if at the same time they do not significantly harm any of the environmental objectives, are carried out in compliance with the minimum safeguards and comply with technical screening criteria that have been established by the Commission.

On this basis, Liberty International European Holdings, as a parent company of the group of insurances undertakings, includes in its consolidated non-financial statements, information on the exposure of its investments and activities to taxonomy-eligible activities.

KPI related to investments

The key performance indicators related to investments of insurance and reinsurance undertakings represents the proportion of investments that are directed at funding, or are associated with Taxonomy-eligible economic activities:

⁷ Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

As of December 31	Proportion (%) 2022	Proportion (%) 2021	Description
A. Percentage (%) of total assets exposed to Central Governments, Central Banks, Supranational Issuers	14%	16%	Exposures to Central Governments, Central Banks and Supranational Issuers, divided by "total assets on the balance sheet" ¹
B. Percentage (%) of assets covered by the KPI relative to total investments, excluding investments in sovereign entities	86%	84%	Exposures to "total assets covered" ² by the Taxonomy divided by "total assets on the balance sheet" ¹
Total Assets (A+B)		100%	
i. Proportion (%) of investments directed at funding or associated with Taxonomy-eligible economic activities	3,30%	4%	Investments in financial and non-financial undertakings subject to the NFRD ³ and other assets exposed to economic activities included as eligible in the Taxonomy Regulation, divided by "total assets covered by the KPI" ²
ii. Proportion (%) of investments directed at funding or associated with Taxonomy non-eligible economic activities	59,58%	66%	Investments in financial and non-financial undertakings subject to the NFRD and other assets exposed to economic activities not included as eligible in the Taxonomy Regulation, divided by "total assets covered by the KPI" ²
iii. Proportion (%) of exposures to derivatives	8,42%	-	Exposures to derivatives relative to "total assets covered by the KPI" ²
iv. Proportion (%) of exposures to financial and non-financial undertakings not subject to publish non-financial information	28,70%	30%	Exposures to financial and non-financial undertakings not subject to the NFRD, divided by "total assets covered by the KPI" ²
Total Assets Covered (i+ii+iii+iv)	100%	100%	

¹ "Total Assets on the Balance Sheet" is the total amount of consolidated assets of Liberty International European Holdings

² "Total assets covered" includes the total amount of Assets on the balance sheet excluding exposure to: Central Governments, Central Banks and Supranational Issuers

³ Liberty group has considered undertakings subject to NFRD those undertakings from the European Union with more than 500 employees that meets at least one of the following criteria: (1) Net revenue > 2.000 million euros and >4.000 employees in the last financial year; (2) listed companies, credit institutions, or insurance companies.

The analysis has been carried out based on information published by the counterparties and databases to which LIEH has access.

The taxonomy eligibility ratio of LIEH's assets comprises the investments aimed at funding or associated with the activities listed in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139.

For the calculation of investment eligibility, under Article 8 (4) of the Commission Delegated Regulation (EU) 2021/2178, financial undertakings should use the most recent available information, disclosed by the investees, but as not all eligibility information is publicly available, an estimate of their eligibility has been carried out based on the NACE codes associated with the activity of the counterparty.

LIEH has gathered the information on the exposures of assets from its own information systems, public information disclosed by counterparties and databases that LIEH has access to. We used the look-through information of the funds, both those provided by LIEH itself and those obtained directly from the fund managers, so that we could identify the

issuers, the type of asset, the percentages of the total portfolio of each underlying, and the sectors of economic activity. Most of the exposure to activities categorised as eligible according to the Taxonomy corresponds to investments in private debt and assets held for index-linked and unit-linked contracts.

Furthermore, for the time being, the Taxonomy Regulation does not contemplate the investments in undertakings not subject to the Non-Financial Reporting Directive. Therefore, exposures to companies within the European Union not subject to the NFRD and exposures to companies from a country outside the European Union are excluded from the eligibility ratio set out above. However, it is important to highlight that LIEH group has a strong exposure to these entities, as they represent 28,70% of the total assets covered by the eligibility KPI, of which 86% are entities outside the European Union and 14% entities not subject to NFRD within the European Union.

Considering exposure to non-NFRD counterparties and the nature of their activity according to the NACE codes, the eligibility ratio would amount to 6% of the total assets covered.

KPI related to underwriting activities

The key performance indicators related to underwriting activities represents the proportion of eligible non-life insurance and reinsurance activities:

As of December 31	% 2022	% 2021	Description
Proportion (%) of gross premiums written of Taxonomy-eligible economic activities	34,34%	32,60%	Gross premiums written for non-life insurance and reinsurance included as eligible in 10.1 and 10.2 of Annex II, with coverage of climate perils indicated in the Appendix A to Annex II, Commission Delegated Regulation (EU) 2021/2139 divided by the "total gross premiums written for non-life insurance and reinsurance" ¹
Proportion (%) of gross premiums written of Taxonomy non-eligible economic activities	65,66%	67,40%	Gross premiums written for non-life insurance and reinsurance either not included as eligible in the 10.1 and 10.2 of Annex II, or without coverage of climate perils indicated in the Delegated Regulation Annex II, Appendix A, Commission Delegated Regulation (EU) 2021/2139 divided by the "total gross premiums written for non-life insurance and reinsurance" ¹

¹ "Total gross premiums written for non-life insurance and reinsurance" includes gross premiums written on all non-life products of Liberty International European Holdings. It does not include gross premiums written related to life insurance and reinsurance products.

The eligibility ratio of LIEH's activities has been calculated on the consolidated gross premiums written for non-life insurance and reinsurance of Liberty International European Holdings, S.L.U. as of December 31, 2022.

The non-life insurance and reinsurance lines of business that might be eligible under the Taxonomy Regulation are indicated in paragraphs 10.1 and 10.2 of Annex II to Delegated Regulation:

- A) Medical expense insurance
- B) Income protection insurance
- C) Workers' compensation insurance
- D) Motor vehicle liability insurance
- E) Other motor insurance
- F) Marine, aviation and transport insurance

G) Fire and other damage to property insurance

H) Assistance insurance

LIEH has conducted an analysis of its entire non-life portfolio within the lines of business presented above. Particularly, LIEH has analysed the coverage of climate related perils set out in Appendix A of Annex I of the referred regulation, related to temperature, water, wind or solid mass. Therefore, LIEH has defined as eligible all lines of business that contain explicit terms on the policy regarding the coverage of, at least, one of the climate related perils.

Due to the limitations of extracting the part of the premium allocated to the coverage of climate related hazards, LIEH has considered the total gross premium written of the product in the eligibility ratio.

Based on this assessment, similar to the last year a 34,34% of LIEH's non-life insurance and reinsurance products are eligible under the Taxonomy. The most material eligible lines of business for LIEH are "Fire and other property damage insurance" and "Other motor vehicle insurance. In addition to the explicit coverage of climate related hazards, there are lines of business in Spain that include explicit coverage of extraordinary risks by *the Consorcio de Compensación de Seguros*.

Strategy

As part of Liberty Mutual Group, LIEH and all controlled entities are aligned with Liberty Mutual strategy on Environmental, Social and Governance (ESG).

Enabling sustainable growth is essential to Liberty Mutual's strategy and ambition. The group aims to support a more equitable and responsible climate transition by embedding sustainability into our decision-making across both underwriting and investments. From driving impact through the investments to training the employees on the importance of sustainability and ESG-related efforts, it has been able to further our their sustainability journey.

Liberty Mutual also continues to integrate climate into our strategy by taking action to close critical gaps in the climate transition. Informing on and advocating for adaptive solutions.

In addition, from a governance point of view, in 2022, in accordance with European Regulation, LIEH and the subsidiaries across the group started the path to integrate sustainability risk in the system of governance of LIEH and subsidiaries across the group. Entities have to reflect sustainability risks in their risk management system. Sustainability risks need to be reflected in the investment and underwriting strategies of insurers and be monitored by the risk management as well as the actuarial function. As part of the prudent person principle, insurers will also need to take into account the potential long-term impact of their investment strategy and decisions on sustainability factors.

In accordance with the above, some actions were taken in LIEH to implement this regulation. As first step affected policies were amended to include sustainability risks in Risk Management System. In that sense, in LIEH and Liberty Seguro's Risk Appetite Metrics and KRIs were defined and to support ongoing monitoring of Sustainability Factors and Risks. Moreover, a risk assessment methodology and scenario analysis approach were defined to ensure proper identification and measurement of risk exposures related to climate change. A climate change transition risk exposure assessment has been conducted on WEM's investment portfolio and an assessment of the sustainability factors was made across WEM all products.

Investment

Liberty Mutual Group's ESG strategy is cascaded to all entities in the group, including LIEH and all controlled entities across LIEH.

Internally, Liberty Mutual Investments is the group that oversees and manages the investment portfolio. Liberty Mutual Investments operates as a long-term global investor with a mission to create capital to support Liberty Mutual's purpose of helping people embrace today and confidently pursue tomorrow. In support of that mission, our approach to integrating sustainability aims to achieve strong investment results and reflects the belief that those results are enhanced by carefully incorporating material ESG factors into the investment process. The identification, understanding and management of ESG factors can enhance our ability to meet our long-term investment objectives.

Our approach to integrating sustainability spans our investment portfolio and informs our asset allocation and investment strategy as well as our grassroots research and due diligence. We view the overall economic and investment landscape

as inextricably linked to relevant material factors. Our approach to integrating sustainability incorporates our unique investment perspective and asset management goals as we aim to deliver strong investment results.

In 2022, Liberty Mutual Group worked to further embed Liberty Mutual Investments' approach to integrating sustainability to provide investors with an expanded information set for all investments across the portfolio, including both our fixed income and private investments.

Moreover, at Liberty Mutual Investments, we believe that the global energy transition will have a significant positive impact on innovative, forward-thinking companies and investors. Given this belief and the broad set of opportunities and challenges, in 2020 we formalized a dedicated energy transition strategy.

Underwriting

In Liberty Mutual, resiliency is a core part of our business and is embedded in our products and services. We proactively help our customers mitigate risks, which range from extreme weather events to cybersecurity to worker safety. We do this by innovating within our business, partnering with other organizations and educating our stakeholders to build long-term resiliency. In 2022 we focused on several emerging challenges, including the rising rate of weather disasters related to climate change, the need for more affordable insurance products and risks related to cybersecurity.

We have develop innovative products and services to help our customers address a range of existing and emerging risks.

In addition, Global Risk Solutions is focused on embedding sustainability into the decision-making processes in a way that always puts the customers first, applying our expertise to their unique journeys.

With sustainability as an additional business lens, we can continue managing risks today while helping customers navigate the opportunities that accelerate a more sustainable future. To accomplish this, we are leveraging our high-quality data, analytical capabilities and expertise in underwriting risk. In 2022, we culminated the development of a comprehensive Liberty-specific ESG framework through the identification of ESG factors material to specific risks. This lens of materiality will remain central in our approach to underwriting. These topics range from biodiversity to human rights and are all factors that can be measured and evaluated by our underwriters. We will be refining the tools to support the application of this framework and building the capabilities of our underwriters so that they can assess risk in ways that are most relevant to our customers.

In Liberty Seguro's catastrophe models which includes climate modelling were developed. For this purpose, different external data bases were used and it was used some variables that best predict climate risk. In Spain, household models containing weather metrics are fully deployed for renewals and will deploy for new business over 2023. Besides, improved SME models will deploy in 2023 starting with renewal business.

In Ireland, household improved models are being developed which include weather metrics. These will be deployed in 2023 and we will explore creating phase 2 enhanced models to improve accuracy if possible.

Finally, in terms of "ESG" we are close to launch a new pack for Household in Spain called "Ayuda a un Hogar sostenible", with covers related to ESG matters.

6. Society

► 6.1 Commitment to sustainable development

LIEH is committed to the development of local communities and society around its activities. This commitment is materialized in different projects aimed at contributing to their progress, promoting programs both through the participation of its employees in various initiatives and at a corporate level.

Likewise, as a company, **LIEH** seeks to generate a positive impact on society, carrying out actions related to business or that respond to the concerns of customers LIEH Subsidiaries and other stakeholders, collaborating with other agents to achieve this positive impact. Through its Corporate Social Responsibility Policy (CSR), each country integrates this commitment based on different aspects.

In the different entities of **LIEH** we have been socially committed for many years, working on different projects such as our corporate volunteer program Serve with Liberty, the Liberty Race, #SeSalen or Liberty Seguros Team of Paralympic Athletics Promises.

In 2022, across **Ireland, Spain and Portugal** €42.877 was raised for inclusive projects. We look forward to growing the Liberty Race year on year to build on what we have started and promote inclusion as far and wide as we can.

In Portugal, on Sunday, 8 December, the first ever Portuguese edition of the Liberty Race took place under the name 'Cascais Christmas Race by Liberty Seguros'. The race, in support of disability inclusion was hosted in partnership with HMS Sporta and the Câmara Municipal de Cascais.

Each race participant voted for their favourite inclusive project out of a choice of three. As a result, the race raised €5.000 for the Lisbon Cerebral Palsy Association, €3.000 for the Ping Pong Parkinsons Portugal project, and €2.000 for the SurfADDICT project. The race reinforces the importance of equity and inclusion for people with disabilities as all three projects support inclusive and adaptive sports for people with disabilities.

The €5.000 prize was awarded to the Iron Brothers Project, of the Lisbon Cerebral Palsy Association. This project supports, advocates, and assists those with cerebral palsy and similar neurological conditions, as well as their families, in achieving their personal goals. The funding will be used to establish an equipment bank to help those with cerebral palsy to participate in running, triathlons, and open water swimming competitions.

The Associação PingPong Parkinson Portugal (PPPP) project, in partnership with Associação Parkinson Portugal, received €3.000. Their goal is to promote sports and similar therapies in order to manage Parkinsons symptoms. The funds will be used to purchase sporting equipment that encourages reflex therapy with lights and results measurement, such as the Blazepod and FastPong.

The SurfADDICT project makes surfing available to people with any kind of limitation, whether motor, visual or cognitive. The €2.000 raised will be used to purchase modified surf boards with side handles that will support and raise the surfer's body.

In **Brazil** we promote a strong culture of volunteering and actions that generate value for the community.

In 2022 we sponsored and offered volunteering and philanthropy campaigns to support local NGOs. More details on donations is offered in the appendix 2.3. In addition, among the social and voluntary activities carried out, the following stand out:

1. Opening with CEO – A talk with CEO With a Sustainability Specialist from Akatu who taught us how to be more sustainable in our daily routine – 361 participations
2. What´s your cause – We wanted to know what was our employees cause in order to incentive through communication others to volunteer
3. Career Mentoring for youth – We had an online group mentoring youth about career plan, study, fear and many other topics – 46 participations
4. Plant Workshop with kokedama (japanese plant) – To teach how import plants can be to the environment and how to treat them in order have a good impact on the planet – 38 participations

5. Abayomi Dolls - We make Abayomi dolls to be sold in a mall in São Paulo, in this workshop we also learned the story related to those dolls."...Abayomi, meaning"precious meeting," are cloth dolls with a powerful history. As they were taken across the Atlantic Ocean on slave ships, African mothers tore pieces of their own clothing and, using knots and braids, fashioned them into dolls to comfort their terrified children. This origin story was something the quilombola had lost.." - 19 participations

6. Coffee Caps Workshop - In this workshop we learned how to make jewelry with coffee caps. All the jewelry were donated to be sold by 16 volunteers

We also continued our Diversity and Equity affinity groups in order to discuss in practice actions related to Woman, people with disability, race and pride. In 2022 we continued helping the community aligned with our ESG strategy and Diversity & Equity affinities teams. We focused on looking for NGOs whose causes were looking after: people with disability, LGBTQIA+, empower woman, equity of races and helping development of children and youth. The actions we took in this year could help creating ESG Culture focusing on Social and Environmental issues to our employees and gave them the opportunity to collaborate by being connected to the NGO's online or in person. We maintain our communication with the local community mainly through our social and philanthropy campaigns and actions.

Partnering with NGO's we could identify the main needs to develop our activations.

In **LMIE**, there are several initiatives:

In June 2015, Liberty Specialty Markets (LSM) committed to a corporate partnership arrangement with WaterAid, the international organisation whose mission is to transform the lives of the poorest and most marginalised people by improving access to safe water, sanitation and hygiene.

A project in Rwanda was launched with a focus on schools and school-aged children, particularly girls. We want to build toilet blocks, establish hygiene clubs, and much more to ultimately improve access to clean water, decent toilets and good hygiene. We are now in our 7th year of our WaterAid partnership and have raised £846,357 to date.

LSM has in place a Responsible Business framework which includes 4 strategic pillars, one of which is focused on improving lives and communities. LSM is committed to advancing security, furthering opportunity, and building strong community through philanthropy and volunteering. This commitment is demonstrated through a variety of initiatives, and charity partnerships - with partnerships fostered across the enterprise, LSM-wide, Local LSM, industry response and the sector. Our key themes are:

- Advancing security by supporting individuals experiencing homelessness and hunger; and providing solutions through affordable housing
- Furthering opportunity by investing in education and workforce development for youth and accessibility for all
- Advancing health and wellbeing
- Building communities by furthering climate resiliency and supporting community and civic life.

We support charities that demonstrate long-term, sustainable benefits and economic development. Our current global strategic partnership is with WaterAid, and each office has one or more local charity partners. Our CSR programme combines employee volunteering, corporate donations, fundraising events and many other engagement activities.

Relationship with the community LSM have appointed Corporate Social Responsibility (CSR) Champions in each Liberty Specialty Markets office. The role of the Champion involves being aware of LSM's CSR projects and initiatives and encourage staff to get involved, with Champions a pivotal point of contact for our annual Serve with Liberty day.

Serve with Liberty is Liberty Mutual's global employee volunteering programme. This initiative gives staff the opportunity to get involved with some fantastic causes in local communities. LSM have partnered with many charities to include Water Aid, Action Medical Research, Alzheimer's Society, Rethink Mental Illness and St Mungo's.

LIEH entities also participate in various associations, technical training and local forums, such as the International Insurance Forum and the "Innovation & Fintech Forum" in Spain, which aims to promote digitalisation in the insurance sector. Also in most countries, **LIEH**, through its entities, belongs to the national sectorial association.

Finally, it is also worth noting the **International Finance Corporation**, insurance has a significant role to play in helping small and mid-enterprises (SME's) and women-led businesses around the world through the sphere of international development finance. Working in partnership with the International Finance Corporation (IFC), Liberty's Financial Risk Solutions (FRS) division is helping reduce the financing gap that is hampering these organizations through an unfunded risk sharing program for long-term lending.

► 6.2 Outsourcing and Suppliers

LIEH outsources certain services to suppliers, which may be internal or external. To provide guidance on outsourcing activities, the Board has adopted an **Outsourcing Policy**.

The **Outsourcing Policy** sets out the roles and responsibilities required to carry out the outsourcing of the company in question and is supervised by the Compliance Function. In addition, each **LIEH** entity is required to adopt an outsourcing policy consistent with the Policy defined in **LIEH**.

At the local level, the companies that make up LIEH have, in some cases, their own Procurement Policy that defines and establishes the process for contracting external suppliers and subcontractors that will carry out outsourced services within the entity. In some entities (such as in WEM and LMIE) this policy includes requirements for suppliers on social, environmental and gender equality issues as well as aspects of regulatory compliance, data protection and compliance. In order to work with Liberty, all suppliers must be approved through a questionnaire to collect information on the structure, activity, financial capacity and professional background of the persons and entities that will carry out outsourced services within LIEH. These collection questionnaires usually take the form of the "Due Diligence process", and the information requested includes confirmation by the supplier or subcontractor of compliance with the Fitness and Honour of each of its directors, or regarding the implementation of a Code of Ethics or regulatory compliance programmes. In addition, it is requested to include information on measures taken by the supplier in the area of Corporate Social Responsibility, and more specifically, on initiatives and activities related to the environment, disability or road safety. A section also includes a request for measures relating to the fight against the prevention and detection of financial crimes such as corruption, bribery or money laundering.

In relation to the above, and depending on the type of service contracted, the team in charge of the supplier contracting process carries out an evaluation exercise, requesting, where applicable, the respective quality certifications, material disposal procedures, ecological footprint, etc.

In addition, the Code of Ethics, Anti-Corruption Policies, Corporate Social Responsibility Policies, Risk Policies and Compliance Policies are also requested.

There are other entities with their own policies related to these issues. In Brazil, only suppliers of graphic material holding the FSC certificate (<https://br.fsc.org/en/faq>), which guarantees the sustainable use/exploitation of forests, will be accepted.

In line with the purchasing policies, supplier procurement procedures have been defined in certain geographies, which aim to guarantee and ensure a transparent, efficient and homogeneous process for the procurement of goods and services, and to monitor current suppliers as in Brazil entities and Liberty Seguros, Spain. In LMIE there is a procurement policy in place.

In **WEM**, specifically, it is in force the WEM purchasing policy on sustainability, diversity and environment. In 2021, it was implemented the outsourcing module in Liberty Seguros WEM for the launch of official tenders to suppliers. This tool is the extension of Liberty Mutual Group's global solution so that we use the same module and the same structure in all Procurement departments:

- This tool has meant incorporating in the mandatory documentation to be requested from suppliers participating in a tender, the Diversity and Environmental questionnaire. This means, that in our Sourcing Tool, we comply with the Sustainability and Diversity requirements in the image of our parent company and Procurement in Boston.
- The supplier has to fill in the data in the templates and they are reviewed and evaluated in the bidding or supplier selection process according to the WEM Procurement Policy.
- The supplier has to answer to some questions through a "vendor questionnaire" in order to be approved or to work with Liberty.
- This questionnaire is filled in for all new suppliers in order to be approved and for those we work with in order to be renewed.
- The forms are in all 3 WEM languages.
- It is a mandatory requirement to be able to work at Liberty WEM.
- In addition, the following are required: Code of Ethics, Anti-Corruption Policy, Corporate Social Responsibility Policy, Corporate Social Responsibility Actions, Risk Policy, Compliance Policy, Social Security Certification, Tax Certification, Security Certifications, Anti-Money Laundering Policy, Official Certifications.
- In our Policy, this does not mean an audit, it is a requirement included in our WEM Procurement Policy and is mandatory in order to be selected, participating in a tender, and thus be able to work with Liberty.

Wem defines "Suppliers" as contractors, consultants, agencies, vendors and any third parties that are held to the same expectations.

WEM core Values include putting people first and acting responsibly. We expect our Suppliers to demonstrate their commitment to ethical, humane, socially responsible and legally compliant business practices by:

- Engaging with integrity and ethical business practices
- Avoiding actions that would improperly influence our employees' objectivity and decisions
- Complying with fair trade, antitrust, competition, anti-corruption and anti-bribery laws.
- Letting us know if any of these conflicts happen

Additionally, WEM expect their Suppliers to support and respond to inquiries from us about corporate actions pertaining to supplier diversity and environmental stewardship. Those who do not consistently demonstrate alignment to these expectations may jeopardize their future relationship with Liberty Mutual. If there is a conflict between the terms of a Supplier's contract and the Liberty Mutual Insurance Supplier Code of Conduct, the contract terms will prevail.

In **Brazil**, the Sustainability Plan was launched in 2019, which covered the following topics: Environmental and waste management, care for people and diversity. Since 2020 we formed working groups with employees from different areas, to develop these issues: to determine policy and actions and involve the leadership, employees and the community. In February 2023 we are going to launch our Sustainability Policy based on Liberty Mutual Sustainability Principles. For Supply chain there is no specific methodology in place to homologation processes, but a review of this process will start in 2023.

LMIE takes appropriate steps to ensure the fundamental human rights of everyone who works for LSM are respected and anyone we do business with upholds these principles. This is outlined through our Modern Slavery and Human Trafficking Statement. LSM have in place a Supplier Code of Conduct to reinforce our Values and share expectations of our Suppliers. LSM have a clause in procurement contracts referencing ESG standards, and have taken action to ensure suppliers are aligned with the code of conduct. LSM are moreover in the process of distributing an ESG questionnaire to most material suppliers. Monitoring and due diligence LSM conducts regular checks on suppliers, ensuring they are aligned to the code of conduct. LSM also issues periodic questionnaires to ensure they are meeting ESG standards.

► 6.3 Customers

The claims management process is a process closely related to the business of **LIEH** entities and very much linked to the achievement of its strategy and objectives as a company. For this reason, the different entities of the organization work constantly on their relationship with the client, which includes the correct reception, management and response of their complaints and claims. To this end, it includes several channels that facilitate the reception of complaints (e-mail, call centre, regulator, etc), as well as their management, which in most cases is referred to each of the departments related to the claim or complaint.

In some countries a flow of complaints and claims management has been defined, with the aim of offering a more efficient customer service. The different companies inside LIEH Group encourage their own initiatives to give an increasingly better response to the customer, as well as to adapt to changes in customer preferences, directly involving the employees (in direct contact with the customer).

In terms of complaints, **Liberty Seguros Brazil** has an Ombudsman Chanel implemented since 2005 but since 2013 Superintendence of Private Insurance (SUSEP) established the RESOLUTION Nº. 279/2013 for all insurance market. This resolution regulates the Ombudsman role in insurance companies, open private pension entities and capitalization companies. Nowadays, Ombudsman's offices are compulsory within insurance companies. The ombudsman area is responsible to defend consumer rights, clarifying, preventing and solving conflicts. It is the main communication channel between company and consumers.

In **WEM** jurisdiction there are different channels depending on each country. Complaints are generally received through a range of different sources including the policyholder, potential customers (those who have obtained a quote), brokers, agents, named drivers, spouses, family members, pension participants and beneficiaries, third parties, solicitors or service providers. They can be both verbal and/or written complaints.

Written complaints can be received via letter, email, webchat, social media platforms or customer surveys.

All complaints received through any channel in and in Portugal, for complaints received via ASF, DECO, Portal da Queixa, as well as those directly address to the complaints management are registered on Q-Pulse.

The Q-Pulse system contains a wizard designed specifically for the logging of complaints to allow the collation of all the essential information, which is available on receipt of the complaint, and in compliance with Section 10.10 of the Consumer Protection Code (for Ireland specifically) including:

- Source of the complaint, customers name and policy/claim number.
- Details of the complaint and member of staff who raised it (if available).
- Department owner i.e., the business area the complaint relates to.
- Owner i.e., the Complaints Team member who will manage the complaint.
- Date the complaint was received into the company and the date the Complaints Team received the complaint for logging.

Date the complaint was logged by the Complaints Team, the target date for resolution and the policy type e.g., direct, broker, taxi.

The logging process for Portugal, follows the same method, and a few additional fields to be completed to address ASF specific requirements.

Within **Spain** there are two teams responsible for the management of complaints:

- (i) The Customer Service Department (DAC) team that handles complaints/claims addressed specifically to the DAC and complaints arising from Consumer Associations, Municipal consumer information offices (OMIC), town halls or autonomous communities.
- (ii) Complaints team that handles customer and mediator complaints that are unhappy with the resolution or management of service centers. The content of the complaint does not have to keep any specific format, simply by expressing the reason for its nonconformity it will be managed by the team.

First line (Calidad) complaints are managed through Salesforce for Spain in a manner similar to Q-Pulse. Within Spain, all official second line complaints are registered in a specific program called SGDAC. This program helps us to obtain statistics and to control the deadlines since it informs us when we have less than 7 days left to resolve the claim.

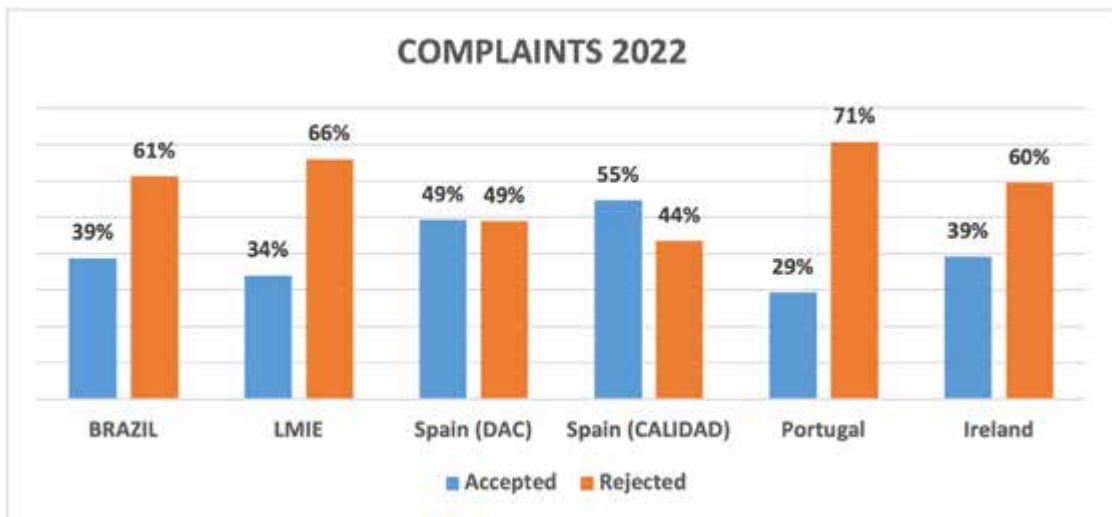
In **LSM, and LMIE** correct handling and management of complaints is central to LSM's commitment to correct oversight and management of Conduct Risk. This is in accordance with the FCA's Principle 6: "A firm must pay due regard to the interests of its customers and treat them fairly"; ICOBs 2.5.-1: "A firm must act honestly, fairly and professionally in accordance with the best interests of its customer"; and consumer outcome: "Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint".

LSM is committed to meeting its regulatory obligations and investigating complaints in a competent, impartial and timely manner and with integrity.

The LSM Complaints Team will consider all complaints raised to the department directly from any LSM customer or a third-party representative, via a staff member, from an LSM Agent, any overseas office or from a non-regulated third party.

The LSM Complaints Team aim to resolve all complaints raised by a customer fairly and quickly and believe that in following the below promises will achieve this aim.

In 2022, the total amount of complaints received in LIEH jurisdiction was 22.358. in the following graph you can find information about the percentage of complaints accepted and rejected by jurisdiction.



► Tax information

In tax matters, **LIBH** complies with the obligation to pay taxes, in accordance with local regulations. Below are the data on profits, taxes paid, and subsidies received by country in 2022:

Profit by country 2022 (m€)	
Brazil	45.357.282
Spain	383.865.509
United States	-30.915
Luxembourg	19.703.012
Consolidation Adjustments	-232.712.904
TOTAL	216.181.984

Profit by country 2021 (m€) ⁸	
Brazil	-4.278.720
Spain	63.080.423
United States	-31.051
Luxembourg	61.950.767
Consolidation Adjustments	
TOTAL	120.721.418

Taxes on profits paid by country 2022 (m€)	
Brazil	16.513.216
WEM	58.832.750
United States	-4.664
Luxembourg	-4.437.740
TOTAL	70.903.562

Taxes on profits paid by country 2021 (m€)	
Brazil	-2.992.409
WEM	10.832.889
United States	4.223
Luxembourg	14.034.483
TOTAL	21.876.186

Grants received by country 2022 (m€)	
Brazil	0
(WEM) Spain	0
Ireland	
Portugal	
TOTAL	0

Grants received by country 2021 (m€)	
Brazil	0
Spain	0
Ireland	0
Portugal	0
TOTAL	0

⁸ We included the country where the entities are domiciled. Each entity can have different branches with different regulations.

Annex 1. Scope and methodology used in the development of this report

This report responds to the obligation contained in Spanish Law 11/2018 of 28 December on non-financial information and diversity to prepare a statement of non-financial information including the information necessary to understand the evolution, results and situation of the group, and the impact of its activity with regard to, at least, environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as personnel.

This report includes the most relevant non-financial information in accordance with the corresponding materiality analysis carried out, and covers the period from 1 January to 31 December 2022, coinciding with the company's fiscal year.

Although the statement of non-financial information is issued in a separate report, this report forms part of **LIEH's** consolidated management report, and will be subject to the same criteria for formulation, approval, deposit and publication as the management report, being published as determined by Law 11/2018, of 28 December, on non-financial information and diversity.

Scope of Information

Information on the economic, environmental and social performance of **LIEH** in 2022 has been included in this EINF.

The scope of the companies considered by the group for the purposes of this non-financial report coincides with the definition of the Group for the purposes of the consolidated financial statements, although in these, the companies that no longer belong to the group are in the discontinued operations line, there are other particularities.

Specifically, as indicated throughout the report, in 2022 the group of entities belonging to **LIEH** has changed. Thus, until 21 December 2022, the group consisted of Liberty Seguros Compañía de Seguros y Reaseguros in Spain, Liberty Mutual Insurance Europe (LMIE), and the entities in Brazil, Liberty International Brasil Ltda, Liberty Seguros S.A, in Brazil, Indiana Seguros, Fácil Assist Serviços de Assistência 24 Horas, Ltda. and Liberty Agrega Serviços, Ltda. As of 21 December 2022, as a result of the sale of the holdings in the Brazilian entities, the **LIEH** group consists solely of Liberty Seguros Compañía de Seguros y Reaseguros in Spain, Liberty Mutual Insurance Europe (LMIE). Consequently, this report includes the information relating to the group including the entities in Brazil, as the report requires average figures, except for section 5.3 referring to Taxonomy, where only information on the entities that formed part of the group at 31.12.2022 has been included, as this information is required at 31.12.2022.

Standards used and principles of preparation

The development of the EINF has taken into consideration certain GRI standards. The "GRI Sustainability Reporting Guidelines" set out a number of principles that have been considered in the development of the EINF, as follows:

- **Stakeholder participation.** The EINF has been developed considering the expectations and concerns of stakeholders (GdI) in relation to the operation and performance of the Company. These expectations have been considered through the **LIEH** managers who maintain contact with them.
- **Context.** An assessment has been made of how the activities and services provided by the Company interact with the social, economic and environmental context in which it operates.
- **Materiality.** A materiality analysis has been carried out with the aim of defining the most relevant aspects for the company.
- **Completeness.** Based on the identification of material aspects, the contents of the EINF have been designed in order to include sufficient information about them so that stakeholders can evaluate and understand the economic, environmental and social performance of **LIEH**.

For the elaboration of the EINF, the principles established by GRI have been followed in order to guarantee the quality of the information:

- **Balance.** This principle indicates that the EINF must be able to reflect both positive and negative aspects in relation to the Company's performance. The application of this principle has resulted in a broad and objective view of **LIEH's** overall performance.

- **Comparability.** The Company has compiled information that has been included in the contents in order for stakeholders to be able to analyse how the Company's performance has evolved in recent years, facilitating its contrast with that of other organizations.
- **Accuracy.** It has been sought that the information reflected in this EINF includes sufficient detail to satisfy the expectations expressed by the Company's stakeholders.
- **Punctuality.** LIEH's objective is to annually update the contents included in this EINF, providing its stakeholders with periodic access to information on the Company's performance.
- **Clarity.** LIEH works to make information about its performance accessible and clear to all its stakeholders.
- **Reliability.** LIEH has detailed in the present EINF the process followed for its elaboration, guaranteeing that the reflected content can be submitted to an external evaluation that allows to evaluate the quality and the degree of materiality of the information included.

Materiality Analysis

Following the recommendations of the GRI guide, this document includes information on the indicators associated with those aspects that have been determined to be material.

In 2020, LMG conducted the first multi-stakeholder materiality assessment exercise to better understand how our stakeholders prioritize the environmental, social, and governance topics that underpin our ESG approach.

The purpose of materiality assessments has evolved significantly since they were popularized by the Global Reporting Initiative nearly a decade ago. Then, the purpose of conducting a materiality assessment was to understand which ESG topics were material to a company's business or industry. In the past five year, there has been a growing understanding of which ESG topics are material to a business and its stakeholders. Standards setters and ESG scoring agencies are now converging on materiality topics by industry and are focusing companies to build programs around those topics through disclosure and reporting requirements. Given this evolution, we felt that we needed to adapt our materiality assessment process as described below.

Material Topic Identification

As we began our materiality assessment exercise, we set out to identify the materiality topics that are considered important to the P&C insurance industry. We reviewed:

- Multiple ESG reporting frameworks and guidelines such as the United Nations' Sustainable Development Goals, Global Reporting Initiative, Sustainability Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, and CDP.
- Regulatory requirements/expectations.
- ESG rating and ranking methodologies; and
- Insights from benchmarking the materiality assessments of five financial industry peers.

Through internal consideration and review of these inputs, we defined a list of 15 material ESG topics.

Topic	Description	UN Sustainable Development Goals Alignment*	Corresponding GRI Standards Material Topic
ENVIRONMENTAL TOPICS			
Climate Change	Liberty identifies and mitigates the risks that climate change presents to its business and pursues opportunities for improvements	7 Affordable and Clean Energy 11 Sustainable cities and communities 12 Responsible production and consumption 13 Climate Action	Energy; Emissions
Environmental Management	Liberty reduces the impact it has on the environment through its operations and activities (e.g., reducing energy consumption and recycling at its facilities or providing paperless option for customers)	7 Affordable and Clean Energy 12 Produccion y consumo responsable 13 Climate Action	Energy; Emissions
SOCIAL TOPICS			
Diversity & Inclusion	Liberty develops and maintains a diverse and inclusive workforce where different perspectives are valued in the company's decision-making	5 Gender Equality 10 Reduced Inequalities 17 Partnership for the Goals	Diversity and Equal Opportunity
Human Capital Management	Liberty attracts top talent and creates an atmosphere that both encourages and helps employees develop for long-term success and retention	3 Good Health and Well-Being	Employment
Employee Engagement	Liberty creates an exceptional employee experience that motivates and inspires employees to do their best work	3 Good Health and Well-Being	Employment; Training and Education
Health & Wellness	Liberty offers resources and programs to support employees' overall health and well-being	3 Good Health and Well-Being	Occupational Health and Safety
Corporate Citizenship & Philanthropy	Liberty gives back to the communities in which it operates through corporate giving and support for employee community engagement	10 Reduced Inequalities 11 Sustainable cities and communities	Local Communities
GOVERNANCE TOPICS			
Corporate Purpose and Culture	Liberty has, and lives up to, a clearly defined company mission that is guided by a values-based corporate culture	3 Good Health and Well-Being 10 Reduced Inequalities	General Disclosures
Global Compliance & Ethics	Liberty ensures adherence to laws, rules and regulations in all jurisdictions where it conducts business	3 Good Health and Well-Being 17 Partnership for the Goals	Anti-Corruption

Topic	Description	UN Sustainable Development Goals Alignment*	Corresponding GRI Standards Material Topic
Responsible Insurance & Investment	Liberty aligns insurance & investment processes with globally responsible principles and practices (e.g., comparing and incorporating industry-developed best practices)	3 Good Health and Well-Being 10 Reduced Inequalities	This topic does not map directly to a GRI Standards Topic. Elements of the GRI Standard on Economic Performance are incorporated and additional information is available throughout the report to discuss this material topic.
Reporting & Disclosure	Liberty provides information about its business practices in its disclosure to its stakeholders (e.g., how it considers the environmental & social impacts of its business practices)	17 Partnership for the Goals	General Disclosures
Risk & Crisis Management	Liberty ensures operations and enterprise value are protected from and prepared for risks and potential disruptions	3 Good Health and Well-Being 17 Partnership for the Goals	General Disclosures
Cyber Security	Liberty protects its IT infrastructure along with the privacy and security of employee and customer data	17 Partnership for the Goals	Customer Privacy
Customer Satisfaction	Liberty delivers high-level customer value, satisfaction and achieves high-level customer engagement	3 Good Health and Well-Being 10 Reduced Inequalities	Marketing & Labelling
Innovation	Liberty fosters innovation to continuously improve product development and customer experience	3 Good Health and Well-Being 10 Reduced Inequalities	This topic does not map directly to a GRI Standards Topic. Information on this topic is discussed throughout the report.

Stakeholder Insights

To better understand how each group prioritized the 15 topics we had identified, we implemented the following process.

Step 1 – Adopt a conjoint survey methodology to get differentiated results

Unlike most materiality stakeholder surveys that use either a forced ranking or numerical scale, we opted for a conjoint survey methodology. We felt that this methodology, which asks respondents to make choices between competing priorities, would allow for survey respondents to make finer distinctions between the 15 material topics. The design team's hypothesis was that this methodology would yield more useful information, showing a richer, more sophisticated view of how stakeholders think about each topic.

Step 2 – Conduct multi-stakeholder materiality survey providing descriptors to establish an understanding of ESG topics

We conducted the survey with multiple stakeholder groups, inclusive of global employees, executives, consumers, brokers, investors, NGOs, and academic groups. Survey participants were given descriptions for each of the material topics to ensure a common understanding of the topics.

In addition to the conjoint survey, some stakeholder groups additionally received the opportunity to expand on their views via open-ended questions, providing deeper rationale and insights.

Step 3 – Analyze responses & prioritize topics' materiality

Following the exercise, we conducted an analysis of both the overall results and the results by stakeholder group to gain an understanding of their respective priorities and how we could better engage with each group in the future.

Materiality Stakeholder Assessment Findings

The conjoint survey, as hypothesized, yielded more sophisticated findings and decision-useful information. Key takeaways included the following:

Three groupings of topics emerged.

- **High Importance & Top Priority (top right of matrix):** Nearly all stakeholders agreed these topics were important – signifying their centrality to our ESG approach.
- **Moderate Importance & Priority (centre middle of matrix):** These topics had higher variance between the relative importance of topics, but this variance was often explained by the direct relevance topics had to stakeholder groups (e.g., customer satisfaction more important to customers; employee experience more important to employees).
- **Lower Importance & Priority (bottom left of matrix):** Nearly all stakeholders agreed on the lower priority of these topics, although we know from data provided from other sources, that this does not signal stakeholders' desire for Liberty Mutual to scale back efforts in these areas. For example, although Philanthropy scored lower, it is consistently identified as a top source of employee pride in employee surveys.

Climate change is a top-of-mind priority

While climate change appeared in the middle priority grouping in the matrix, stakeholder interest in this area came through strongly in open-ended responses, signalling both a need to continue our work in this area and to increase our engagement with and communication to stakeholders on the subject.

Our ESG topics are interconnected

Topics such as philanthropy and health and wellness, both of which were identified as being low in importance and priority, are integral to our employee experience and our culture, both of which ranked higher in priority. We interpret the results to mean that we need to continue building those programs while effectively communicating the interdependencies and their contributions to other priority areas to stakeholders.

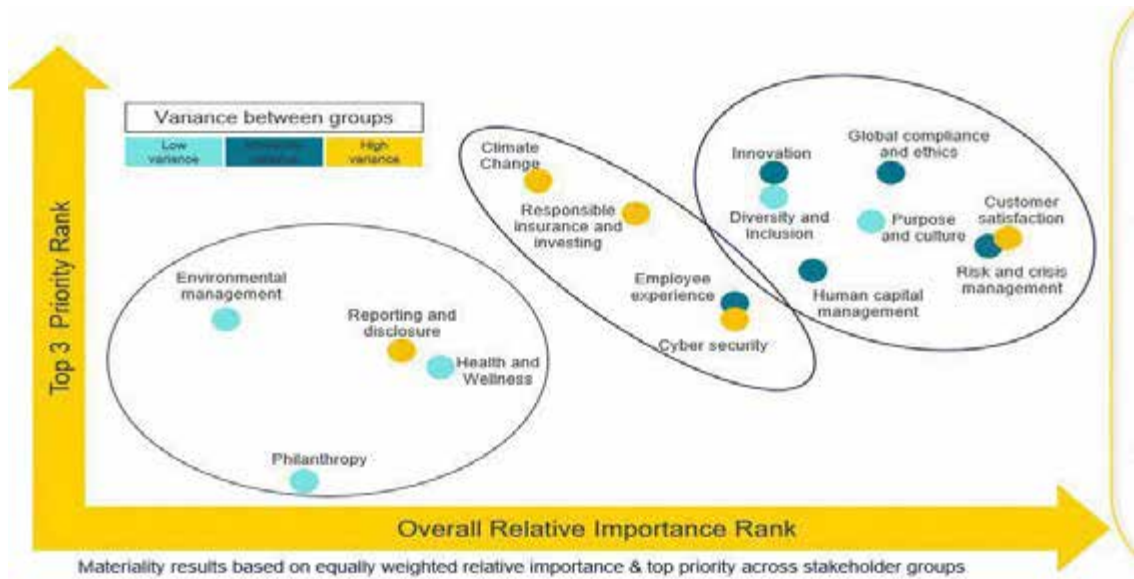


Chart 9: Materiality results

In the table of contents included in annex 4, it is shown in which sections they can find the information relating to each of the indicators required by Law 11/2018.

For those cases in which it has not been possible to cover all the requirements of the GRI guide at the time of reporting a specific indicator, this fact has been highlighted in the aforementioned table. **LIEH** is committed to improving its information systems in order to include the data demanded in future editions of the EINF.

Contact details

For any clarification on the information reflected in this Non-Financial Report or on any aspect of the Company's performance, please contact **LIEH** at: EINF@libertyseguros.es

Annex 2. Detailed Employment Information

Total number and distribution of employees by gender, age, country and occupational classification (12/31/22)

2022		2021	
Breakdown by gender		Breakdown by gender	
Women	3.224	Women	3.321
Men	2.160	Men	2.137
TOTAL	5.384	TOTAL	5.458⁹
Breakdown by age		Breakdown by age	
<30	962	<30	967
30-50	3.451	30-50	3.185
>50	881	>50	784
TOTAL	5.384	TOTAL	4.936
Breakdown by country		Breakdown by country	
Ireland	383	Ireland	392
Spain	922	Spain	883
Portugal	362	Portugal	367
Brazil	2980	Northern Ireland	156
United Kingdom	604	Brazil	3.138
France	40		
Germany	40		
Italy	16		
Luxembourg	12		
Netherlands	16		
Switzerland	9		
TOTAL	5.384	TOTAL	4.936
Breakdown by profesional category		Breakdown by profesional category	
Category 1	10	Category 1	51
Category 2	190	Category 2	1.002
Category 3	1.076	Category 3	4.254
Category 4	4.108	Category 4	0
Category 5	0	Category 5	
TOTAL	5.384	TOTAL	5.458

⁹ Data includes LMIE figures

Total number and distribution of employment contract modalities (12/31/2022)

2022		2021	
Permanent contracts		Permanent contracts	
<i>Part-time contracts</i>	<i>Full-time contracts</i>	<i>Part-time contracts</i>	<i>Full-time contracts</i>
70	5.276	20	4.897
Temporary contracts		Temporary contracts	
<i>Part-time contracts</i>	<i>Full-time contracts</i>	<i>Part-time contracts</i>	<i>Full-time contracts</i>
2	41	0	19

Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification

2022		2021	
Breckdown by gender		Breckdown by gender	
Permanent contracts		Permanent contracts	
Women	3.207	Women	3,102
Men	2.139	Men	1,815
TOTAL	5.346	TOTAL	4,917
Temporary contracts		Temporary contracts	
Women	21	Women	11
Men	22	Men	8
TOTAL	43	TOTAL	19
Breckdown by age		Breckdown by age	
Permanent contracts		Permanent contracts	
<30	942	<30	957
30-50	3.526	30-50	3.176
>50	878	>50	784
TOTAL	5.346	TOTAL	4.917
Temporary contracts		Temporary contracts	
<30	22	<30	10
30-50	18	30-50	9
>50	3	>50	0
TOTAL	43	TOTAL	19

2022	
Breakdown by category	
Permanent contracts	
Category 1	10
Category 2	188
Category 3	1.053
Category 4	4.095
Category 5	0
TOTAL	5.346
Temporary contracts	
Category 1	0
Category 2	1
Category 3	24
Category 4	18
Category 5	0
TOTAL	43

2021	
Breakdown by category	
Permanent contracts	
Category 1	5
Category 2	19
Category 3	658
Category 4	4.235
Category 5	0
TOTAL	4.917
Temporary contracts	
Category 1	0
Category 2	0
Category 3	0
Category 4	19
Category 5	0
TOTAL	19

Number of redundancies by gender, age and occupational category (12/31/2022)

2022	
Breakdown by gender ¹⁰	
Women	628
Men	273
TOTAL	901
Breakdown by age	
<30	275
30-50	573
>50	53
TOTAL	901
Breakdown by professional category	
Category 1	2
Category 2	8
Category 3	61
Category 4	830
Category 5	0
TOTAL	901

2021	
Breakdown by gender	
Women	359
Men	245
TOTAL	604
Breakdown by age	
<30	191
30-50	348
>50	65
TOTAL	604
Breakdown by professional category	
Category 1	0
Category 2	1
Category 3	50
Category 4	553
Category 5	0
TOTAL	604

¹⁰ 70% of the redundancies occurred in Brazilian entity "Facil Assist Serviços e Assistência 24 horas Ltda, whose main activity is the provision of assistance services. This entity is affected by the seasonal nature of hiring and dismissals according to demand. Also, 78% of the employees are women, which has an impact on the number of dismissals of women.

As a reference, the total number of hours of absenteeism for all **LIEH** in 2022 was, including sick leave, 236,512.

Absenteeism	2022	2021
Total	236.512 h	366.095 h

Average remuneration by gender, age & professional category (€)

2022		2021	
Breakdown by gender¹¹		Breakdown by gender	
Women	28.822	Women	22.213
Men	47.530	Men	36.011
Breakdown by age		Breakdown by age	
<30	15.957	<30	9.566
30-50	37.138	30-50	27.055
>50	54.857	>50	47.239
Breakdown by professional category		Breakdown by professional category	
Category 1	446.636	Category 1	584.568
Category 2	150.835	Category 2	249.214
Category 3	66.182	Category 3	61.812
Category 4	22.103	Category 4	19.779
Category 5	0	Category 5	0

Average remuneration by gender, age & professional category (€)

	Average Salary 2022		Average Salary 2021	
	Women	Men	Women	Men
Board, Top Management and Senior Management	291.074	568.882	222.072	447.357

¹¹ Among the total number of LIEH employees, the Brazilian entity Facil Assist Serviços e Assistência 24 horas Ltda, whose main activity consists of providing assistance services and where most of employees are call center agents, represents 21% of the total number of employees of LIEH entities. This entity is made up of 78% women belonging to professional category 4, which has a significant weight in the calculation of the salary gap.

Salary gap by professional category (based on average remuneration)¹²

Professional category	Salary gap 2022	Salary gap 2021
Category 1	0,67	0,60
Category 2	0,21	0,33
Category 3	0,54	0,56
Category 4	0,30	0,43
Category 5	No data	No data

Employees covered by collective bargaining agreements by country (31/12/22)

% Of employees covered by collective bargaining agreements by country		
	2022	2021
Spain	100%	100%
Portugal	100%	100%
Brazil	100%	100%
Ireland	0%	0%
Northern Ireland	0%	0%
LMIE	0%	No data
TOTAL	89%	89%

Total number of training hours of employees by professional category (31/12/2022)

Category	Number of training hours (total) 2022	Number of training hours (total) 2021
Category 1	71	41
Category 2	2.460	794
Category 3	30.727	42.540
Category 4	110.656	121.583
Category 5	0	0
Entities that do not provide a breakdown by category	0	0
TOTAL	143.914	164.958¹³

¹² The salary gaps have been calculated as the ratio of the average pay of women to the average pay of man, for each occupational category considered.

¹³ LMIE data is not available and therefore the aggregate data does not include any figures for LMIE, not for Brazil International.

Annex 3. Entities and Countries

Entity	Countries included
E21100 - Liberty International Brasil LTDA	
E21200 - Liberty Seguros (Brazil)	
E21300 - Brazil - Indiana	Brazil
E21810 - Liberty Agrega Servicios de Atendimento LTDA	
E21820 - Facil Assist Serviços e Assistência 24 horas Ltda	
E10977 - Liberty International European Holdings, S.L.U.	
E10920 - Liberty Specialty Markets Holdco S.L.	Spain
E41000 - Liberty Seguros, Compania de Seguros y Reaseguros, S.A.	
E40001 - Liberty Spain Holding LLC	EE. UU.
E15130 - Liberty Mutual Insurance Europe Limited	Luxembourg

Other groupings: Western European Markets: refers to Liberty Seguros, Compañía de Seguros y Reaseguros (España).

Annex 4. Index of contents required by Law 11/2018 of December 28, amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Auditing of Accounts, regarding non-financial information and diversity

General areas

	Areas	Reporting framework	References	Comments/ Reason for omission
Business Model	Business model description: Business Environment Organization and structure Markets in which it operates Objectives and strategies Main factors and trends that can affect your future evolution	GRI 2-6 GRI 2-1 GRI 2-7 GRI 2-22	1 About the Company: 1.1 Company Profile 1.2 Business Model and Strategy 1.3 Corporate Governance	
Risks	The main risks related to those issues related to the Group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas, and: 1) how the group manages these risks, 2) explaining the procedures used to detect and evaluate in accordance with the national, European or international reference frameworks for each subject. 3) Information on the impacts that have been identified, giving a breakdown of the impacts, in particular on the main risks in the short, medium and long term.	GRI 3-3	1.4 Risk Management	
General information	Reporting framework used	GRI 1	Introduction	
	Principle of materiality	GRI 3-2	Annex 1. Scope and methodology used in the development of this report	

Environmental issues

	Areas	Reporting framework	References	Comments/ Reason for omission
Environmental management	Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities.	GRI 3-3	5.1 Climate Change: a sectorial challenge	
	Current and foreseeable effects of business activities		5.1 Climate Change: a sectorial challenge	
	Environmental assessment or certification procedures		5.1 Climate Change: a sectorial challenge	
	Resources dedicated to the prevention of environmental risks	GRI 3-3 GRI 2-23	5.2 Sustainable use of resources	
	Application of the precautionary principle		5.1 Climate Change: a sectorial challenge	
	Amount of provisions and guarantees for environmental risks		5.2 Sustainable use of resources	
Pollution	Measures to prevent, reduce or repair carbon emissions (also includes noise and light pollution)	GRI 3-3	5.2 Sustainable use of resources	Non-material aspect for Liberty
Circular Economy and waste prevention and management	Measures of prevention, re, reuse, other forms of recovery and disposal of waste	GRI 3-3	5.2 Sustainable use of resources	Non-material aspect for Liberty
	Actions to combat food waste			
Sustainable Use of resources	Consumption and water supply in accordance with local constraints	GRI 303-5 (Version GRI 2018)	5.2 Sustainable use of resources	Aspecto no material para Liberty
	Consumption of raw materials	GRI 3-3	5.2 Sustainable use of resources	Aspecto no material para Liberty
	Measures taken to improve the efficiency of their use	GRI 3-3	5.2 Sustainable use of resources	
	Direct and indirect energy Consumption	GRI 302-1	5.2 Sustainable use of resources	
	Measures taken to improve energy efficiency	GRI 3-3 GRI 302-4 GRI 302-5	5.2 Sustainable use of resources	
	Renewable energies use	GRI 302-1	5.2 Sustainable use of resources	

	Areas	Reporting framework	References	Comments/ Reason for omission
Climate change	Important Elements of greenhouse gas emissions generated	GRI 305-1 GRI 305-2	5.2 Sustainable use of resources	
	Measures taken to adapt to the consequences of climate change	GRI 3-3 GRI 201-2	5.2 Sustainable use of resources	
	Reduction Targets voluntarily established	GRI 3-3 GRI 305-5	5.2 Sustainable use of resources	
Biodiversity protection	Measures taken to preserve or restore biodiversity	GRI 304-1	5.2 Sustainable use of resources	Non-material aspect for Liberty
	Impacts caused by activities or operations in protected areas	GRI 304-2	5.2 Sustainable use of resources	Non-material aspect for Liberty

Social and relative to personnel questions

	Areas	Reporting framework	References	Comments/ Reason for omission
	Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities.	GRI 3-3	4.3 Work Organization	
Employment	Total Number and distribution of employees by sex, age, country and Professional category	GRI 2-7 GRI 405-1	4.1 Staff descripción/ Annex2. Detailed Employment Information	
	Total Number and distribution of employment contract modalities			
	Annual Average of indefinite, temporary and part-time contracts for sex, age and professional status	GRI 2-7		
	Number of layoffs by sex, age and Professional category	GRI 3-3 GRI 401-1		
	Salary gap	GRI 405-2	4.2 Remuneration and employee benefits /Annex 2. Detailed Employment Information	
	Average remuneration by sex, age and professional category	GRI 405-1		
	Average remuneration of directors by sex	GRI 405-2		
	Average remuneration of managers by gender			
	Implementation of labor disconnection policies	GRI 3-3	4.3 Work Organization	
Employees with disabilities	GRI 405-1	4.7 Diversity and equal opportunities		

	Areas	Reporting framework	References	Comments/ Reason for omission
Work organization	Organisation of work	GRI 3-3 GRI 401-3	4.3 Work Organization	
	Number of absence hours	GRI 403-9 (Version GRI 2018)	4.3 Work Organization	
	Measures aimed at facilitating the enjoyment of conciliation and encouraging the co-responsible exercise of these by both parents	GRI 3-3	4.3 Work Organization	
Health and security	Occupational health and safety conditions	GRI 403-1 (Version GRI 2018)	4.4. Employee Health and Wellness	
	Number of occupational accidents and diseases by sex, frequency rate and severity by sex	GRI 403-9 (Version GRI 2018) GRI 403-10 (Version GRI 2018)	4.4. Employee Health and Wellness	
Social relations	Organization of social dialogue	GRI 3-3	4.5 Social Relations	
	Percentage of employees covered by collective bargaining agreements by country	GRI 2-30	4.5 Social Relations	
	Mechanisms and procedures that the company has in place to promote the involvement of employees in the management of the company, in terms of information, consultation and participation	GRI 403-4		
	Assessment of collective agreements, particularly in the field of health and safety at work	GRI 403-4	4.5 Social Relations	
Formation	Policies implemented in the field of training formation	GRI 3-3	4.6 Training and development	
	Total number of hours of training per professional category	GRI 404-1	4.6 Training and development/ Annex 2. Detailed Employment Information	
	Universal accessibility for people with disabilities			
Equality	Measures taken to promote equal treatment and opportunities for women and men			
	Equality plans measures taken to promote employment, protocols against sexual and sex-based harassment	GRI 3-3	4.7 Diversity and equal opportunities	
	Integration and universal accessibility of persons with disabilities			
	Anti-discrimination policy and, where appropriate, diversity management			

Information on respect for human rights

Areas	Reporting framework	References	Comments/ Reason for omission
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities.	GRI 3-3	3. Human Rights	Non-material aspect for Liberty
Application of human rights due diligence procedures	GRI 2-23 GRI 2-26		
Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress any abuses committed	GRI 2-23 GRI 2-26 GRI 412-2		
Complaints of human rights violations	GRI 406-1 GRI 419-1	3. Human Rights	Non-material aspect for Liberty
Promotion of and compliance with the provisions of the fundamental ILO Conventions relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour.	GRI 3-3 GRI 2-23 GRI 407-1 GRI 408-1 GRI 409-1		

Information relating to the fight against corruption and bribery

Areas	Reporting framework	References	Comments/ Reason for omission
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities.	GRI 3-3 GRI 205-1	2.1 Specific Ethics and corruption programs	
Measures taken to prevent corruption and bribery	GRI 2-12 GRI 2-17 GRI 205-2		
Measures to combat money laundering	GRI 2-23 y normas de conducta GRI 2-26	2.1 Specific Ethics and corruption programs	
Contributions to foundations and non-profit entities	GRI 201-1		

Information about society

Areas	Reporting framework	References	Comments/ Reason for omission	Comentarios / Motivo de la omisión
	Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues linked to the group's activities.	GRI 3-3	6. Society	
The company's commitment to sustainable development	Impact of society's activity on employment and local development			
	Impact of society's activity on local populations and the territory	GRI 3-3 GRI 2-29 GRI 413-1	6.1 Commitment to sustainable development	
	Relations maintained with local community actors and the modalities of dialogue with them	GRI 201-1 GRI 413-2		
	Actions of association or sponsorship			
Inclusion of social, gender equality and environmental issues in procurement policy				
Outsourcing and providers	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	GRI 3-3 GRI 308-1 GRI 414-1	5.2 Outsourcing and Suppliers	Non-material aspect for Liberty
	Supervision and audit systems and results thereof			
Consumers	Measures for the health and safety of consumers	GRI 3-3 GRI 416-1 GRI 417-1	6.3 Customers	
	Dunning systems			
	Complaints received and their resolution			
Fiscal information	Benefits obtained by country	GRI 3-3 GRI 207-4 (Version GRI 2019)	Tax Information	
	Income taxes paid	GRI 3-3 207-4 (Version GRI 2019)		
	Public subsidies received	GRI 201-4		
Other issues	Corporate governance	GRI 2-9 GRI 2-12 GRI 2-13 GRI 11	1.3 Corporate Governance	
	Taxonomy report	-	5.3 Taxonomy report	