



**Corporate Responsibility Report**  
Grupo Catalana Occidente, S.A.

---

**2018**

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## Introduction 102-14

For the second year running we are presenting the Corporate Responsibility Report of Grupo Catalana Occidente with the aim of sharing the most important information about our economic, social and environmental performance in 2018. This document has been prepared in accordance with the Global Reporting Initiative (GRI) Standards using the essentials option. We have also for the first time included the Sustainable Development Goals (SDG) on which we are working to help achieve the 2030 Agenda approved and promoted by the United Nations.

The information in this report corresponds to Grupo Catalana Occidente and to the companies forming it, leading companies in the Spanish insurance sector and the international credit insurance sector. The Group has a presence in more than 50 countries through a business portfolio that is both diverse and balanced. The responsible completion of each step in our business chain allows us to relate to our stakeholders, to whom we have made specific commitments based on strong values that define our way of being and doing things: people, commitment, self-criticism, austerity, long-term vision and innovation. We are a Group with over 150 years of history behind it that for decades has integrated corporate responsibility principles into

our business strategy, focussing on responsible and transparent management. In addition, we have always clearly recognised the intrinsic social value of insurance, which contributes to the welfare of society by protecting individuals and companies from the risks they face in their lives and daily activities.

During 2018, we have taken important steps in the corporate responsibility strategy of Grupo Catalana Occidente. The Corporate Responsibility Committee, which is formed by very different areas representing our Group and also our stakeholders, held four meetings in which work was carried out in a cross-cutting manner to promote the identification of the material issues and the 2019-2021 Master Plan, reaching full consensus on both issues which were subsequently approved by the Management Committee.

I would also like to highlight the role of Fundación Jesús Serra, through which the Group's social action is channelled and which, in 2018, launched the first edition of its Research Award that recognises excellence in the professional careers of researchers in the fields of nutrition, food and health, in their basic and clinical research areas.

Finally, I would like to thank each and every one of our stakeholders for helping us to be able to continue creating sustainable social value wherever we are present. I encourage you to read this Corporate Responsibility Report that includes, in a simple and transparent way, our reality as a Group.

**José Mª Serra**  
Chairman

# Corporate Responsibility Report Grupo Catalana Occidente, S.A. 2018

## About this Report

This Report has been prepared in accordance with the GRI Standards: essentials option. In line with these principles, this document presents the issues that reflect the significant economic, environmental and social impacts of Grupo Catalana Occidente (GCO) during the year 2018, from 1 January to 31 December 2018.

The information it contains may be supplemented with that found on [www.grupocatalanaoccidente.com](http://www.grupocatalanaoccidente.com).

## Scope of information

The scope of the information within this Report corresponds to Grupo Catalana Occidente and the entities that form it.

The financial information it includes comes from the Consolidated Annual Accounts from the year ending 31 December 2018.

If the information reported has a scope which is different to that established, this is specified in the corresponding section or table with a footnote.

# 01

## Grupo Catalana Occidente

### 1.1 Introduction

Grupo Catalana Occidente is one of the leaders in the Spanish insurance sector and in credit insurance worldwide. Over its more than 150 years it has seen steady growth, thanks to its ability to adapt to changes and to remain faithful to its true character as an insurer.

The Group has a presence in more than 50 countries through a diversified and balanced business portfolio, serving 4 million customers.

Its consolidation as one of the largest Spanish capital insurance groups is largely a result of its acquisition model, which has allowed it to gradually extend its brands to the leading companies in their field or geographic area.

### The Group's brands

Seguros Catalana Occidente



Plus Ultra Seguros



Seguros Bilbao



NorteHispana Seguros



Atradius



Atradius Reinsurance



Crédito y Caución



## 2018 en xifres

102-7

**7.621**  
employees



**17.801**  
brokers



**1.649**  
offices



**4 million**  
customers



Net revenue

**4.345,2M€** +2,1%

Consolidated profit

**386,4M€** +8,1%

Traditional business recurring profit

**195,7M€** +9,3%



Credit insurance recurring profit

**200,9M€** +5,8%



Shareholder remuneration

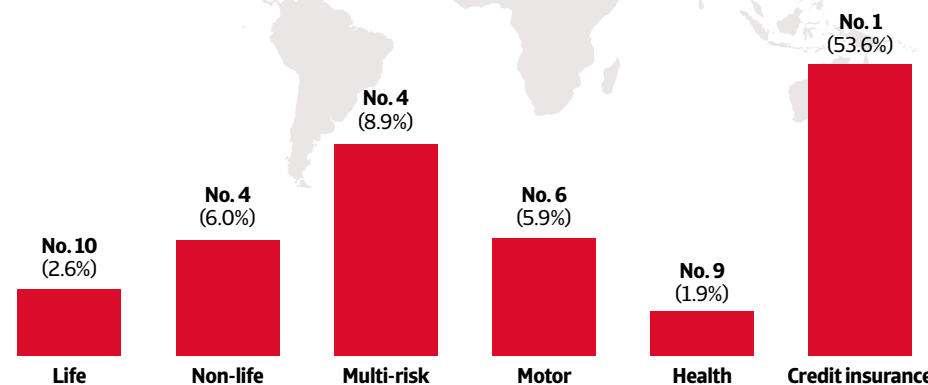
**98,7M€** +6,1%

**6th** largest insurance group in Spain



**2nd** largest credit insurance group in the world

**50** countries



## 1.2 Business Model

102-2, 102-7

The purpose of the group is based on leadership in the protection and long-term provision for families and businesses in Spain, through its traditional business, and in the coverage of commercial credit risk at an international level, through the credit business.

### Traditional business

The traditional business provides families and small and medium-sized businesses with a wide range of insurance products to cover any need, at any stage of life. It is provided through the companies Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao and NorteHispana Seguros, who serve their customers through a network of professional brokers and 1,649 offices throughout Spain.

The lines included in the traditional business are as follows:

Multi-risk	Motor
Family-home, business, communities, offices and SMEs	Products and services related to automobiles or transport fleets
Various	Life
Industrial products, engineering, accidents and civil liability	Products in life insurance, endowment, pension plans and investment funds, as well as funeral and health expenses

The profit of the traditional business accounts for 58.5% of the total figure for the group and is distributed as indicated below.

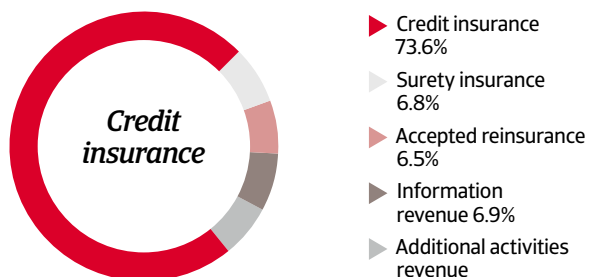
### Distribution of premiums



### Distribution by technical result



### Distribution of premiums in credit insurance



### Credit insurance business

In terms of credit insurance, the company Atradius Crédito y Caución, of Grupo Catalana Occidente, offers products and services that contribute to the growth of companies throughout the world, protecting them from the risks of non-payment inherent in the sale of products and services with deferred payment. This business is structurally linked to economic development and, in particular, the evolution of default and the volume of trade at the global level.

The profit from the credit insurance business for 2018 represents 41.5%, standing at the amount of 200.9 million euros.

The lines of business it offers are:

Business of credit insurance	Surety insurance	Reinsurance
Protects against financial losses resulting from the inability of a buyer to pay for goods purchased on credit	Protects the beneficiary if the supplier fails to meet its contractual obligations	Wide range of reinsurance solutions for insurance companies of the main insurers in the world
Global	Collection unit	Special products
Tailored solutions on a global basis for multinational companies	Helps companies to collect domestic and international debts whilst maintaining good business relationships with their customers	Structured credit risk solutions for specific complex operations

01 Grupo Catalana Occidente

02 Corporate Responsibility in Grupo Catalana Occidente

03 Commitment to our stakeholders

04 Our environment

## Strategy

102-7, 103-2, 103-3

Grupo Catalana Occidente bases its strategy on three pillars: growth, profitability and solvency, which are implemented through 9 lines of action.

Strategic pillars	2018 Achievements	2019 Guidelines
<p><b>Growth</b> Definition of the markets which the Group targets, development of appropriate products and services and establishment of appropriate distribution channels to reach the customer</p>	<ul style="list-style-type: none"> <li>2.1% increase in business volume, reaching 4,345.2 million euros</li> <li>Increase the number of customers and the satisfaction index</li> <li>Acquisition agreement for Antares, gaining presence in the health field</li> </ul>	<ul style="list-style-type: none"> <li>Increase the scale of the agencies and enhance specialist networks</li> <li>Progress in accessibility: digitalisation/connectivity</li> <li>Prioritise the “customer concept” in management</li> </ul>
<p><b>Profitability</b> Recurring and sustained profitability through technical-actuarial rigour, diversification of investments and processes that allow adjusted cost ratios and a quality service</p>	<ul style="list-style-type: none"> <li>8.1% increase in consolidated profit, reaching 386.4 million euros</li> <li>Improvement in recurring profit:                             <ul style="list-style-type: none"> <li>- Traditional business with 195.7 million euros, +9.3%</li> <li>- Credit insurance business, with 200.9 million euros, +5.8%</li> </ul> </li> <li>Excellent combined ratio                             <ul style="list-style-type: none"> <li>- 91.2% in traditional business (non-life) (-0.2 p.p.)</li> <li>- 75.5% in credit insurance business (+0.3 p.p.)</li> </ul> </li> <li>6.1% increase in shareholder remuneration</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate variables and processes to enhance customer segmentation</li> <li>Adapt investment management to the liabilities and obligations of the business</li> <li>Progress in the systems integration project</li> </ul>
<p><b>Solvency</b> Prioritise the generation and continued growth of own resources in order to finance the expansion of the Group, ensuring a broad fulfilment of commitments made and an adequate return to shareholders</p>	<ul style="list-style-type: none"> <li>AM Best has increased the rating of the main operating entities in both the traditional business and credit insurance to “a+” (ICR)</li> <li>Moody’s improved the rating of the credit insurance entities to “A2” with a stable outlook</li> <li>The Group’s estimated Solvency II ratio at the close of 2018 is 211%</li> </ul>	<ul style="list-style-type: none"> <li>Make the company attractive to employees</li> <li>Advance innovation by incorporating it into management</li> <li>Strengthen the brand, associating it with our values as a connecting element</li> </ul>

## Innovation

103-2, 103-3

Grupo Catalana Occidente focuses its transformation plan in three main areas: culture, supply and the customer.

The Group believes that a culture that embraces change and also encourages and motivates innovation among its employees is the fundamental basis for being able to adapt the supply of products and services to the needs of all types of customer. As a result, various initiatives designed to achieve this objective have been launched since 2016.

In 2018, innovation was increased with an additional 23% investment in R&D compared to the previous year, reaching 57.3 million euros. At Grupo Catalana Occidente, various projects have been undertaken aimed at improving the customer experience, process optimisation and risk minimisation thanks to the processing of macro data.

2016	2017	2018
€44,468,099	€46,406,470	€57,385,674

### Innovation is up to all of us

One of the most outstanding initiatives on this path towards cultural transformation is an intrapreneurship programme, called Xplora, launched in 2017. This programme brings together training and a platform that is designed so that employees can propose ideas that allow Grupo Catalana Occidente to improve its products and services.

In 2018, 420 employees participated in the four “Xpeditions” on the Xplora platform, where a total of 273 ideas were presented. Moreover, 95% of the employees who formed part of some of the “Xpeditions” rated this initiative as good or very good.





Crowdfunding platform for innovation among the employees of Grupo Catalana Occidente.

### The core of the strategy: the customer

For Grupo Catalana Occidente, the customer is at the core of its strategy, they are what drives all of the innovation processes. Throughout 2018, there has been work to adapt and improve the different tools and channels in order to be prepared and streamlined when responding to consumer needs.

### Continuous improvement of operations: Cyber risks

Throughout 2018, the cyber risk strategy has been strengthened in order to provide a solid level of protection for the company's information, guaranteeing the control and security of its internal networks and minimising exposure.

**New management tools:** *Atradius Atrium* is a sophisticated credit insurance policy management tool that brings together information from the credit insurance policy and business intelligence, including the on-line analysis tool, *Atradius Insights*, into a secure access portal. *Atradius Atrium* helps minimise the amount of time that a company must dedicate to administration, and allows them to always have access to up-to-date business information.

In December 2018, 72% of credit limit applications were processed via *Atradius Atrium*, which is a great success for Atradius.

### Big data: taking advantage of technology opportunities

In the insurance sector, big data is extremely important because large amounts of data available for analysis can be used to establish patterns and anticipate the needs of customers, as well as developing predictive models that allow us to improve in risk assessment.

In 2018, the Group designed a unit that will make progress over the coming years in, among other matters, the segmentation of customers through automatic learning methods.

Among other advances, a mirror system has been improved with duplicate hardware, data and settings, and sufficient capacity to ensure that the company's on-line operations are not interrupted in the event of an emergency, in order to implement an improvement in the continuity of its services offered on-line.

## 1.3 Corporate Governance

In 2018, the Group continued to strive towards a model of corporate governance aligned with international best practices, focussing on transparency, rigour and accountability.

### Corporate governance model

102-18, 103-2, 103-3

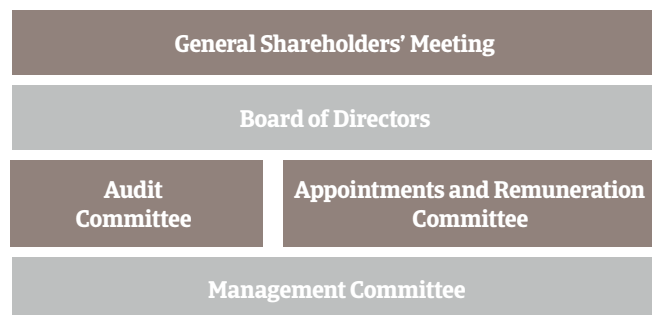
Grupo Catalana Occidente's governing bodies are intended to provide appropriate management and control structures to protect the interests of shareholders, monitor the implementation of the strategy and ensure the creation of value and the efficient use of resources in a transparent information framework.

The Group applies the recommendations of the Code of Good Governance of the National Securities Market Commission (CNMV) for listed entities as well as advanced practices in corporate governance.

### Shareholding structure

The main shareholder of Grupo Catalana Occidente is INOC, S.A., which controls approximately 60.8% of the share capital. The Group has treasury stock of 2,119,698 securities, representing 1.77% of own shares, through the entity Sogesco. 34.3% is free-float, roughly half of this amount is in the hands of institutional investors.

## Governing bodies



### General Shareholders' Meeting

The General Meeting is the representative body of the shareholders who make up the share capital of the Group. Its functioning and activities are governed by the Articles of Association and by the Regulations of the General Shareholders' Meeting which can be found on the corporate website.

### Board of Directors

405-1

The Board of Directors is the highest management and supervisory body in the Company and the Group. The guiding principle of its activities is to delegate the day-to-day management to the management team and concentrate its activity on oversight, which includes, among others:

- Strategic responsibility, consisting of guiding the Group's policies.
- Oversight responsibility, to control management.
- Communication responsibility, to serve as a link to shareholders.

Its functioning and activities are regulated by the Articles of Association and the Regulations of the Board of Directors.

At the end of 2018, the Board of Directors is comprised of 16 directors of which 10 are nominees and 2 are independent. The representation of women is 6%.

Name or business name of director (representative)	Position	Category	First appointed	Committees Committees to which they belong
Mr. José María Serra Farré	Chairman	Executive	1975	
GESTIÓN DE ACTIVOS Y VALORES, S.L. (Mr. Javier Juncadella Salisachs)	Vice-Chairman	Nominee	2017	Appointments and Remuneration Committee
Mr. José Ignacio Álvarez Juste	Chief Executive	Executive	2012	
Mr. Francisco José Arregui Laborda	Secretary director	Executive	1998	
Mr. Federico Halpern Blasco	Director	Nominee	1993	
Mr. Francisco Javier Pérez Farguell	Director	Independent	2015	Audit Committee, Appointments and Remuneration Committee
Mr. Juan Ignacio Guerrero Gilabert	Director	Independent	2011	Audit Committee, Appointments and Remuneration Committee
Ms. María Assumpta Soler Serra	Director	Nominee	2009	
Mr. Hugo Serra Calderón	Director	Executive	2013	
Mr. Jorge Enrich Izard	Director	Nominee	1993	
JUSAL, S.L. (Mr. José María Juncadella Sala)	Director	Nominee	2010	
COTYP, S.L. (Mr. Alberto Thiebaut Estrada)	Director	Nominee	2012	
VILLASA, S.L. (Mr. Fernando Villavecchia Obregón)	Director	Nominee	1997	
INVERSIONES GIRÓ GODÓ, S.L. (Mr. Enrique Giró Godó)	Director	Nominee	2007	
ENSIVEST BROS 2014, S.L. (Mr. Jorge Enrich Serra)	Director	Nominee	2015	
LACANUDA CONSELL, S.L. (Mr. Carlos Federico Halpern Serra)	Director	Nominee	2010	Audit Committee

## Delegate Committees

The Board of Directors has two delegate committees: the Audit Committee and the Appointments and Remuneration Committee.

### Audit Committee

Aside from the responsibilities assigned previously and contained in the Regulations of the Board of Directors, from the year 2016 and in relation to the Corporate Responsibility Policy, the Group has attributed to the Audit Committee responsibility for monitoring strategy and corporate responsibility practices and assessing its level of compliance. The Audit Committee meets on a monthly basis.

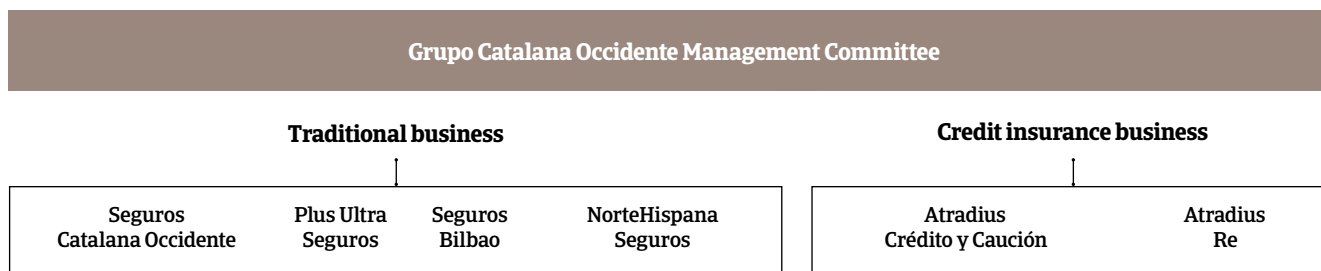
### Appointments and Remuneration Committee

The Appointments and Remuneration Committee ensures, among other matters, that the candidate selection process does not suffer from implicit bias that hinders the selection of female directors, raising proposals or informing the Board of Directors, where appropriate, with complete objectivity and respect for the principle of equality between men and women, as regards their professional conditions, experience and knowledge.

### Self-evaluation of the Board and Committees

Following the good corporate governance recommendations of the CNMV, during 2018 an external evaluation was carried out by KPMG, in its capacity as independent expert, on the functioning of the Board of Directors, the Delegate Committees and the performance of the Chairman. The result was positive, highlighting both the suitability of the procedures and the functioning of the bodies.

More information on corporate governance is available in the Annual Report 2018 (p. 42-44 and p. 199).



## Management Committee

Grupo Catalana Occidente has a corporate Management Committee that governs and coordinates the day-to-day management of the Group. In addition, the main insurance entities that are part of the Group have their own Management Committees.

The Group's corporate governance not only encompasses the Board of Directors and other governing bodies, but also extends to all aspects of the organisation and management teams. To ensure that positions are filled by the correct people, the Group has a Remuneration Policy and Policy on Suitability and Good Repute.

### Ethical Framework

102-16, 103-2, 103-3

The Group has a code of ethics that encourages responsible and transparent management, considers people to be its greatest asset, and puts the customer at the heart of its activity.

The Group's Code of Ethics, prepared and approved by the Board of Directors, is the document that establishes the guidelines that must govern the ethical behaviour of directors, employees,

brokers and associates of Grupo Catalana Occidente in its daily work, with regard to its relationships and interactions with all stakeholders.

The Code incorporates the principles of the Group and is available on the corporate website [www.grupocatalanaoccidente.com](http://www.grupocatalanaoccidente.com)

### General Principles

- Integrity and honesty
- Impartiality
- Transparency and confidentiality
- Professionalism
- Corporate social responsibility

Atradius Crédito y Caución, due to its unique nature, has its own Code of Conduct that observes the guidelines defined in the Group's Code of Ethics.

In 2018, Grupo Catalana Occidente has continued to disseminate its code of ethics among all employees, it being required reading and acceptance for all people who work in its companies.

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### Complaints Channel

Employees have a confidential complaint channel accessible from the intranet of each company in the Group.

Complaints regarding violations of the Code of Ethics are governed by the relevant provisions in the Procedure in the event of irregularities and fraud (complaints channel). Once the complaint has been received, a first analysis of its relevance is carried out and it is forwarded to the Human Resources department. In cases that apply to employees and involve damages to the company of more than €20,000, an audit report will be issued.

The main principles contained in the Group's Code are those of integrity and honesty, which implies the avoidance of any form of corruption, implementing the necessary measures to combat this.

In 2018, 74 communications were received through the ethical channel.

### Compliance and prevention

103-2, 103-3

Operating in a highly regulated sector means that the function of verifying regulatory compliance is essential, ensuring the effectiveness and efficiency of the Group's operations, the reliability of its financial information and the protection of its assets.

This function ensures compliance with the obligations that affect the Group's organisation, which includes both mandatory regulations and those assumed voluntarily, including the legal, regulatory and administrative stipulations that affect the Group, as well as its own internal regulations.

Atradius Crédito y Caución also has its own structure which includes both the compliance function at the entity level as well as the functions of local compliance and support of the entity in its compliance with the applicable laws, rules and regulations.

In terms of the entities of Grupo Catalana Occidente in Spain, the following tools and procedures are available:

#### Prevention of Money Laundering

The Group has a Prevention of money laundering and terrorist financing manual, as well as control processes that integrate all the computer procedures for purchasing policies, these being applicable to all employees and brokers of the entities of Grupo Catalana Occidente based in Spanish territory.

The measures implemented by the Group are subject to annual analysis by an external expert who prepares a report and rules whether the Group has a satisfactory money laundering prevention system.

The Board of Directors examines this report together with proposals for possible improvements. During 2018 the Group provided training to 1,703 employees on this subject.

#### Fight against fraud and corruption

The Group has procedures to combat fraud that contribute to identifying potential malicious actions or omissions in taking out insurance, lodging claims or the accreditation of damages and losses, with the aim of obtaining improper benefits, money laundering or unjust enrichment.

Any employee in Spain can bring behaviour that could lead to criminal acts to the attention of the internal audit department through the complaints channel.

In 2018, 72 cases of breaches, irregularities and fraud, valued at 426,000 euros, were reported to Corporate Internal Auditing.

During 2018, 816 employees received training in money laundering and the fight against corruption and bribery.

#### Internal control

The system is based on a strong control culture, where the fundamental principles are clearly defined and communicated to all levels of the organisation. The internal control system is subject to an independent monitoring process to verify that it is operating correctly over time. The comprehensive monitoring of the system is carried out by internal audit.

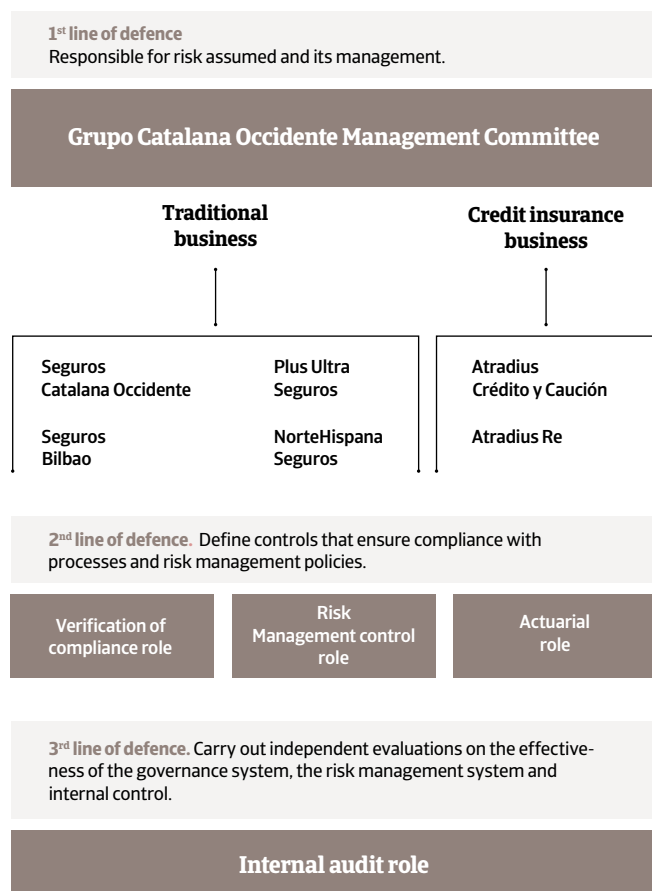
Within the control environment, the Group emphasises the controls over financial and property investments. In this regard, there is monthly monitoring of the concentration and dispersion of fixed income and equity, average rating of the portfolio, exposures by rating (their changes and reasons for them), evolution of the optional nature of assets according to interest rates and control of underlying assets.

Progress in improving the quality of the risk map continued to be made in 2018. In total, the Group has more than 5,000 internal controls.

## Risk Management Model

103-2, 103-3

The strategy and risk management policies of Grupo Catalana Occidente fall under the responsibility of the Board of Directors of the Company.



## Risk Management System

The governance of the Grupo Catalana Occidente risk management system is implemented following the “three lines of defence” principle, as shown in the image above:

Through the application of this principle, the Group’s own organisational structure carries out a clear allocation and segregation of responsibilities with regard to risk management.

A similar governance structure is repeated within each of the Group’s entities, ensuring that decisions relating to risk are taken in a controlled manner and that their management is present throughout the organisation.

## Risk strategy

Grupo Catalana Occidente defines its risk strategy as the level of risks that the entities that form it are willing to take on. Its integration within the business plan enables it to comply with the risk appetite, tolerance and limits approved by the Board of Directors.

## Risk management policies

A structure of risk management policies has been established to ensure supervision through its measurement, monitoring and information. During 2018, the Group improved the definition of the risk appetite and tolerance.

The risk appetite is defined as the risk in solvency terms that the entities forming part of the Group expect to accept in order to achieve their objectives. Tolerance refers to the maximum deviation from the appetite that it is willing to assume (tolerate).

For more information on risk management see p.46-48 of the Annual Report 2018.

## Transparency

103-2, 103-3

In order to be accountable to their stakeholders, Grupo Catalana Occidente makes available both financial and non-financial information through various documents available on the corporate website [www.grupocatalanaoccidente.com](http://www.grupocatalanaoccidente.com)

## Annual Report

Each year Grupo Catalana Occidente publishes its annual report, prepared in accordance with the framework of information of the International Integrated Reporting Council (IIRC) and based on the International Financial Reporting Standards (IFRS). The report contains the consolidated financial statements, the corporate governance report and the management report, which this year includes the statement of non-financial information in compliance with Law 11/2018.

## Quarterly report

Within the quarterly earnings reports there is an annex with information on corporate responsibility and the activity of the Fundación Jesús Serra.

## Fiscal Transparency

In January 2017 the Group’s Corporate Tax Policy was updated. The objective of this policy is to describe the strategy to meet its tax obligations in all the countries and territories in which it operates, as well as maintaining an appropriate relationship with the tax agencies concerned.

The Group promotes transparent, clear and responsible communication of its main tax figures by providing its different stakeholders with information concerning the payment of all taxes that are applicable in each of the jurisdictions in which it is present.

# 02

## Corporate responsibility in Grupo Catalana Occidente

For Grupo Catalana Occidente, corporate responsibility is the voluntary commitment to integrate into its strategy responsible management with regards to economic, social and environment factors, promote ethical behaviour within its stakeholders, rigorously apply the principles of good governance, and contribute to the wellbeing of society through the creation of sustainable social value.

Social value is the result of not only focusing the Group's activity on obtaining good financial results, but also promoting the wellbeing of stakeholders that are part of it and those to which the Group's entities answer. This value becomes sustainable when it is integrated not only in the short term, but also in the medium and long term.

The companies in Grupo Catalana Occidente contribute to improving social and economic conditions in the regions in which they operate. The very nature of insurance implies the concept of social responsibility, because it is about supporting customers at every moment of their professional and personal lives, anticipating risks to protect them.

### Corporate responsibility policy

102-11, 102-16

In February 2018 the Board of Directors approved the Grupo Catalana Occidente Corporate Responsibility Policy. Its essential principles are the same as those set out in the Code of Ethics.

Through this policy, the Group wants to contribute to the following objectives:

- Carry out its activities and those of the entities that make up the Group under the criteria of responsibility, ethics, transparency and commitment.
- Maximise the creation of sustainable social value for its stakeholders across three dimensions of corporate responsibility: economic, social and environmental.
- Prevent, minimise and mitigate potential negative impacts on social and environmental matters arising from its activities.
- Contribute to improving the reputation of the Group and the entities that comprise it.

In addition, it defines the stakeholders and outlines specific commitments in relation to them.

The Grupo Catalana Occidente, S.A. Board of Directors is responsible for establishing and guiding corporate social responsibility strategy, which acts in a cross-cutting manner and involves all areas of business. The body responsible for promoting this function is the Corporate Responsibility Committee, which is linked to the Management Committee through the Office of the Chairman. This Committee is made up of the heads of the different areas that represent stakeholders.



Atradius Crédito y Caución, in addition to integrating the Group's policy, has also published its own declaration of corporate responsibility on its website, outlining its commitments to society (<https://group.atradius.com/about-us/corporate-responsibility.html>).

In 2018, the Corporate Responsibility Committee met four times, during which, among other matters, it defined the Corporate Responsibility Master Plan 2019-2021.

### External initiatives

102-12, 102-13, 103-2, 103-3

Externally, Grupo Catalana Occidente maintains its adherence to the ten principles of the United Nations Global Compact and is committed to aligning its strategies and operations with these universally accepted principles in four areas: human rights, labour standards, environment and corruption.

In addition, through its current activity and social action, it also supports the Sustainable Development Goals (SDG) promoting aspects such as economic growth and progress, equal opportunities, quality learning, energy efficiency and the care of health and well-being through risk prevention and protection. It also contributes to creating sustainable communities where its entities operate through responsible production and consumption, creating wealth and employment, which contributes to reducing inequality, and contributing to peace, justice and strong institutions.

In Spain, moreover, the Group's companies are involved in the main associations in the sector (ICEA and UNESPA), which have corporate responsibility programmes.

## 2.1 Materiality

102-43, 102-46, 102-49

In order to identify the key issues for Grupo Catalana Occidente and its stakeholders, a materiality analysis was performed for the first time in 2017.

Material issues	GRI standards	Coverage*			
		Origin		Involvement**	
		Internal	External	Direct	Indirect
<b>Economic, profitability and solvency performance</b>	GRI 201: Economic performance 2016	●	●	●	●
<b>Risk management and regulatory compliance</b>	GRI 102: General disclosures 2016 GRI 307: Environmental compliance 2016 GRI 419: Socio-economic compliance 2016	●	●	●	●
<b>Corporate Governance</b>	GRI 102: General disclosures 2016	●	●	●	
<b>Ethics, integrity and transparency</b>	GRI 102: General disclosures 2016 GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive behaviour 2016	●	●	●	●
<b>Customer experience</b>	N/A	●	●	●	●
<b>Data Protection. Cyber Security</b>	GRI 418: Customer Privacy 2016	●	●	●	
<b>Innovation</b>	N/A	●	●	●	●
<b>Quality employment</b>	GRI 401: Employment 2016 GRI 402: Labour/Management relations 2016 GRI 405: Diversity and equal opportunities 2016 GRI 406: Non-discrimination 2016 GRI 407: Freedom of association and collective bargaining 2016	●		●	
<b>Professional development</b>	GRI 404: Training and education 2016	●		●	
<b>Commitment to society</b>	GRI 203: Indirect economic impacts 2016 GRI 413: Local communities 2016	●	●	●	●

\* Coverage: Indicates whether the impact is internal, external or both

\*\* Involvement: Indicates the involvement of the organisation in terms of the impact.

Direct: The organisation is directly linked to the impact

Indirect: The organisation is linked to the impact through its business relations

N/A: not applicable

## Identification of material issues

The issues that are material for the Group were identified through the analysis of different leading sources of information for the sector. These include the analysis of competing companies, as well as *Think Tanks* and guidelines such as the European Directive on reporting of non-financial information and diversity. In addition, the matrix of materiality of the *Sustainable Accounting Standard Board (SASB) for insurance has been taken into account*. Once these material issues were identified, an internal assessment was carried out through interviews with directors and members of the Group's Management Committee, along with an external assessment based on the criteria and aspects evaluated in the Dow Jones Sustainability Index questionnaire and analysis of the maturity of the aspects in eight companies in the sector. In the final phase, the Corporate Responsibility Committee validated the results of the analysis undertaken, reaching a consensus on 10 material aspects, which were subsequently submitted and approved by the Grupo Catalana Occidente Management Committee.

## Determination of contents

102-44, 102-46, 102-47, 103-1

The Group's definition of materiality covers critical issues and matters of high relevance. For each of these, their related GRI standards and the indicators to be reported have been identified, along with the Sustainable Development Goals related to each of them.

(See materiality table - GRI-SDG, page 41)

## 2.2 Corporate Responsibility Plan

The Grupo Catalana Occidente Corporate Responsibility Plan for the 2019-2021 period is based on the Group's purpose and is governed by its essential principles: integrity and honesty, impartiality, transparency and confidentiality, and professionalism.

The objectives of this Corporate Responsibility Plan are as follows:

- To offer a common framework in the field of corporate responsibility for the entities forming part of Grupo Catalana Occidente.
- To promote those lines of corporate responsibility that support the Group's strategic objectives and respond to the challenges identified, both those of the insurance sector and those specific to Grupo Catalana Occidente.
- To progress in the commitments made to the stakeholders in the corporate responsibility policy.
- To establish a work programme for the defined period and responsible parties.

The Plan has been structured identifying three fundamental areas: trust, excellence in service and positive impact; and one parallel cross-cutting area, namely dissemination and reporting. Specific objectives have been established for each area for the 2019-2021 period.

**1. Trust:** the insurance business of Grupo Catalana Occidente is based on a trust factor that defines its relationship with its stakeholders. Retaining this trust is essential for ensuring the Group's sustainability over time.

The specific objectives for this area are:

- Being recognised as an honest company that is committed to its cultural values/keys.

- Maintaining a constant dialogue with stakeholders to detect their needs and expectations.

**2. Excellence in service:** the basis of the insurance business lies in the desire to provide a service, offering high quality products adapted to the needs of customers and completely customised professional advice through its employees and network of associates.

The specific objectives for this area are:

- Continue being a benchmark in the insurance sector and leaders in customer satisfaction.
- Implementing the digital transformation throughout the Group and taking advantage of its benefits to improve efficiency.
- Applying environmental, social and corporate governance (ESG) principles in the management of investments.

**3. Positive impact:** Grupo Catalana Occidente bases its business model on respecting people and maximising the creation of sustainable social value for its stakeholders across three dimensions of corporate responsibility: economic, social and environmental.

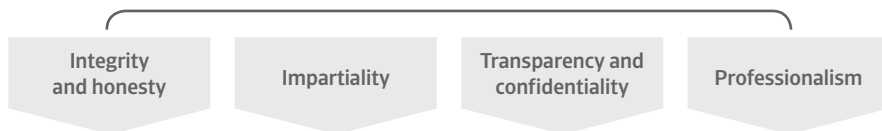
The specific objectives for this area are:

- Being a model company in the well-being of its employees.
- Promoting the Group's social action through Fundación Jesús Serra and a volunteering plan.
- Including products with added value in its portfolio of products and services.

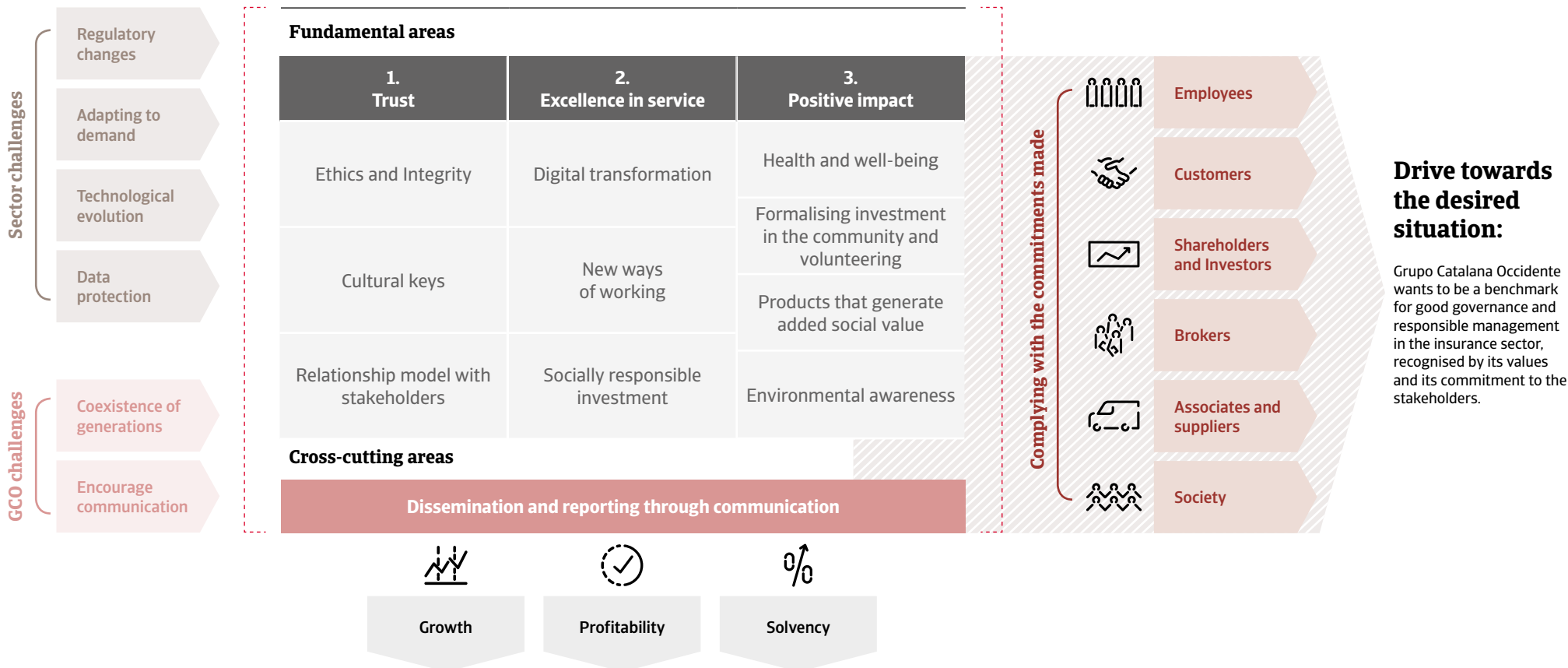
In parallel, a cross-cutting area has been defined, called dissemination and reporting, which aims to improve both internal and external communication.



### Basic principles of the Corporate Responsibility Plan



### 2019-2021 Corporate Responsibility Plan



### Drive towards the desired situation:

Grupo Catalana Occidente wants to be a benchmark for good governance and responsible management in the insurance sector, recognised by its values and its commitment to the stakeholders.

### Supporting the strategic pillars of Grupo Catalana Occidente

# 03

## Commitment to our stakeholders

103-2, 103-3

Grupo Catalana Occidente has made a commitment to its stakeholders, meaning that it maintains a continual and transparent dialogue to allow them to understand and integrate themselves into the company's activity.

The relationship with the different stakeholders involves the implementation of specific commitments based on the Group's cultural keys, which define its way of being and of working: people, commitment, self-criticism, austerity, long-term vision and innovation.

These commitments are defined in the Corporate Responsibility Policy and will determine the strategy in this area. Complying with them is one of the objectives of the Corporate Responsibility Plan.

The various sections in this chapter detail the Group's management in line with these commitments, and present the indicators that allow current performance to be measured and set goals for the future.

102-40

Stakeholders	Commitments	Chapter in which performance is reported
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Equal opportunities</li> <li>• Fair wages</li> <li>• Ongoing training</li> <li>• Work-life balance</li> </ul>	3.1 Employees: our most important asset
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Development of competitive products</li> <li>• Personal advice</li> <li>• Excellence in service</li> <li>• Preserve confidentiality of personal data</li> </ul>	3.2 Customers: at the heart of our activity
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• Attractive return on investment</li> <li>• Prudent risk management</li> <li>• Transparency of information</li> <li>• Long-term strategy</li> </ul>	3.3 Shareholders: the key to sustainability
<b>Distributors/ Brokers</b>	<ul style="list-style-type: none"> <li>• Continuous support for professional development and training</li> <li>• Pay equity</li> <li>• Trust and security</li> </ul>	3.4 Intermediaries: agents and brokers
<b>Associates and suppliers</b>	<ul style="list-style-type: none"> <li>• Objectivity and impartiality in selection and recruitment</li> <li>• Transparency in management</li> <li>• Equal treatment</li> </ul>	3.5 Suppliers: service providers
<b>Society</b>	<ul style="list-style-type: none"> <li>• Proactive cooperation with sectoral entities</li> <li>• Contribution through Fundación Jesús Serra</li> <li>• Cooperative relations with tax administrations</li> </ul>	3.6 Society

### Channels of communication, participation and dialogue

102-42, 102-43, 103-2, 103-3

Grupo Catalana Occidente has identified six stakeholders based on the impact that the Group has on them and the relevance of each one to the company.

There are various channels for communication, participation and dialogue made available to these audiences to ensure adequate attention. These include the Group's website, as well as that of each of its companies and the Fundación Jesús Serra, where we publish the most relevant documents such as the Annual Report, the Foundation's activity report and this Corporate Responsibility Report.

There are also dedicated helplines and email addresses for customer service, analysts and investors, shareholders and the media. Internal communication is carried out through company Intranets.

These are used to maintain a smooth, close and transparent relationship with the stakeholders. In addition, the various channels allow the Group to identify the needs and expectations of all of them and thus be able to respond to them.

Stakeholders	Channels of communication
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Intranet</li> <li>• Bulletin boards and suggestion boxes</li> <li>• Workers' representatives</li> <li>• Complaints Channel</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Website</li> <li>• Social media</li> <li>• Customer service department</li> <li>• Satisfaction surveys</li> <li>• Offices and brokers</li> <li>• e-client</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• General Shareholders' Meeting</li> <li>• <i>Roadshows</i></li> <li>• Analysts and investors area and shareholders' attention area</li> </ul>
<b>Distributors/Brokers</b>	<ul style="list-style-type: none"> <li>• Internal portal</li> <li>• Training workshops</li> <li>• Complaints Channel</li> <li>• Corporate app</li> </ul>
<b>Associates and suppliers</b>	<ul style="list-style-type: none"> <li>• Intranet</li> <li>• Annual meetings</li> <li>• Complaints Channel</li> <li>• Prepersa website</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Social media</li> <li>• Fundación Jesús Serra Website</li> <li>• Media</li> </ul>

### 3.1 Employees: our most important asset

102-8, 103-2, 103-3

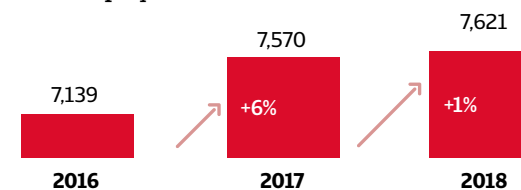
The team is the most important asset when it comes to creating value for the customers and shareholders of the Group's entities. This is why Grupo Catalana Occidente emphasises continuous learning, a good work-life balance, equal opportunities, team spirit and dialogue.

The pillars of the human resources policy are:

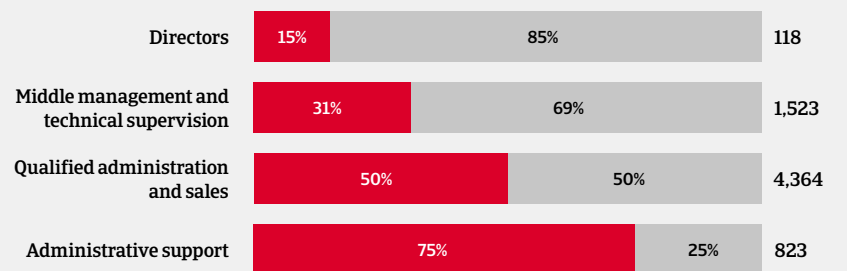
- Fair and competitive remuneration
- Transparency and truthful information
- Respect for the dignity of persons
- Sustained cooperation over time

At the end of 2018, the Group had 7,621 employees, a figure that has been growing steadily over the past three years. Of that total, approximately 51% corresponds to employees in the traditional business and 49% to the credit business. By gender, 52% of employees are male, compared to 48% female.

Number of employees



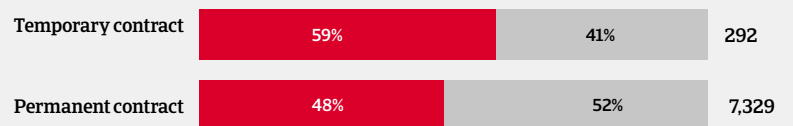
### Distribution of staff by age and gender 102-8, 405-1



\*\* Represents 91% of staff

▶ Women ▶ Men

### Distribution of staff by type of contract and gender\*\*



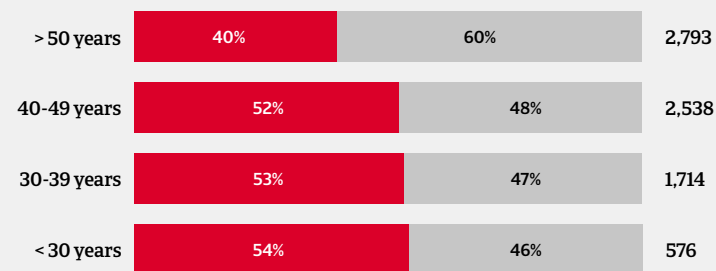
\*\* Represents 100% of staff

▶ Women ▶ Men

There are currently two generations coexisting within the Group's companies: people who have spent more than twenty to thirty years working for the company, possessing valuable knowledge, and another generation of younger professionals, who have joined in recent years and bring new skills to the team. Collaboration between the two is key to the success of the business.

In 2018, 841 people joined the Group, of whom 56% were women. Voluntary turnover is of the same level as last year and stands at 14%, thus reflecting the Group's commitment to provide stable and quality employment. 401-1

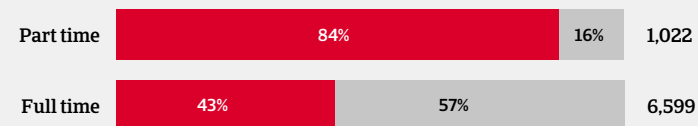
### Distribution of staff by age and gender\*



\*\* Covers 100% of staff

▶ Women ▶ Men

### Distribution of staff by type of work schedule and gender\*\*



\*\* Covers 100% of staff

▶ Women ▶ Men

Voluntary turnover by age and gender	2017			2018		
	Men	Women	Total employees	Men	Women	Total employees
< 30 years	40%	44%	42%	36%	31%	34%
30-39 years	14%	20%	17%	18%	18%	18%
40-49 years	9%	11%	10%	7%	14%	11%
> 50 years	4%	7%	5%	8%	11%	9%
<b>Total</b>	<b>10%</b>	<b>15%</b>	<b>12%</b>	<b>12%</b>	<b>16%</b>	<b>14%</b>

Turnover by business and gender *	2017			2018		
	Men	Women	Turnover	Men	Women	Turnover
Traditional business	13%	21%	17%	15%	23%	19%
Credit business	7%	6%	7%	7%	6%	7%
<b>Total turnover</b>	<b>10%</b>	<b>15%</b>	<b>12%</b>	<b>12%</b>	<b>16%</b>	<b>14%</b>

\* Turnover is calculated as the total number of people leaving the company divided by the total number of employees. \* The data cover 89% of staff.

## Culture Project

102-16, 103-2

2016 saw the start of the Culture Project, where the first objective was to identify the cultural keys of Grupo Catalana Occidente. These keys define the common values that explain the Group's way of being and working and that of its entities.

### Cultural keys

- Persons
- Commitment
- Austerity
- Long-term vision
- Self-criticism
- Innovation

In 2018, the Group continued to deploy the cultural keys in the organisation as a whole. In particular, workshops were given that involved the participation of over 300 employees from the highest levels of responsibility. In 2017, the focus was the key to innovation and in 2018, the focus was on the key people.

As an example of good practice within the Group, Atradius Crédito y Caución is developing the project Evolve+, the aim of which is to enhance innovation and improve the connection with customers in a personal and significant way. Evolve+ is the continuation of the Evolve initiative, which was launched in 2012 in order to support the entity's business strategy, encouraging staff to participate in its continuous improvement, increasing efficiency and raising the quality of customer service.

## Atradius Crédito y Caución climate survey

Since 2006 Atradius has performed an annual climate survey among its employees. This survey allows the company to understand the perspective of employees, and offers practical information to identify areas for improvement and design corrective actions. In this way, it focuses on caring for people, a key aspect of the Evolve+ project.

### Equal opportunities

103-2, 103-3

In line with its Code of Ethics, the Group does not tolerate any kind of discrimination due to birth, sex, religion, opinion or any other personal or social condition or circumstance. It also guarantees respect for human rights.

In addition, several of the entities have an equality plan and protocol for the prevention and response to sexual harassment and bullying. The Spanish Equal Opportunities Commission is responsible for ensuring compliance with this.

The general objectives of these plans are to:

- a) Promote the principle of equal treatment between men and women, ensuring the same professional opportunities in employment, recruitment, remuneration, training, development, promotion and working conditions.
- b) Guarantee the absence of discrimination, direct or indirect, due to gender, and especially related to maternity, paternity, the assumption of family responsibilities, marital status and working conditions.
- c) Prevent all types of harassment, especially sexual harassment and harassment based on gender, introducing a code of conduct to protect the entire staff.
- d) Use communication actions to promote awareness of equal opportunities at all organisational levels.

- e) Promote a balance between the professional, personal and family lives of the staff.

It is worth mentioning that the composition of the workforce is generally balanced in gender. Although positions of greater responsibility are mostly occupied by men, during recent years there has been a positive trend towards achieving a balance.

The Group also ensures that people with disabilities are employed. At the close of the year, 42 people with different disabilities formed part of the Group's workforce.

In compliance with the General Law on Disability, direct hiring is supplemented with alternative measures such as the purchasing of goods and services from special employment companies whose workforces are formed mainly by people with disabilities.

In 2018, the Group recorded 4 cases of discrimination through the channels available. All have been investigated and resolved. No complaints have been received about human rights. 406-1

## Professional development

103-2, 103-3

Grupo Catalana Occidente is committed to the professional development of its employees, strengthening the skills of new generations of professionals who, in the mid to long term, will occupy positions of responsibility, and updating the skills of more veteran professionals, to help them adapt to the new challenges of the business environment.

During 2018 the Group has maintained its training activities focusing on professional development, in line with the Training Plan. The training plan is established annually and prepared based on the Group's Strategic Plan and the questionnaires for the analysis of training needs sent to each general sub-directorate. From next year, the specific training needs deriving from professional assessments will also be considered.

It is also worth mentioning the creation of the Training and Professional Development Committee, formed by the head of Professional Development and the heads of training from the different companies, and whose main purpose is to identify professional potential and improve the skills required at the organisation.

In the case of the credit business, it has "Atradius Academy", a learning platform available to all credit business employees where they can find a wide selection of on-line courses. This year, the platform's strategy has been updated and new courses have been included.

In total we have carried out more than 136,000 hours of training, an average of 19.6 hours per employee.

Throughout 2018, a common job grading model was developed for all companies as a necessary management tool for the es-

Training by category and gender (hours) 404-1	2017	2018
<b>Directors</b>	<b>5,886</b>	<b>6,761</b>
% Women	25.5%	33.1%
<b>Middle management and technical supervision</b>	<b>30,521</b>	<b>23,745</b>
% Women	26.6%	39.1%
<b>Qualified admin. and sales</b>	<b>47,664</b>	<b>50,198</b>
% Women	47.8%	33.7%
<b>Administrative support</b>	<b>17,002</b>	<b>19,215</b>
% Women	64.4%	56.4%
<b>Total hours</b>	<b>101,073</b>	<b>99,919</b>
<i>* Note on scope of classification: traditional business. Total hours credit insurance: 41,775</i>		
	<b>2017</b>	<b>2018</b>
<b>Number of courses (traditional business)</b>	<b>1,800</b>	<b>1,217</b>

establishment of professional development pathways. There has also been work on a Managerial Skills Model in which nine managerial skills have been identified that represent the leadership style, which is understood to be in line with the Group's cultural keys and will be developed in the management training programmes. In 2018, two management sessions were held in which aspects related to people management were worked on in a way which is fully aligned with the Group's cultural keys.

In 2019 the Development Plan will move forward with the mission to strengthen the system of professional development and talent management, prioritising the identification of career potential and improving required skills in the organisation, while also promoting a collaborative culture.

## Professional appraisal

In 2018, a professional appraisal system was implemented in the traditional business for executives, technicians, staff with development potential and new joiners.

The process consists of four phases: self-evaluation, evaluation by the manager, personal interview and personalised improvement plan.

### Fair wages

102-41, 201-1, 405-2

In 2018, a common remuneration policy was developed in the traditional business, with a wide variety of flexible payment products including an annual offer of remuneration in shares for the staff of the insurance business. A total of 105 Group employees have taken advantage of this opportunity, through which they have received 19,193 shares.

In addition, the Group employees have an extensive programme of social benefits including pension plans, company cafeteria, funding for training of employees (university, MBAs, languages), help for disabled family members, personal loans, etc.

Different conventions apply, depending on the entity, to establish salary bands to ensure internal equity and competitiveness in order to attract talent.

### Work-life balance

103-2, 103-3

Grupo Catalana Occidente, in its commitment to equal opportunities and the balance between personal and professional lives, applies the work-life balance policies as laid out in current conventions, as well as Spanish and European regulations. In addition, it offers a flexible schedule that allows employees to accumulate hours for their future free use.

The aim of such policies is to facilitate the balance between work, personal and family life, for employees, while also enhancing productivity and efficiency.

To achieve this, there are a number of internal protocols that seek to meet criteria for the work-life balance, as well as reasonable hours, ergonomics in the workplace, hygienic and environmentally-friendly working conditions, facilities for employee training, strict adherence to current laws and, all in all, a healthy working environment and levels of comfort that in turn creates better management of each of the employee positions of the Group.

### Responsible pension fund

In 2017, an investment policy was approved to be applied to the employee pension funds and that, for the first time, includes a clause on socially responsible investment.

The Committee controlling the “Grupo Catalana Occidente Employee Pensions, Pension Fund” sees socially responsible investment as a long-term commitment to sustainable investment policies that have a positive impact on society and the environment. They intend to progressively consolidate a line of action to move forward in this regard.

As such, the control committee is considering non-financial criteria for the control, measurement and management of risks in investment decisions in its portfolio, taking into account its social responsibility as an institutional investor. In 2018, socially responsible investment clauses were included in the Basque Country pension plans (EPSV) marketed by Seguros Catalana Occidente and Seguros Bilbao.

## Health and safety

103-2, 103-3

Entities of Grupo Catalana Occidente have a health and safety service in accordance with current labour legislation. In addition, there are internal procedures and regulations related to the prevention of occupational hazards, including self-protection plans for all buildings, risk assessments and annual action plans.

At the corporate level, there is a joint health and safety service that covers most of the Group's insurance entities, allowing for a more consistent management. Entities that are not covered by this service maintain their own or outsourced service, adhering to the criteria of efficiency and specialty.

The intention is to achieve the following occupational health and safety objectives:

- a) Compliance with the current legislation on occupational health and safety and the working conditions of employees.
- b) The reduction and elimination of occupational accidents and occupational illnesses in all work centres.
- c) Develop a health and safety culture based on the consideration of people as its main value.

No employee of the Group performs any duty with a high risk of contracting certain diseases, and as such there have been no fatalities for reasons of health and safety in the workplace.

## 3.2 Customers: at the heart of our activity

The Group's commitment to continuous improvement of the customer experience has once again produced high levels of customer satisfaction and loyalty.

The main objective of the relationship between the entities of Grupo Catalana Occidente and their four million customers is to offer them competitive products and quality services, based on personal, transparent and holistic advice.

The Group also undertakes to provide insured customers with clear and simple information, as well as resolving any doubts that may arise about the content of their policies and services, or in the event of an incident.

This commitment goes hand-in-hand with the nature of insurance, in which the concept of social responsibility is implicit. The goal is to provide its customers with continuous support in both their professional and personal life, anticipating the risks in order to protect them.

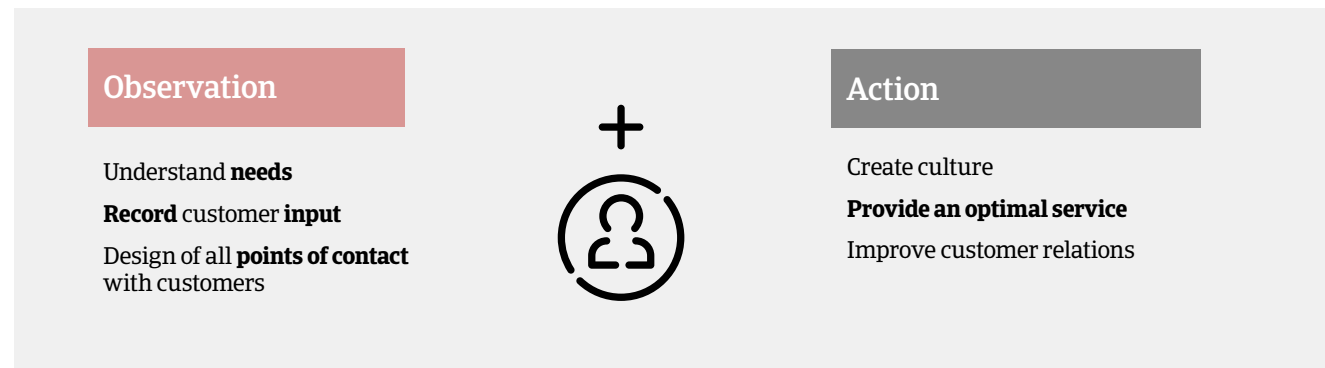
The Group's entities adhere to the UNESPA guide to good practices on transparency in the marketing of insurance.

### Customer experience project

103-2, 103-3

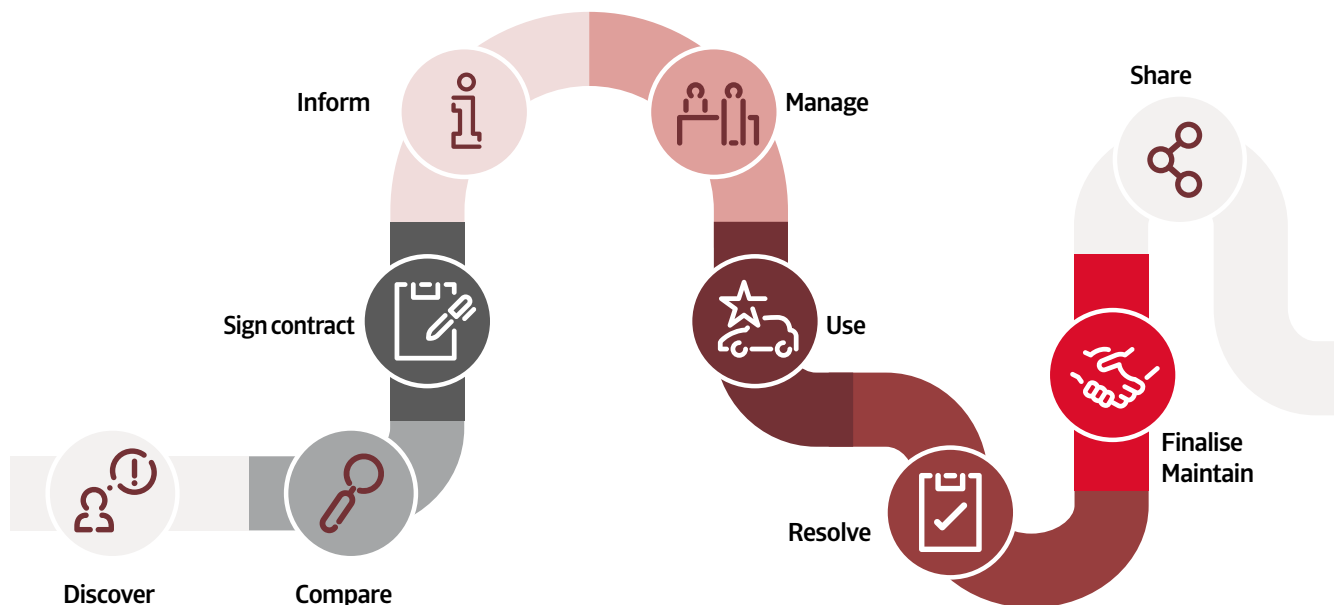
In 2016 the customer experience project was started, a cross-cutting initiative within the traditional business, the main objective of which is to create a customer-focused culture to understand their needs, measuring opinions during all phases of the so-called Customer Journey and ensuring an optimal, consistent and dependable experience regardless of the channel of contact.

As a tool to identify initiatives to be developed, we have a graphic representation of the Customer Journey, a journey that shows the different phases in which customers interact with the companies of Grupo Catalana Occidente, with special attention paid to claims interactions. The purpose is to better understand the customer at each of these stages, in order to meet their different needs.





Customer Journey



During 2017, the actions undertaken were grouped into four blocks: commercial procedure, claims management, communications and channels, and customer experience.

In 2018, new self-service features were developed and implemented into the e-client tool. The user can now see the status of their claim and keep track of its different phases. Customer experience guides were also developed for the professionals providing services to them during a claim, establishing clear protocols on how they should relate to and interact with cus-

tomers. In this way, we aim to standardise processes in order to provide the highest level of service through our professionals.

In order to measure progress with all these initiatives, customer input was recorded through various surveys conducted at key moments in the customer journey.

Customer experience of traditional business

**SLP**  
**34.1%**  
 Suggested level of promotion (promoters - critics)

**REM**  
**91.4%**  
 Intention of customer to remain >=3 years

**CSI**  
**90.3%**  
 Company satisfaction index (satisfied - dissatisfied)

**SSI**  
**62.5**  
 Service satisfaction index (satisfied - dissatisfied)

**Credit insurance**  
**97.1%**  
 Customer retention rate

**Traditional insurance**  
**89%**  
 Customer retention rate

Customer care

103-3

Good management of complaints and claims from customers is a basic element in the quality of service. Grupo Catalana Occidente has regulations governing customer protection adapted to the requirements of Order ECO/734/2004, 11 March, regarding the customer service departments and services of financial institutions and the commitments made by the insurance sector through the guide to good practices of internal resolution of claims, as supported by the Spanish Union of Insurers and Reinsurers (UNESPA).

The first step in resolving complaints and claims is to offer the customer immediate attention from whoever is directly in contact with them. The staff, as well as all branches and operating centres that provide a service to the customer, should strive to deal with these claims and complaints with courtesy and promptness, deciding in favour of the customer whenever they are founded and their scope of responsibility allows them to do so. The professional should adopt measures that minimise the risk of reoccurrence and strive to provide a service that reflects the standards that the customer expects from the entity.

In the event of complaints and claims that exceed the powers of the customer service offices and centres, or when they have not been able to provide a solution in a manner satisfactory to the customer, companies have a customer care department and also a customer ombudsman who guarantees their rights.

During 2018, the Group's entities received a total of 4,149 claims through its channels (including those available through customer care and the customer ombudsman), those related to the credit business entities being included in this figure. 80.86% of these were admissible, with 31.06% resolved in favour of the customer, 9.96% by agreement and 58.99% in favour of the entity.

### Data Protection

103-2, 103-3

Grupo Catalana Occidente believes the information that it collects, processes, stores and transmits to be a strategic asset, one that is essential to ensure the continuity and evolution of the business and safeguard the value it offers to investors, shareholders, customers and associates. It is therefore a priority to preserve the confidentiality and protection of this information, as well as the systems that manage and support it.

The Group's entities have an information security policy approved by the Board of Directors. All employees have to undergo training in this area.

There is a data protection committee in the traditional business which coordinates and updates data protection audits on an annual and biannual basis.

Potential cyber attacks are considered one of the main risks of the sector. Grupo Catalana Occidente has a Data Protection Officer at Group level and in the main traditional business entities.

During 2018, Grupo Catalana Occidente did not receive any claims regarding customer privacy or data loss through its communication channels. To be prudent, we are considering 7 substantiated complaints from 2018 which are currently in the arguments phase. It should be taken into account that the number of complaints is practically non-existent compared to the customer base of the Group's companies.

### New solutions

On the basis of a deep knowledge of its customers, the Group works to design and offer new products adapted to their needs to give them confidence. The following initiatives stood out in 2018:

#### Atradius launches CIBT and BBT to facilitate the underwriting process

Atradius updates its main application for the underwriting of policies and purchase policies in the credit insurance and bond business lines. These are two different programmes: Credit Insurance Business Transformation (CIBT) and Bond Business Transformation (BBT).

Both programs include innovative elements around the creation of policies and the presentation of the value proposition to our customers and partners.

The underwriting process also uses an IBM Watson text mining application to optimise manual underwriting.

#### The culture of innovation working for the benefit of the customer

The Group's innovation strategy is clearly focused on new ways of improving or expanding its main proposal. We will not outsource innovation to a separate centre or incubator, our ambition is to create a culture across the entire organisation of learning throughout one's career and being open to change.

The Atradius Business Transformation programme addresses the need for cooperation and collaboration around new digital trends (such as big data and blockchain), and offers staff the opportunity to play a role in these new challenges.

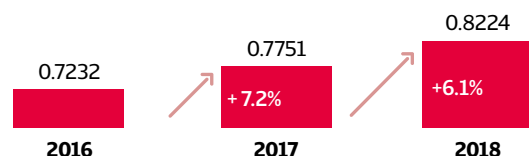
Grupo Catalana Occidente has scheduled the introduction throughout 2019 of a mandatory web seminar for all staff called "Shaping tomorrow together", whose purpose is linked to preparing to manage the change necessary to address the challenges posed by digitalisation and technology.

Nowadays, the on-line availability of services and products is essential in a strategy to attract, satisfy and retain customers, brokers and agents.

### 3.3 Shareholders: the key to sustainability

In 2018, Grupo Catalana Occidente achieved a good result, taking another step forward on the path to profitable growth. Shareholder confidence is key to our sustainability over the long term. As such, the relationship between the Group and its shareholders and investors is based on providing as much information, transparency and proximity as possible.

#### Dividends: Attractive return on investment



The historical behaviour of the distribution of dividends demonstrates the Group's clear commitment to shareholder remuneration. The total remuneration in the 2018 financial year was 0.82 euros per share, an increase of 6.1% in the total dividend per share.

During 2018 Grupo Catalana Occidente shares maintained very positive growth, with a performance similar to the Eurostoxx Insurance and the Ibex 35. The Grupo Catalana Occidente shares closed 2018 with a price of 32.60.

The historical behaviour of the distribution of dividends demonstrates the Group's clear commitment to shareholder remuneration, maintaining a growing dividends policy over the last 10 years.

More information about the evolution of shares is available on the Group's corporate website.

#### Transparency of information

Grupo Catalana Occidente carries out its business in accordance with, among others, the principles of good governance and corporate responsibility, which implies a continuous improvement in accessibility, quality, frequency and clarity with its main stakeholders.

The communication and contact policy with shareholders, institutional investors and voting advisers, published on the corporate website, describes the various communication tools and channels to ensure the principles of integrity, transparency and equality in relations with these groups.

The Group has two specific areas within the organisation to respond to queries from shareholders and institutional investors, their proposals and expectations on the management in a close and individualised way.

Shareholder service: +34 935 820 667  
accionistas@catalanaoccidente.com

Institutional investors and analysts service: +34 935 820 518  
analistas@catalanaoccidente.com

The latter covers relationships with financial analysts, stock market analysts and ratings agencies, since all of their reports and opinions influence the decision-making process of institutional investors. As such, they have a key role in the liquidity and price of Grupo Catalana Occidente shares.

In 2018, the Group put forward its value proposition to the financial markets through the quarterly disclosure of the published results, on the website in Spanish and English, and other actions:

9

Roadshows and Forums

223

Investor meetings

700+

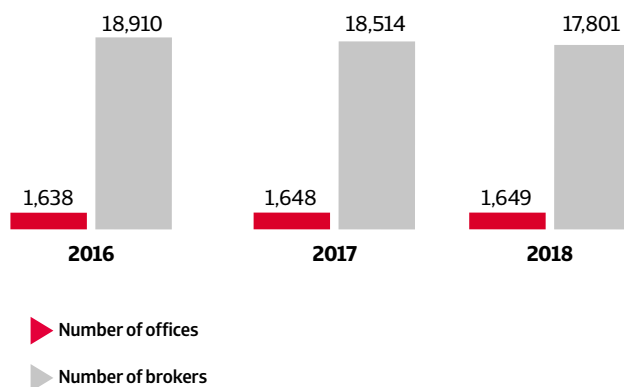
Calls handled

### 3.4 Intermediaries: agents and brokers

Brokers are a key part of the Group's relationship with its environment. They come into contact with customers, generate confidence in order to understand the particular needs, and provide value through their professionalism and closeness. Good communication and a trusting relationship with brokers are fundamental to providing good customer service.

Grupo Catalana Occidente's commercial network of companies is made up of 1,649 offices and 17,801 brokers, primarily sole agents and insurance brokers, throughout more than 50 countries. 102-8, 102-9

### Distribution network composition



### Professional development and training

Training of agents is a fundamental value, allowing the Group to build its business through quality of service and customer satisfaction and retention.

The various companies that make up the Group offer their brokers training paths and tools focused on facilitating connectivity and access to services, thereby improving efficiency in their work.

In 2018, training across the distribution network in traditional business was focussed on developing the sales force and business growth. Projects included management training and entrepreneurship. Special focus was also given to cross-selling, prevention of cancellations, customer loyalty and the use of new tools and systems.

### Seguros Catalana Occidente

The Catalana Occidente Establishment of Professional Agents Programme aims to promote the professional development of its agents and is a pioneer in the insurance sector. Its prestige and excellent quality in the professional development of agents enjoys great recognition. It is made up of:

- Continued individualised training programmes on products, marketing techniques and management.
- Training and supervision from Day 1. A team of people to support them and help them achieve their goals.
- Financial support for seven years. Designed to consolidate their income level.

### Trust and security

The Group's companies manifest the values of confidence, peace of mind and security that they wish to provide to their clients through the broker network. To do this, they are provided with support that, in addition to training, includes other tools that have a positive impact on their activity. Among these is the option to create their own website and social media profile under the brand with which they work, and the corporate material necessary to visually explain their services to the end customers.

### Broker satisfaction

Grupo Catalana Occidente annually monitors the satisfaction indicators of its brokers in its traditional business entities. Through the exclusive agent and broker opinion study carried out by ICEA, whose last edition took place in October 2018, the Group ascertained the level of general well-being at work of agents and brokers.

The results from this year conclude that the most highly valued concepts are those of competitive products and services, support for sales work, training and information, staff contact and efficiency in the processing of claims.

## 3.5. Suppliers: service providers

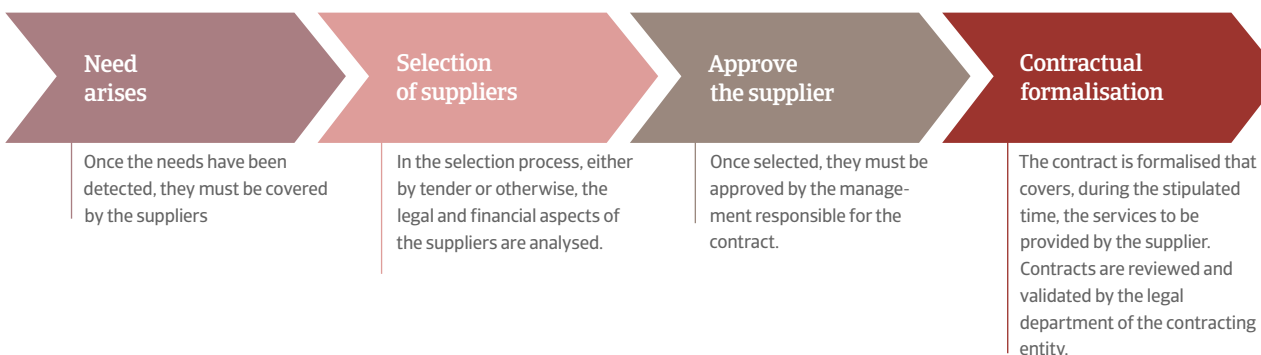
The companies in Grupo Catalana Occidente work with two types of suppliers:

- General, who supply products and services of a general nature, not directly related to the business: cleaning, maintenance and IT support.
- Specialist, whose services are essential for the performance of insurance activity: automobile claims adjusters, general claims adjusters, lawyers, medical claims adjusters, workshops and repairers. The workshops are part of a network named AutoPresto and the repairers are from the Technical Repairs Service (S.T.R.).

The Group adheres to the criteria contained in its internal regulations and, in particular, the supplier selection manual, which regulates the acquisition of goods, services and supplies, as well as the selection of suppliers. These criteria are based on objectivity, impartiality, transparency, equal treatment and quality, and try to avoid any conflict of interest or personal, family or financial ties in the selection of suppliers.

The Manual establishes a classification of suppliers according to criticality and details the selection procedures based on the different types of suppliers.

### Supplier selection procedure



All suppliers explicitly commit themselves to complying with a series of clauses that, in summary, include:

- Compliance with the Code of Ethics of Grupo Catalana Occidente.
- Compliance with the European General Data Protection Regulation.
- The obligations of the associate with Tax agencies and with the Social Security.
- Compliance with the Occupational Risk Prevention Regulations.
- Confidentiality for the information collected in the performance of their work.

### Professional development and training

Most of the Group's strategic suppliers - those who supply products or services with special characteristics within the sector - are internalised or are intra-group services within Grupo Catalana Occidente itself, allowing for better management of these.

During 2018, Grupo Catalana Occidente suppliers received a total of 17,076 hours of training, representing more than 8 hours per supplier. In this way, and by developing the skills of suppliers, the company extends its commitments to the supply chain.

### Management of suppliers in the traditional business

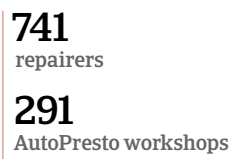
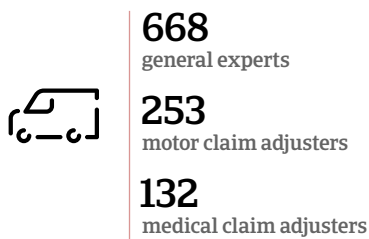
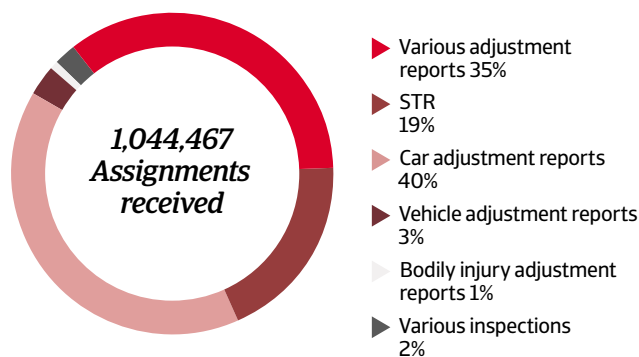
103-2, 103-3, 102-8, 102-9

Prepersa (Peritación de Seguros y Prevención AIE) is the Grupo Catalana Occidente company that manages specialised suppliers in resolving claims, except for lawyers.

Its activity is governed by the UNE-EN ISO 9001-2015 quality certificate, renewed in 2018, that guarantees that its processes are oriented towards continuous improvement and that it has an efficient organisation in terms of planning, control and analysis of results. Additionally, the company ensures respect for the corporate responsibility commitments of the Group through its extensive network of associates.

The amount of assignments that this entity manages increases each year. In 2018 they allocated 1,044,467 assignments, an increase of 10.8% compared to 2017.

It is worth mentioning the expansion of the regional structure through the addition of a new associate monitoring area in Levante. In this way, closer control of the activity in the area is guaranteed.



Suppliers are continuously evaluated according to different parameters, such as activity, cost, time management, treatment of customers and good practices. The results are presented in reports that are received by the suppliers and doctors in each area. Based on the findings, where necessary an action plan is developed, which includes actions of control and supervision. In 2018 8,289 supervisory actions were carried out.

	2017	2018
Satisfied STR customers*	72%	77%
Satisfied AutoPresto customers*	89%	90%

\* With regard to the measurement taken in 2017, the source of the data has changed. It was based on external surveys but it now uses its own measurement model. Moreover, the data reported last year followed the satisfied - dissatisfied/total customers formula, which does not correspond exactly to satisfied customers, which would be satisfied/total customers, as applied this year.

With regards to training, it is worth highlighting customer experience programmes given to general experts and S.T.R. about the values to convey and behaviour to maintain in the interpersonal relationships with customers.

As a new development during 2018, research work began on new technologies in the field of household repairs in order to achieve efficiencies in costs and materials.

### Supplier satisfaction

Twice a year, Prepersa runs a survey to learn associates' opinions about the company's doctors, management, and supervision of the quality of the work of the associate network. The results allow measures to be taken to improve in different aspects related to this area.

### Boost for local businesses

The business model implemented, which has been followed for decades, favours the contracting of local freelance workers or small businesses. In this way, the Group contributes to the development of the business sector in the geographical areas where it operates.

### Average payment period for suppliers

The Group has no pending payments to suppliers beyond the legal period allowed (30 days, unless there is an agreement between parties), with an average period of 17 days.

In the case of Prepersa, companies pay for network associate tasks twice a month, following quick and rigorous payment terms. Suppliers have at their disposal an app in which they can consult and reconcile payments of assignments and invoices issued to the entities in the Group. This prevents the associate from having to communicate their information requirements to different company departments.

### Promoting corporate responsibility

Prepersa promotes good practices related to efficiency and the minimisation of resources among its suppliers, including repair versus replace policies and the application of new technologies that allow water damages to be located and repaired with greater efficiency.



## 3.6 Society

103-2, 103-3

Grupo Catalana Occidente bases its business model on respecting people and positively contributing to the environment and its stakeholders. Its commitment to the societies in which it operates has been linked to economic development, well-being and high quality employment for more than a century.

In parallel, its social action is also organised through Fundación Jesús Serra. Its articles of association declare and define both its lines of action and its commitment to adhere to and comply with all policies established at the Group level.

In 2018, the Group contributed 3,724 million euros to society, with customers being the main stakeholder, accounting for 60.5% of the total.

<b>Economic value generated and distributed 201-1</b>	<b>2017</b>	<b>2018</b>
<b>Economic value generated</b>	<b>4,225</b>	<b>4,345.2</b>
<b>Economic value distributed</b>	<b>3,641</b>	<b>3,724</b>
Payments made to customers	2,255	2,252
Public administrations	388	407
Brokers	471	489
Employees	479	481
Shareholders	88	95
<b>Economic value retained</b>	<b>584</b>	<b>621</b>

Thousands of Euros

It is worth noting the role of credit insurance to the benefit of society, through its support for business activity to ensure there are commercial operations even in times of instability and, consequently, stimulating economic growth. Around 2% of the value of the world's export trade takes place because of the coverage of credit insurance. More than 60,000 companies are able to operate, mobilise and market close to 800 billion euros in goods and services around the world thanks to this insuring function.

### Commitments of the Group's entities

Grupo Catalana Occidente's social work is implemented through Fundación Jesús Serra. However, its entities also invest each year in initiatives related to local communities, with their own historical past and identity. Atradius also helps contribute to society through its employees, such as collecting donations for various causes or charity races.

In the traditional business, one highlight is Seguros Catalana Occidente's support for the Symphony Orchestra of Sant Cugat and the auditorium in this town where its headquarters are located. Plus Ultra Seguros focuses on the promotion of sporting disciplines such as paddle tennis or wheelchair basketball by the Illunion team of disabled players. Meanwhile, Seguros Bilbao focuses on local cultural sponsorships such as the Guggenheim Museum and the Naval Museum. Atradius Crédito y Caucción invests in projects closely linked to its own business, such as initiatives to support business development. Overall, the amount allocated to these projects in 2018 amounted to 1.4 million euros.

At Atradius, employees run campaigns in order to maximise their social contribution. Among the actions promoted are collections of donations for various causes and the charity runs under the "Atradius cares" initiative. The initiative came about with the purpose of allowing the local staff of Atradius to share

and earn recognition for local social projects. Some of the initiatives from this year include support for entrepreneurs in developing countries and the donation of the money that would have been spent on Christmas presents, which was used to plant trees.

### Fundación Jesús Serra

203-1

Fundación Jesús Serra is a private non-profit entity created in memory of Jesus Serra Santamans, a renowned businessman and patron, founder of Grupo Catalana Occidente. It aims to support and promote initiatives in research, business and teaching, social action, sports and promoting arts.

The Foundation undertakes projects in order to make a better society for all, always guided by values such as solidarity, effort and team work.

Fundación Jesús Serra approves its action plan on an annual basis, detailing the set of activities it intends to undertake, their potential beneficiaries and the necessary human and material resources. In order to ensure objectivity, there is a formal protocol which specifies the selection criteria for proposed programmes and initiatives. The Project Valuation Committee is the responsible body. Through bi-monthly meetings, they select the set of new projects and assess the state of ongoing projects, among other duties.

In addition, Fundación Jesús Serra participates in initiatives for the benefit of certain groups and conducts impact assessments and specific development programmes. In 2018, 70% of the projects and initiatives undertaken worked with participation programmes, impact assessments and development programs. 413-1

A good example is the Africa Digna-Fundacion Jesús Serra initiative, a scholarship programme for students in Kenya, the objective of which is to provide access to secondary education and a trade for Kenyan students who have a good academic record but lack economic resources.

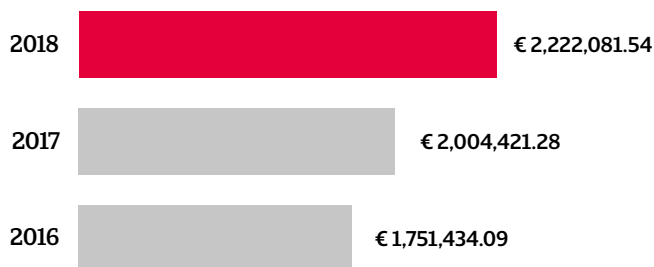
Another highlight from 2018 is the launch of the Luisa Farré Maternal and Child Health Project in developing countries. It is currently being run in Senegal and procedures are already underway for its launch in Cape Verde.

The entities to which Fundación Jesús Serra provides support include the Foundation for Cardiovascular Research, the National Oncology Research Centre (CNIO), the ESADE Foundation, the Spanish Federation of Sports for Persons with Physical Disabilities (FEDDF), the Winter Sports Centre for the Disabled (CDIA), Manos Unidas, Doctors without Borders, the Prevent Foundation and Food Banks.

The annual increase in the Foundation's budget is an example of the commitment and the positive effective impact that Grupo Catalana Occidente has on society.

### Fundación Jesús Serra investment in social projects

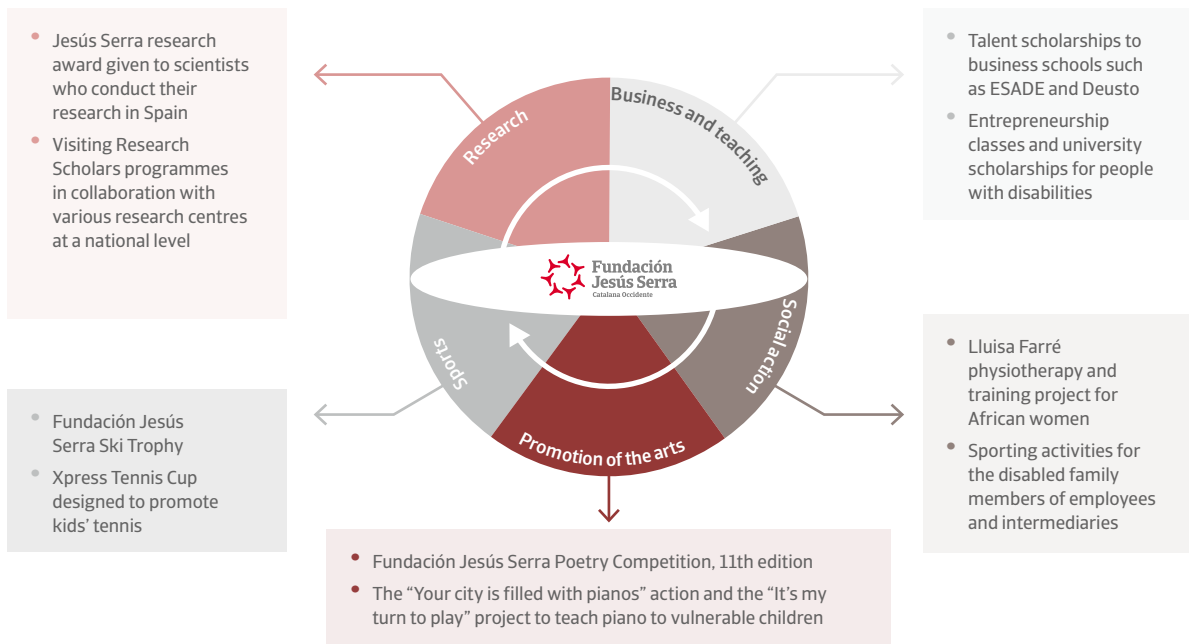
For more information see the website of Fundación Jesús Serra. <https://www.fundacionjesusserra.org/>



### 2nd edition of the Fundación Jesús Serra Research Awards

Fundación Jesús Serra, within the framework of support for research, held the second edition of its Research Awards in 2018 for nutrition, food and health projects in order to recognise the dedication and progress made by Spanish researchers in these fields.

For more information see the website for the awards: <https://investigacionfjs.com/es/home/>





# 04

## Our environment

### Environment

The environmental impact of the day-to-day activity of Grupo Catalana Occidente is limited. Even so, the entities in the Group are committed to reducing waste generation, promoting the use of biodegradable materials and recycled paper, the optimisation of energy consumption, rational water consumption and, as far as possible, the reuse of equipment through making donations.

The Group carries out its activities in compliance with current legislation on the environment as well as voluntary commitments to promote good environmental practices, as well as energy- and eco-efficiency. In 2018, the Group did not receive any environmental claims, nor did it receive any in 2017.

The environmental impact of the supply chain in the business is low. However, the Group's entities take environmental considerations into account in their relations with suppliers. For example, Atradius has incorporated into its dialogue with its suppliers aspects such as the minimisation of waste or the search for eco-efficient solutions. The entity also has an environmental policy that establishes its management approached for the main challenges of the business.

### Materials

In an effort to achieve effective document management and reduce paper consumption, the implementation of electronic documentation has been promoted in business processes, including those involving the customer. In 2018, paper consumption increased slightly compared to the previous year. Over 19% of the paper consumed is recycled.

In the last two years, around 20% of paper consumption came from recycling processes.

Consumption of materials*	2017	2018
Paper consumption (kg)	1,504,458	1,616,209
% recycled paper	24.5%	19.4%

\* Includes information from Seguros Catalana Occidente, PlusUltra Seguros, NorteHispana Seguros, Seguros Bilbao and Atradius Credito y Caución, excluding Graydon, Gestifatura, Informes and Iberinform Portugal.

\* Paper consumption of Atradius Crédito y Caución has been estimated from the number of sheets, assuming 70 g per sheet.

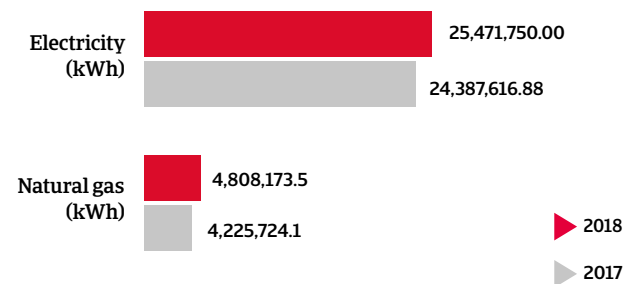
## Energy

Grupo Catalana Occidente promotes good energy practices among its entities, encouraging the consumption of renewable energies. For example, 28% of electricity consumption in the credit business came from renewable sources in 2018.

In 2018 progress was also made in performing energy audits at all electrical supply points. In addition, the maintenance and refitting of Group buildings is governed by principles of energy efficiency, with the aim of reducing their consumption and CO2 emissions. In 2018, new works and reforms included motion detectors, automatic light intensity regulation and the replacement of air conditioning facilities with other more energy-efficient units. These actions have helped to reduce energy consumption by more than 50% in the headquarters of the Group in the traditional business.

13.17% of energy consumed energy in the last year came from renewable sources.

### Energy consumption



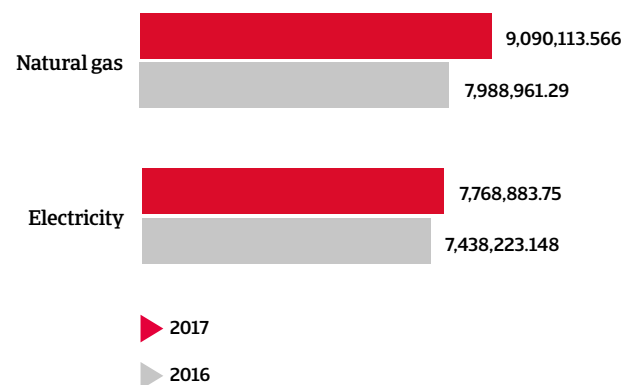
The commitment to the environment is also linked to the daily lives of the employees in the Group's entities. For this reason, electric chargers for vehicles have been installed at some of its most symbolic buildings.

## Emissions

Grupo Catalana Occidente calculates direct (Scope 1, associated with the combustion of natural gas) and indirect (Scope 2, associated with the generation of the electricity purchased) greenhouse gas emissions in accordance with the international guidelines of the World Resources Institute (GHG Protocol, 2004). It also promotes good energy practices among its entities to encourage their reduction.

In 2018, energy saving measures implemented as a whole managed to reduce the direct emissions associated with natural gas consumption by 12%, and the indirect emissions associated with electricity by 10% compared to 2017.

### Emissions (kgCO2e)



\* Emissions calculated from the reported energy consumption (See note 1). Source of emission factors used for the electricity purchased: World Resource Institute (2017). GHG Protocol tool for purchased electricity V.4.9, Spain; for natural gas consumption: World Resource Institute (2015). GHG Protocol tool for stationary combustion. V.4.1.

## Waste

The Group has general practices for recycling office materials across its different headquarters and branches. In 2018, entities in the credit insurance business recycled 21.38% of paper used.

Computers and other electronic items that can still be used are sent to different organisations that can use them for their own activity or donate them to people with fewer resources. In 2018, 281 computers were donated in Spain, which is 13% more than in the previous year. Remaining items that cannot be reused are delivered and recycled at points established by the relevant authority in the Autonomous Community where the entities in the Group are located.

# GRI table of contents 102-55

GRI standard	Content	Page number or URL	Omissions
<b>General Disclosures</b>			
<b>GRI 102:</b> General Disclosures 2016	<b>Organisational profile</b>		
	102-1	Name of the organisation	Grupo Catalana Occidente, S.A.
	102-2	Activities, brands, products and services	7
	102-3	Location of headquarters	Paseo de la Castellana nº4 28046 (Madrid)
	102-4	Location of operations	See Annual Report (p.7, 10, 23)
	102-5	Ownership and legal form	Limited Company
	102-6	Markets served	See Annual Report (p.7, 23)
	102-7	Scale of the organisation	6, 7, 8
	102-8	Information on employees and other workers	19, 20, 27, 29
	102-9	Supply chain	27, 29
	102-10	Significant changes to the organisation and its supply chain	In October 2017, Grupo Catalana Occidente moved its headquarters from Sant Cugat to Madrid
	102-11	Precautionary Principle or approach	14
	102-12	External initiatives	15
	102-13	Membership of associations	15
<b>Strategy</b>			
102-14	Statement from senior decision-makers	3	
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards and norms of behaviour	11, 14, 21	
<b>Governance</b>			
102-18	Governance structure	9	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	18	

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GRI standard	Content	Page number or URL	Omissions	
<b>General Disclosures</b>				
<b>GRI 102: General Disclosures 2016</b>	<b>Organisational profile</b>			
	102-41	Collective bargaining agreements	Employees of the various Group entities are covered by the collective agreements that apply to them. In Spain, 100% coverage of these types of agreements is guaranteed to employees.	
	102-42	Identifying and selecting stakeholders	19	
	102-43	Approach to stakeholder engagement	15, 19	
	102-44	Key topics and concerns raised	16	
	<b>Reporting practice</b>			
	102-45	Entities included in the consolidated financial statements	See page 39 of the Grupo Catalana Occidente, S.A. Annual Report	
	102-46	Defining report content and topic boundaries	15, 16	
	102-47	List of material topics	16	
	102-48	Restatements of information	There has been no restatement of the information	
	102-49	Changes in reporting	15	
	102-50	Reporting period	2018	
	102-51	Date of most recent report	2018	
	102-52	Reporting Cycle	Annual	
	102-53	Contact point for questions regarding the report	Grupo Catalana Occidente	
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards essentials	
	102-55	Index of GRI disclosures	35, 40	
102-56	External assurance	This report has not been submitted for external assurance.		

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GRI standard	Content	Page number or URL	Omissions	
<b>Material issues</b>				
<b>Economic performance, profitability and solvency (GRI 201 Economic performance 2016)</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its boundary	16	
	103-2	The management approach and its components	8	
	103-3	Evaluation of the management approach	8	
<b>GRI 103: Management Approach 2016</b>	201-1	Direct economic value generated and distributed	23, 31	
<b>Risk management and regulatory compliance (GRI 307 Environmental compliance 2016, GRI 419 Socio-economic compliance 2016)</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its boundary	16	
	103-2	The management approach and its components	12, 13	
	103-3	Evaluation of the management approach	12, 13	
<b>GRI 307: Environmental compliance 2016</b>	307-1	Non-compliance with environmental laws and regulations	During 2018, Grupo Catalana Occidente was not subject to any significant penalties or fines related to compliance with environmental regulations.	
<b>GRI 419: Socio-economic compliance 2016</b>	419-1	Non-compliance with laws and regulations in the social and economic area	During 2018, Grupo Catalana Occidente was not subject to any significant penalties or fines related to compliance with laws and regulations in the social and economic area.	
<b>Corporate Governance (GRI 102 General Disclosures 2016)</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its boundary	16	
	103-2	The management approach and its components	9	
	103-3	Evaluation of the management approach	9	
<b>Ethics, integrity and transparency (GRI 102 General Disclosures 2016, GRI 205 Anti-corruption 2016, GRI 206 Unfair competition 2016)</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its boundary	16	
	103-2	The management approach and its components	11, 13	
	103-3	Evaluation of the management approach	11, 13	

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- 02 Corporate Responsibility in Grupo Catalana Occidente
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GRI standard	Content	Page number or URL	Omissions
<b>Material issues</b>			
<b>Ethics, integrity and transparency (GRI 102 General Disclosures 2016, GRI 205 Anti-corruption 2016, GRI 206 Unfair competition 2016)</b>			
<b>GRI 205: Anti-corruption 2016</b>	205-2      Communication and training about anti-corruption policies and procedures	At Atradius Crédito y Caución anti-corruption training is compulsory for all employees. In the case of Spanish entities, the required courses for new joiners include courses related to the prevention of money laundering and terrorist financing.	
<b>GRI 206: Anti-competitive behaviour 2016</b>	206-1      Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	During 2018, there were no legal proceedings of this nature that significantly affected the business of the entity.	
<b>Customer experience</b>			
<b>GRI 103: Management Approach 2016</b>	103-1      Explanation of the material topic and its boundary	16	
	103-2      The management approach and its components	24	
	103-3      Evaluation of the management approach	24, 25	
<b>Data Protection. Cyber Security (GRI 418 Customer Privacy 2016)</b>			
<b>GRI 103: Management Approach 2016</b>	103-1      Explanation of the material topic and its boundary	16	
	103-2      The management approach and its components	26	
	103-3      Evaluation of the management approach	26	
<b>GRI 418: Customer Privacy 2016</b>	418-1      Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2018, Grupo Catalana Occidente has not identified any leaks, thefts or losses of customer data.	
<b>Innovation</b>			
<b>GRI 103: Management Approach 2016</b>	103-1      Explanation of the material topic and its boundary	16	
	103-2      The management approach and its components	8	
	103-3      Evaluation of the management approach	8	

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GRI standard	Content	Page number or URL	Omissions
<b>Material issues</b>			
<b>Quality employment (GRI 401: Employment 2016, GRI 402: Labour/Management relations 2016, GRI 405: Diversity and equal opportunities 2016, GRI 406: Non-discrimination 2016, GRI 407: Freedom of association and collective bargaining)</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its boundary	16
	103-2	The management approach and its components	18, 19, 21 22, 23
	103-3	Evaluation of the management approach	18, 19, 21 22, 23
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	20
<b>GRI 402: Labour/Management Relations 2016</b>	402-1	Minimum notice periods regarding operational changes	In Spain, the minimum notice periods are established in the applicable legislation: Company Collective Agreement, State Collective Agreement, Statute of Workers' Rights. It is a business practice to convene the trade unions to inform them in detail of any important operational changes that may affect the staff, with at least one month's notice of such changes, fulfilling all legal provisions.
<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1	Diversity of governance bodies and employees	10, 20
	405-1	Diversity of governance bodies and employees	10, 20
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	During 2018, GCO received four cases of discrimination through its relevant channels, resolving all of them.
<b>GRI 407: Freedom of association and collective bargaining 2016</b>	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Grupo Catalana Occidente ensures compliance with regard to working relations with workers' representatives and trade union delegates, maintaining and constant and smooth relationship with Trade Unions.

- 01 Grupo Catalana Occidente
- 02 Corporate Responsibility in Grupo Catalana Occidente
- 03 Commitment to our stakeholders
- 04 Our environment

GRI standard	Content	Page number or URL	Omissions
<b>Material issues</b>			
<b>Professional development (GRI 404: Training and education 2016)</b>			
<b>GRI 103: Management Approach 201</b>	103-1	Explanation of the material topic and its boundary	16
	103-2	The management approach and its components	22
	103-3	Evaluation of the management approach	22
<b>GRI 404: Training and education 2016</b>	404-1	Average annual number of hours of training per employee	22
<b>Commitment to society (GRI 203: Indirect economic impacts 2016, GRI 413: Local communities 2016)</b>			
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its boundary	16
	103-2	The management approach and its components	31
	103-3	Evaluation of the management approach	31
<b>GRI 203: Indirect economic impacts 2016</b>	203-1	Infrastructure investments and services supported	31
<b>GRI 413: Local communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	32



## Materiality table - GRI - SDG

Material issues	GRI standards		Coverage				Related SDG	
			Origin*		Involvement**			
			Internal	External	Direct	Indirect		
<b>Economic, profitability and solvency performance</b>	GRI 201	Economic performance 2016	●	●	●	●	SDG 8	Decent Work and Economic Growth
<b>Risk management and regulatory compliance</b>	GRI 102 GRI 307 GRI 419	General Disclosures 2016 Environmental compliance 2016 Socio-economic compliance 2016	●	●	●	●	SDG 16	Peace, Justice and Strong Institutions
<b>Corporate Governance</b>	GRI 102	General Disclosures 2016	●		●		SDG 16	Peace, Justice and Strong Institutions
<b>Ethics, integrity and transparency</b>	GRI 102 GRI 205 GRI 206	GRI 102: General disclosures 2016 GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive behaviour 2016	●	●	●	●	SDG 8 SDG 12 SDG 16	Decent Work and Economic Growth Responsible Consumption and Production Peace, Justice and Strong Institutions
<b>Customer experience</b>	N/A		●	●	●		SDG 3 SDG 12	Health and well-being Responsible Consumption and Production
<b>Data Protection. Cyber Security</b>	GRI 418	Customer Privacy 2016	●	●	●		N/A	
<b>Innovation</b>	N/A		●	●	●	●	SDG 9	Industry, Innovation and Infrastructure
<b>Quality employment</b>	GRI 401 GRI 402 GRI 405 GRI 406 GRI 407	Employment 2016 Labour/Management relations 2016 Diversity and equal opportunities 2016 Non-discrimination 2016 Freedom of association and collective bargaining 2016	●		●		SDG 5 SDG 8 SDG 10	Gender Equality Decent Work and Economic Growth Reduced Inequality
<b>Professional development</b>	GRI 404	Training and education 2016	●		●		SDG 4	Quality Education
<b>Commitment to society</b>	GRI 203 GRI 413	Indirect economic impacts 2016 Local communities 2016	●	●	●	●	SDG 3 SDG 11	Health and well-being Sustainable Cities and Communities

### 17 goals to transform our world



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