

A red L-shaped graphic element consisting of a vertical line on the left and a horizontal line at the bottom, forming a corner bracket around the text.

# **Sustainability Policy**

## **Fidelidade Group**

### **Identification of Responsibilities**

**Drafting:** Sustainability Division (*Direção de Sustentabilidade*)

**Final approval:** Executive Board

### **Approval**

**Executive Board Meeting:** 20/12/2022

### **Version History**

<b>Version</b>	<b>Date</b>	<b>Overview of amendments</b>
1.0	20/12/2022	First version

### **Overview of the review of chapters/appendices of the latest version**

**Revised  
Chapter/  
Appendix**

**Overview of amendments**

**NONCOMMITTAL TRANSLATION.** THIS IS A FREE TRANSLATION INTO THE ENGLISH LANGUAGE FROM THE ORIGINAL PORTUGUESE VERSION AND IS INTENDED ONLY FOR SUPPORTING PURPOSES. THE ONLY BINDING WORDING IS THE ONE IN THE PORTUGUESE LANGUAGE.

This document sets out the main principles for integrating Sustainability into the Fidelidade Group. Being aware of the impact of its business on environmental, social and governance factors, the Fidelidade Group defines a policy to generate long-term value and well-being for its stakeholders. This Sustainability Policy (the “Policy”) applies to all Fidelidade Group companies.

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# 1. Framework, Objectives and Scope

The Fidelidade Group's priority is to position itself at the forefront of sustainability in the range of areas in which it operates, going beyond legal and regulatory requirements in order to meet the expectations of clients and partners, changing their behaviour, and playing an active role in positively impacting society.

In acknowledging the importance of the insurance sector in the transition to a more sustainable economy, the Fidelidade Group is committed to aligning its activities with the best practices in investment management and product development, in order to minimise the impact of its business on environmental, social and governance factors for its stakeholders and Society in general.

The Fidelidade Group thus consolidates its response to the objectives defined in its commitment to sustainable development, strengthening its position with its stakeholders.

This Policy reflects the Fidelidade Group's vision on sustainability and guarantees its consistency across all activities. Its main objective is to identify the principles that guide the Group's business model, its value creation process and compliance with the respective legal and regulatory obligations.

This document sets out the following points:

- Fidelidade Group's commitments to sustainability;
- Group strategy and positioning on sustainability to achieve the defined goals;
- How sustainability objectives are integrated into the Group's other policies and processes;
- Corporate sustainability governance model, roles and responsibilities for the implementation and monitoring of the respective strategy.

Fidelidade, as an individual entity and parent undertaking of the Group, implements, leads, and monitors the application of the sustainability strategy to all Group Entities, and it is up to these entities to adopt it with the amendments that are justified by the nature and complexity of their specific characteristics. Any amendments to the terms of this Policy by these entities will be subject to corporate level approval.

This Policy applies to all Fidelidade Group companies.

Fidelidade Group companies present in other geographies outside Europe, including those with majority Fidelidade shareholdings, when required to have a Sustainability Policy, integrate the principles of the present Policy into their own Policies, with the adjustments that are due in view of the legal and regulatory requirements of the respective jurisdiction.

# 2. Strategy and Commitments

The Fidelidade Group is strongly committed to the integration of ESG factors in all its processes and activities, assessing their long-term impacts, and contributing to the consistent management of exposure to inherent risks.

## a) Strategy and Vision

The Fidelidade Group positions itself as a driver of behavioural change in society, aware of its role and impact in the various areas. It is attentive to the social challenges that impact the actions of all economic agents, such as demography, the challenges of longevity and ageing of the population, health, literacy, the importance of prevention and climate change. It is also aware of the adverse impacts of its actions and the resulting occurrence of extreme events with a transversal impact on the resilience and cohesion of Society. The Fidelidade Group has a long-term commitment to sustainability, ranging from its business activities to its influence on the insurance ecosystem.

In selecting the strategic and priority areas for the Fidelidade Group, the stakeholders were consulted, and such priorities were structured in a materiality matrix that evaluates them in the dimensions of relevance to society and to the business.

The strategic and priority areas are the following

- Sustainable investment;
- Sustainable products and services;
- Innovation models and digitalisation of services;
- Diverse, fair, and inclusive employment;
- Resource efficiency;
- Procurement (by adopting sustainable criteria in the selection of providers);
- Raising a sustainability awareness among clients, partners, and providers.

Based on this evaluation, the Fidelidade Group has defined its vision for sustainability, which is based on three axes of action:

*Vision 2030 – Prepare the future, contribute to the resilience of Society and positively impact all stakeholders, as follows:*

- A.** By taking on a relevant role **in the social dimension and** impacting Society as a whole;
- B.** By taking a proactive role in the **ecological transition**; and
- C.** By being a **responsible and exemplary** economic agent.

These axes of action materialise in tangible actions with a relevant impact on society.

## b) Performance Commitments

The Fidelidade Group materialises its sustainability ambition in ten commitments tailored to its business activities, distributed across environmental, social and governance factors and directly linked to the Sustainable Development Goals (SDGs) defined by the United Nations:

1. Offering more sustainable products and services, by promoting the adoption of behaviours aligned with this goal and by considering the sustainability interests of their clients. (*Alignment with SDG 3, SDG 9, SDG 10 and SDG 13*)

2. Responsible investor and issuer of Green Bonds, making the asset portfolio more sustainable and consequently having a higher number of ESG-compliant investments. *(Alignment with SDG 8, SDG 13 and SDG 17)*
3. Commitment to calculate our carbon footprint across the entire value chain, across operations, insurance, and investments, in order to implement reduction measures that contribute to the objectives of the Paris Agreement. *(Alignment with SDG 9, SDG 12 and SDG 13)*
4. Sustainable Procurement, enhancing the sustainability trajectory of stakeholders along the value chain by incorporating ESG criteria into the supplier selection process in line with ISO 20400:2017. *(Alignment with SDG 12 and SDG 17)*
5. Promoter of investments in sustainable ecosystems that contribute to the regeneration of the planet and act as carbon sinks. *(Alignment with SDG 8, SDG 10, SDG 13 and SDG 17)*
6. Active promoter and orchestrator of sustainability in the economy, making a decisive contribution to fostering a more sustainable society in articulation with other companies and national entities in each country. *(Alignment with SDG 13 and SDG 17)*
7. Maintain the WeCare spirit in its commitment to clients, going beyond what is legally required in supporting the most serious claimants, and ensuring continuous aid to the population in the markets where it operates. *(Alignment with SDG 3 and SDG 10)*
8. To be one of the best business groups to work for, supporting employees at the end of their careers, offering social responses in case of employee need, ensuring best practices in terms of health and safety at work, and promoting diversity, equity, and inclusion. *(Alignment with SDG 8 and SDG 10)*
9. To be an active agent in social responsibility, assuming a role in promoting a more cohesive and resilient society, by working together with social organisations that contribute to the most pressing social challenges. *(Alignment with SDG 3, SDG 10, SDG 13 and SDG 17)*
10. Being a signatory to the main global sustainability commitments, thus demonstrating the Fidelidade Group's full alignment with the United Nations' sustainable development goals and its adoption of best practices in terms of sustainability. *(Alignment with SDG 10, SDG 13 and SDG 17)*

### c) Institutional Commitments

The Fidelidade Group has a set of commitments to sustainability programmes outlined by national and international organisations, which underpin its positioning and actions as a responsible and sustainable entity.

The following are the commitments to which the Group is a signatory:

- *UN Global Compact*;<sup>1</sup>
- *PSI – Principles for Sustainable Insurance*;
- *CEO's call to action "A new deal for Europe" of CSR Europe*<sup>2</sup>;

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<sup>1</sup> <https://www.unglobalcompact.org/>

<sup>2</sup> <https://www.csreurope.org/newsbundle-articles/we-need-a-european-pact-for-a-sustainable-industry>

- *BCSD Portugal Manifesto "Rumo à COP 27" (Towards COP 27)*;
- *Charter of Principles of BCSD Portugal*<sup>3</sup>;
- *Lisbon European Green Capital 2020 Commitment*<sup>4</sup>.

### 3. Policies and Processes

#### a) Sustainability in the remaining Policies

The strategic positioning of the Fidelidade Group, and its mission, vision, and values, integrate sustainability concerns into most policies and processes, based on the pillars and resources defined above, thus promoting the fulfilment of its strategic plan, and fostering its transversal compliance.

In addition, it ensures that existing governance models and required policy responsibilities are aligned with the implementation of the strategic sustainability plan.

In order to promote a gradual, consistent, and effective integration of sustainability, initiatives should be considered to plan, legitimise, monitor, redress and communicate it. Such initiatives should be mirrored in existing Group policies and processes, where applicable.

#### b) Sustainability-related Disclosures

The Fidelidade Group reports on sustainability issues in its Integrated Report (*Relatório Integrado*), detailing the sustainability strategy, asset and investment management principles, analysis of the materiality of sustainability risks, relevant ESG metrics and indicators, the governance model in the context of sustainability, and any other underlying standards and commitments to which the Group subscribes.

The metrics to be disclosed should follow the recommendations of the different reporting standards subscribed or the existing regulations, in order to ensure compliance with the market, the supervisory entity and the applicable sustainability reporting requirements.

The Group also undertakes to communicate and publicly disclose the mandatory information, within the scope of Sustainable Finance, and without detriment to other legal and regulatory obligations, namely:

- Sustainable Finance Disclosure Regulation (SFDR)<sup>5</sup> regarding disclosure requirements for financial market participants;

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<sup>3</sup> [https://bcdsportugal.org/wp-content/uploads/2022/04/Charter-of-Principles\\_BCSDPortugal\\_ENG.pdf](https://bcdsportugal.org/wp-content/uploads/2022/04/Charter-of-Principles_BCSDPortugal_ENG.pdf)

<sup>4</sup> The Lisbon European Green Capital 2020 - Climate Action 2030 commitment signed by 200 institutions, sets out a series of environmental actions to be implemented to contribute to the 2030 agenda. <https://lisboaparticipa.pt/compromissoverde>

<sup>5</sup> Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, which outlines the requirements for entity-level and product-level disclosures by financial market participants.



- Corporate Sustainability Reporting Directive (CSRD)<sup>6</sup>, as regards corporate sustainability reporting;
- EU Taxonomy (art.8)<sup>7</sup>, concerning the disclosure of the alignment of the group's activities and its investments with the Taxonomy Regulation.

At the reporting level, it complies with *the* Global Reporting Initiative (GRI)<sup>8</sup>.

## 4. Governance

Fidelidade's Sustainability Division (*Direção de Sustentabilidade*) is responsible for including sustainability in the Group's business model and processes, as well as for monitoring the adequacy and effectiveness of the implementation of the strategy defined to ensure its sustainable commitments and objectives.

This Division reports directly to Fidelidade's Chief Executive Officer. It has an extended team of focal points in all of the Group's companies and operations as a guarantee of permanent monitoring of sustainability issues and their compliance at local level, with the necessary adjustments to the respective specificities.

A Sustainability Committee (*Comité de Sustentabilidade*) is also in place to ensure the discussion and monitoring of priority sustainability issues.

The strategic positioning defined, as well as its objectives, shall be reviewed annually or whenever significant changes justify it, by the Executive Board upon proposal by the head of the Sustainability Division (*Direção de Sustentabilidade*).

It is the responsibility of Fidelidade's Sustainability Division (*Direção de Sustentabilidade*) to develop the non-financial information reports, and of the Executive Board to approve them, considering the legal requirements in force and the reporting standards to which the Group subscribes. In all these reports, the defined strategic positioning at sustainability level should be reflected, ensuring the level of detail of information required for such.

## 5. Final Dispositions

This Policy is disclosed internally on the respective internal portals and externally on the Fidelidade website, as well as its further amendments, after the corresponding approval.

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<sup>6</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, to enhance the nature and extent of non-financial reporting on sustainability matters.

<sup>7</sup> Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. It is a Regulation that establishes the criteria for the classification of the environmentally sustainable proportion of the company's economic activities, as well as the content and presentation to be disclosed in relation to this matter.

<sup>8</sup> GRI - Sustainability Reporting Standards - <https://www.globalreporting.org/>

The Sustainability Division (*Direção de Sustentabilidade*) is responsible for reviewing this Policy, with the support of the Legal Affairs Division and of the Corporate Affairs General Division (*Direção de Assuntos Jurídicos & Direção Geral de Assuntos Corporativos*), which will then be submitted to the Executive Board for analysis and approval.

This Policy shall be reviewed annually in accordance with the applicable legal and regulatory standards, or when any significant change, notably of a legislative or regulatory nature, so warrants.