



Engagement Policy

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1. Introduction

VidaCaixa S.A.U. de Seguros y Reaseguros (hereinafter, "VidaCaixa" or "the Entity") and the rest of its companies (hereinafter, together with VidaCaixa, "the VidaCaixa Subgroup" or "the Subgroup"), in accordance with the mission and values of the CaixaBank Group, takes into account responsible investment criteria in the management of its investments based on the principles of sustainable investment and transparency in management.

The inclusion of environmental, social and governance (ESG) criteria and their integration into investment management can help improve the long-term financial results of companies and contribute to greater economic and social progress. Within this context, VidaCaixa integrates ESG factors, using as its main reference the Principles for Responsible Investing (hereinafter 'PRI') criteria promoted by the United Nations, which it has adhered to since 2009.

In addition, VidaCaixa is committed to integrating ESG factors into the organisation, following as a reference the *Principles for Sustainable Insurance* (hereinafter, PSI) of UNEP FI (*United Nations Environment Programme Finance Initiative*), to which it has adhered since 2020.

Similarly, for the management of investments, VidaCaixa takes into account the social aspects included in its Human Rights Principles and its Sustainability Risk Integration Policy, which establishes the commitment to respect the main international declarations and principles, including:

- The International Bill of Human Rights of the United Nations, which includes:
 - The Universal Declaration of Human Rights
 - The International Covenant on Civil and Political Rights
 - The International Covenant on Economic, Social and Cultural Rights
- The ILO Declaration on Fundamental Principles and Rights at Work and the eight core conventions it has identified.
- The Charter of Fundamental Rights of the European Union.
- The United Nations Guiding Principles on Business and Human Rights.
- The OECD Guidelines for Multinational Enterprises.
- The United Nations Global Compact.

Similarly, the Entity, for the management of investments, takes into account the environmental aspects, included in its Sustainability Risk Integration Policy, which establishes, among others, that the following are taken into account:

- The Paris (COP21) and Katowice, Poland (COP24 on climate change) Agreements.
- The United Nations (UN) Sustainable Development Goals (SDGs).
- The energy transition scenario adopted by the Government of Spain.
- The European Union's aim to be climate neutral by 2050.
- Kunming-Montreal Global Biodiversity Framework (COP15 on biodiversity).

VidaCaixa has taken on additional climate commitments in the insurance company's investment portfolio, as a member of the Net Zero Asset Owner Alliance. These commitments align the portfolio with a scenario of a temperature increase below 1.5°C, as outlined in the Paris Agreement.

In addition, VidaCaixa is committed to and supports the recommendations on climate change of the Task Force on Climate-Related Disclosure (or "TCFD").

The integration of ESG criteria in the management of investments as a principle of action is compatible with the establishment, if deemed appropriate, of criteria for the exclusion¹ of certain assets from the investment portfolio.

ESG analysis is intended to be applied to all the assets in the portfolio and seeks constant improvement in the medium to long term. To this end, VidaCaixa uses data from suppliers specialising in ESG issues in its analyses and takes into account due diligence procedures carried out with external fund managers. It also relies on partners to establish the criteria, methodologies and procedures required in order to carry this out. Additionally, it participates in forums and working groups on ESG issues, coordinating with the rest of the CaixaBank Group companies and collaborating on regulatory developments that are being considered at the international level, such as the Sustainable Finance Action Plan of the European Commission.

VidaCaixa wants to be an active owner of its investments and exercise the rights that derive from this, especially in the areas highlighted by the PRIs:

- Participating directly or indirectly in forums and working groups that seek to promote dialogue with asset managers and companies in which it is invested, from which it may disinvest in the event of incompatibility with the aspects previously expressed or with our policies.
- Exercising the political rights of equity positions on their own or on behalf of their customers and voting at general shareholder meetings, according to ESG criteria.

¹ VidaCaixa states its opposition to investing in companies or States that engage in reprehensible practices that violate international treaties such as the United Nations Global Compact, of which it is a signatory. Similarly, the Entity will not invest in companies in sectors or activities excluded under the Policy on the Integration of Sustainability Risks.

2. Objective and scope

The objective of this Policy is to compile, in terms of engagement, the general principles, criteria and procedures of the portfolios managed by VidaCaixa, in its capacity as insurer and manager of pension funds and Complementary Social Security Providers (hereinafter, CSSP). The priorities in terms of engagement and associated objectives will be defined in a periodic document: the VidaCaixa Engagement Plan.

This Policy is group orientated; VidaCaixa's insurance subsidiaries must therefore define and approve their own Policies by their respective governing bodies so that they are aligned with this Policy, although they may and must compile additional singularities with respect to it to ensure the best implementation and adaptation to local regulatory frameworks.

In this sense, the dialogue activities with companies and suppliers of investment products, and the exercise of the rights inherent to the listed securities that comprise the portfolios managed by VidaCaixa, will be carried out with the aim of preserving as much as possible the exclusive interest of customers and participants, with total independence and objectivity with respect to the interests of the CaixaBank Group.

Similarly, mechanisms will be established in order to preserve the reputation of VidaCaixa, as a manager and insurer, for its customers and participants, as well as to contribute to greater economic and social progress through the companies where it invests on its own behalf and for its customers.

This Policy may be applicable to those pension funds and CSSPs that, in having direct investment in shares, have delegated in whole or in part the management of their political and economic rights as shareholders in VidaCaixa and expressly state their willingness to adhere to it.

3. Regulatory Framework

The applicable legislation in this area is Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017, amending Directive 2007/36/EC (hereinafter, "SRD II"). In turn, the aforementioned regulations have been transposed into the Spanish legislative system through (i) Royal Decree-Law 3/2020, of 4 February, on urgent measures incorporating into the Spanish legal system various European Union directives in the field of public procurement in certain sectors; private insurance; pension plans and funds; taxation and tax litigation (hereinafter, the "Royal Decree-Law 3/2020"); (ii), Royal Decree 738/2020, of 4 August, amending Royal Decree 304/2004, of 20 February, approving the Regulations on pension plans and funds, and Royal Decree 1060/2015, of 20 November, on the organisation, supervision and solvency of insurance and reinsurance entities (hereinafter, "Royal Decree 738/2020"); and (iii) Decree 92/2007, of 29 May, regulating the exercise of certain activities of Voluntary Social Security Providers, amending Decree 87/1984, of 20 February, which approves the Regulations of the Law on Voluntary Social Security Providers.

The objective of the above regulations is twofold:

- Improve the transparency of investment strategies, engagement policies and the voting process, especially when using proxy advisors.
- Encourage the engagement of institutional investors (life insurance companies, Pension Fund Management Entities (EGFP) and Occupational Pension Funds (FPE)), in the governance of the invested companies. In accordance with the SRD II Directive itself, as well as the explanatory memorandum of Royal Decree-Law 3/2020 and Royal Decree 738/2020.
- To exercise all the rights inherent to the values embedded in the VMBOs, for the exclusive benefit of their ordinary and beneficiary members, in cases where the governing body of the VMBO has delegated the exercise of political rights to the Management Entity.

4. General principles

In general, VidaCaixa has a long-term investment vocation, and that is why dialogue with companies and/or suppliers of financial products will be encouraged as the main mechanism to improve the sustainability of the companies where it invests.

The engagement strategy with listed entities focuses mainly on governance, social and environmental aspects due to the potential for long-term value creation for shareholders, valuing positively and encouraging the use of the OECD Guidelines² as a point of reference by companies.

In the exercise of this engagement strategy, the fact that not all listed companies or industries are equal is taken into account, given their characteristics in terms of business and how they manage the different risks. Therefore, the focus will be on the most material issues that each company must address, the engagement strategy differing according to the characteristics of each one.

VidaCaixa, in accordance with its fiduciary responsibility, and with the purpose of being an active owner of its investments, establishes mechanisms to initiate dialogue actions with companies and suppliers of investment products, in order to modify any identified conduct that:

- Contravenes the values of VidaCaixa or its customers and participants of Pension Funds and CSSP.
- Permits alignment with the strategic opportunities and risks identified by VidaCaixa and the CaixaBank Group such as climate change and the follow-up of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), as expressed through the declaration of climate change, or linked to risks related to nature, such as the loss of biodiversity, as expressed in the declaration of nature, as well as the opportunities and risks expressed by the CaixaBank Group through the Sustainable Development Goals (SDGs).
- Has a negative impact on society, the environment, as well as its reputation or solvency. In these cases, dialogue is also initiated with the suppliers of the affected investment funds.
- This involves holding, through investment funds managed by other entities, positions in companies excluded by VidaCaixa or by Employment Pension Funds and CSSP.
- Allow the interests expressed by customers and participants to be represented, provided that they do not contradict any of the above general principles.

VidaCaixa may establish dialogue either directly with the providers of investment products and companies, in collaboration with other investors, or through a third party on their behalf.

In the case of dialogue with companies, as far as possible, and always preserving the independence and interest that it presents, collaborative actions with other investors are evaluated, given that they can have a greater impact on the modification of the companies' behaviour.

In the case of third-party products, such as investment funds, in addition to the dialogue procedures, due diligence will be carried out periodically to evaluate the ESG integration processes at the managerial level

² OECD Guidelines for Multinational Enterprises, 2011 Edition.

and the investments it makes. Among the aspects considered, special attention will be paid to the mechanisms available to them in terms of engagement, dialogue and voting.

The attendance and voting rights of the listed securities will be exercised directly or will be delegated to another shareholder or to the Chairperson of the Board of Directors of the companies in whose capital they participate. The meaning of the vote indicated in the delegation, previously decided by VidaCaixa, will be mandatory.

The right to vote will be exercised or delegated in the sense deemed most convenient for the interests of the shareholders/customers, according to the nature of each of the resolutions submitted for consideration by the General Shareholders' Meeting, and on the basis of the information publicly available or that has been made available to shareholders on the occasion of the General Shareholders' Meeting.

If a dialogue with a company does not lead to a positive outcome, voting may be used as an escalation tool, such as supporting shareholder proposals for greater transparency or improved ESG performance, or voting against the re-election of a board member responsible for ESG issues, if an adverse impact has occurred.

The decision on the meaning of the vote will be taken with total independence and objectivity with respect to the interests of the CaixaBank Group.

5. Sources of information for the start of the dialogue

For the identification of the events described in the general principles that may involve the initiation of dialogue, different sources of reference information are available, on which dialogue initiation criteria are established. The main sources are detailed below:

- The recommendations of ESG data providers engaged by VidaCaixa for this purpose. In this case, dialogue will be initiated when a company receives an ESG rating rated as very low, when there is an extremely serious dispute, when a negative sustainability impact is identified based on the Principal Adverse Impacts (PIAs), or when a company excluded by VidaCaixa or customer policies is detected, and whose exposure is related to a vehicle managed by third parties.
- The analyses and recommendations of a proxy advisor³, hired by VidaCaixa for the exercise of the political rights of listed companies.

In this case, the recommendation on the reason for voting against any of the points raised for approval by the shareholders' meeting and submitted by the board of directors of the listed companies, may involve the initiation of dialogue.

- Communications and penalties from regulators and supervisory bodies. In these cases, penalties that have a manifest reputational and solvency impact on companies and suppliers may entail the start of dialogue.
- The news published by the media, financial analyses or those expressed by the suppliers themselves proactively or informed in the periodic questionnaires carried out for this purpose by VidaCaixa.
- The PRI clearing house platform where the signatories or the organization itself proposes dialogue activities to the rest of the signatories.
- Those fostered by the customers of VidaCaixa or the CaixaBank Group, once analysed, and validated by the respective decision-making bodies.
- Proposals and analyses of the group dialogue initiatives to which VidaCaixa adheres, which are actively contributing to the implementation of the dialogue.

³ Proxy advisors who issue recommendations on the voting outcome of different resolutions submitted for approval at the General Shareholders' Meetings (GSMs).

6. Procedures for Dialogue Actions and Voting

6.1 Implementation of dialogue actions

VidaCaixa takes into account the following aspects in order to ensure an adequate monitoring of investments:

- Set the objectives of the dialogue⁴, and circumstances under which an escalation strategy will be implemented, specified in actions or processes to be implemented in the event that this dialogue is not conclusive.
- Prepare an inventory of the issues or aspects that will be taken into consideration when relating to the companies in which it invests, and which, in particular, will be considered and reviewed prior to meetings and conversations with the relevant companies. In particular, VidaCaixa will take into account, among others: investment strategy, financial and non-financial return on investment, risks, capital structure, corporate governance and social and environmental impact.
- Establish guidelines for the governance of the engagement process such as:
 - Determine relevant contact persons in the company.
 - Contact relevant people to explain the objective of VidaCaixa.
 - Ensure that all issues included in the inventory are discussed in the meetings.
 - Collect the responses of the companies in order to carry out an analysis of strengths and weaknesses with respect to the objective pursued by VidaCaixa and share feedback.
 - Conduct internal monitoring and evaluation.
- Redefine and adjust dialogue objectives after each meeting, if necessary. VidaCaixa will periodically carry out a re-evaluation of the aforementioned indicators, as well as other relevant information relating to the company, in order to make a decision on whether to carry out the divestment or not, depending on the degree of achievement of the objectives established by VidaCaixa.
- Evaluate potential conflicts of interest. VidaCaixa has a Policy that constitutes a general framework for managing possible conflicts of interest, as well as a regulation that implements this, in order to ensure, among others, the interests of customers.

Priority topics in terms of dialogue, the criteria for selecting the entities with which to establish dialogue (including their principal adverse environmental and social impacts), and the objectives in terms of dialogue by topic are defined in greater detail and on a regular basis in the VidaCaixa Engagement Plan.

Dialogue with an entity can be held through different channels:

⁴ Dialogue with companies or providers of financial products

- By establishing direct contact with an entity (e.g. through emails sent to a company or holding meetings with a manager).
- By establishing indirect contact with an entity through a provider specialising in dialogues on ESG issues, which contacts companies on behalf of VidaCaixa (on the condition that the content and objectives of the dialogue are validated beforehand), among other investors.
- By establishing a group dialogue with other investors within the framework of group initiatives, with more or less direct involvement of the entity on a case-by-case basis. These collaborative initiatives bring together different investors and can therefore achieve greater impact and efficiency. The companies do not need to address each investor's requirements concerning the same subject on which several investors agree.

6.2 Exercise of the voting rights of the listed securities during the investment period

The companies in which it is invested must have an ESG strategy that is coherent and aligned with their corporate strategy. Those companies with strong governance and sustainability policies aim to act in the best interests of all stakeholders and are best positioned to manage not only financial but also non-financial risks.

VidaCaixa will exercise the political rights inherent to all types of Listed Securities that make up the portfolios managed for the exclusive benefit of holders/customers.

The meaning of the vote is defined taking into account the company's performance in terms of sustainability, and in accordance with the main treaties and agreements, such as those cited in this policy, in order to support:

- Sustainable business practices that advocate for environmental protection, fair labour practices, non-discrimination and the protection of human rights.
- Corporate ESG actions that present new opportunities or mitigate related financial and reputational risks.
- Commitment to creating and preserving economic value through good corporate governance.

For this purpose, as a general criterion, the recommendations of a globally recognized proxy advisor will be followed.

As a general rule, the right to vote of all general meetings of shareholders will be exercised, unless a possible blockage of the shares could cause potential economic damage to the management of the investments.

7. Governance framework

7.1 Governing bodies

The governing bodies of VidaCaixa perform duties associated with their responsibility for approving and supervising the strategic and management guidelines established in terms of sustainability/corporate social responsibility, as well as for the supervision, monitoring and integrated control of risks as a whole, including sustainability risks.

7.1.1. Board of Directors of VidaCaixa

VidaCaixa's Board of Directors is responsible for implementing a risk governance framework in line with the level of VidaCaixa's risk appetite, in line with what is established by the CaixaBank Group. Similarly, it is responsible for the strategic definition of VidaCaixa and its Subgroup, the organization required for its implementation and the supervision and control of compliance by management with the objectives and management guidelines as established by the Board of Directors, all in accordance with its purpose and corporate interest.

In this regard, the Board of Directors is responsible for:

- Approving the sustainability strategy.
- Approving policies that implement the sustainability strategy, including this policy.
- Periodically monitoring and assessing the implementation of the sustainability strategy.
- Approving the adhesions to new initiatives relevant to sustainability.

7.1.2. Appointments, Remuneration and Sustainability Committee

The Appointments, Remuneration and Sustainability Committee supervises the performance of VidaCaixa in relation to sustainability issues, including the review and proposal to the Board of the approval of VidaCaixa policies, declarations and standards that implement the sustainability strategy.

7.1.3. Risk Committee

The Risk Committee advises VidaCaixa's Board of Directors on the VidaCaixa Subgroup's overall risk appetite and its strategy in this area. Within the framework of the management of dialogue activities with companies and suppliers of investment products, and the exercise of the rights inherent to the listed securities that make up the portfolios managed by VidaCaixa, this Committee:

- Proposes the approval of this Policy to the Board.
- Monitors the degree of adequacy of the risks assumed to the previously decided profile and ensures that the Subgroup's actions are consistent with the established tolerance levels.

- Determines, jointly with the Board of Directors, the information that the Board of Directors must receive and establishes what this Committee must receive, so that there is sufficient knowledge of the exposure to this risk when taking decisions.
- Assesses the risk of regulatory compliance in this area of action and decision-making, detecting any risk of non-compliance and monitoring and examining potential deficiencies in accordance with ethical principles.
- Ensures that the Subgroup is equipped with the means, systems, structures, and resources consistent with best practices to implement its strategy for managing this risk.

7.1.4. Audit and Control Committee

VidaCaixa's Audit and Control Committee oversees the effectiveness of internal control systems and financial and non-financial risk management.

Additionally, and already in the scope of action of the Entity, the Audit and Control Committee of VidaCaixa ensures that the Internal Audit Function ensures the proper operation of the information and internal control systems, checking their adequacy and integrity.

7.2 Committees

7.2.1. Steering Committee

VidaCaixa's Management Committee is responsible for implementing the consolidated Strategic Plan and Budget approved by the Board of Directors. In addition, it approves structural changes, appointments, and business strategies and investments.

In this implementation, it adopts agreements, directly or through its delegated committees, on matters of sustainability.

Specifically, and already in the area of VidaCaixa, the Management Committee:

- Approves VidaCaixa's policies related to sustainability, as well as to the adhesions and public commitments in this matter.
- Receives regular feedback on sustainability initiatives.

7.2.2. Investment Committee

The Investment Committee is responsible for establishing and approving the investment positioning, approval and endorsement of the operations carried out by the insurer, as well as ensuring proper management, monitoring and control of the investments of the insurer and customers in accordance with the defined investment policies and the current regulatory framework.

Similarly, it is responsible for optimizing and making profitable the financial structure of VidaCaixa's balance sheet, all under the risk appetite and risk limits framework policies approved by the Board of Directors and based on the principles of sustainable investment and transparency in management, as well as the integration of ESG aspects.

7.2.3. Global Risk Committee

VidaCaixa's Global Risk Committee is the body dependent on the Risk Committee responsible for managing, controlling and monitoring, among other things, reputational risk, as well as its implications for solvency management and capital consumption.

In order to do this, it analyses the global positioning in relation to this risk, establishes or reviews the policies that optimise its management, and monitors and controls within the framework of the strategic objectives for the VidaCaixa Subgroup.

In relation to sustainability, as a key component of reputational risk management, the Global Risk Committee reviews this policy prior to its submission to the governing bodies.

8. Control framework

VidaCaixa fosters a risk culture that promotes risk control and compliance, as well as the establishment of a robust internal control framework that extends to the entire entity and enables fully informed decisions regarding the risks assumed.

The internal control framework of the VidaCaixa Subgroup is structured by Levels of Control, which follow the Three Lines of Defence model of the CaixaBank Group, which guarantees the strict segregation of duties and the existence of several layers of independent control:

- The first level of control consists of the procedures and processes of the operating units that manage the dialogue activities with companies and suppliers of investment products, and the exercise of the rights inherent to the listed securities that make up the portfolios managed by VidaCaixa. They are responsible for applying internal policies and procedures in this area, proactively implementing risk identification, management, and mitigation measures, and establishing and implementing appropriate controls.
- Specifically, the Investment Division serves as the first level of management control.
- The Regulatory Compliance Function, as a function of the second level of internal control of reputational risk, will ensure the quality of the entire process of managing socially responsible policies; review the coherence of the internal policy with the guidelines on sustainability and ensure the existence of specific controls on compliance with the Policy.
- The Risk Management Function, as an internal control function, constitutes the second level of control of Financial Risks. Its contribution will include an assessment of the risks under its scope of action arising from new activities, possible deficiencies in the Entity's risk management and internal control frameworks, and the Entity's ability to manage new risks effectively.
- The Internal Audit Function, as the internal oversight function that constitutes the third level of control, will carry out periodic control activities on the effectiveness and efficiency of the sustainability management framework, including the controls of the first and second level of control, as well as on compliance with current legislation, the requirements of supervisory bodies and internal policies and procedures related to this risk. According to the results of its controls, it will issue value recommendations to the areas, monitor their proper implementation and, where appropriate, make recommendations to the Governing Bodies and propose possible improvements.

The Regulatory Compliance Function, the Actuarial and Risk Function and the Internal Audit Function, as the responsible divisions in the parent company, take on strategic approach, supervision and coordination with regard to the respective internal control functions of the subsidiaries, while safeguarding their respective scopes.

The existence of controls on the proper application of the general principles established in this Policy must be guaranteed, as well as, where appropriate, its development in internal frameworks and procedures.

9. Updating of the Policy

This Policy will be reviewed on a general basis every three years, notwithstanding the possibility of a more frequent review if relevant needs for modifications, adaptations, updates or replacements are identified in any of its sections.

It is the responsibility of the Strategy and ESG Directorate to update this Policy periodically or when the relevant and aforementioned changes occur.

When modifications are made outside the established period, at least annually, if they are of a minor nature, approval by the Global Risk Committee is enabled at the proposal of the Investment Committee and with the prior agreement of the Management Committee. For these purposes, minor modifications are understood to be those resulting from organizational changes without implications for sustainability management functions, purely typographical corrections, or the result of updating documents referenced in the Policy and modifying the annexes.

The Risk Committee will always be informed of modifications approved by the Global Risk Committee. If the Risk Committee deems it appropriate, it may submit the modifications to the Board of Directors.

| 10. Advertising and transparency

Once this policy has been approved by the Board of Directors, it will be made available to all VidaCaixa staff through the Intranet for their information.

Similarly, this Policy will be published on the corporate website of VidaCaixa, thus promoting the commitment and transparency of the Entity on the aforementioned points.

On an annual basis, VidaCaixa will publish information on how it has applied the Policy, including a general description of its behaviour in relation to its voting rights, an explanation of the most important votes in which it has participated, and, where appropriate, the use of the services of voting advisors.

Similarly, it will publish on an annual basis the meaning of its vote, except when the obligation is legally excepted and with respect to votes that are immaterial due to the object of the vote or the size of the participation in the Entity.