PROGRESS REPORT

UNEP-FI PRINCIPLES FOR SUSTAINABLE INSURANCE

2025



FIDELIDADE

SEGUROS DESDE 1808

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This report presents Fidelidade Group's self-assessment regarding the implementation of the Principles for Sustainable Insurance (PSI). It provides an overview of how Fidelidade Group has been working to implement the Principles for Sustainable Insurance (PSI), demonstrating its ongoing commitment as a signatory.

PRINCIPLES FOR SUSTAINABLE INSURANCE

The Fidelidade Group ("The Group") became a signatory to the Principles of Sustainable Insurance (UNEP-FI PSI) on 25 November 2020. This adherence demonstrates our commitment to upholding and monitoring these principles, as well as our dedication to voluntarily develop business practices in line with them.

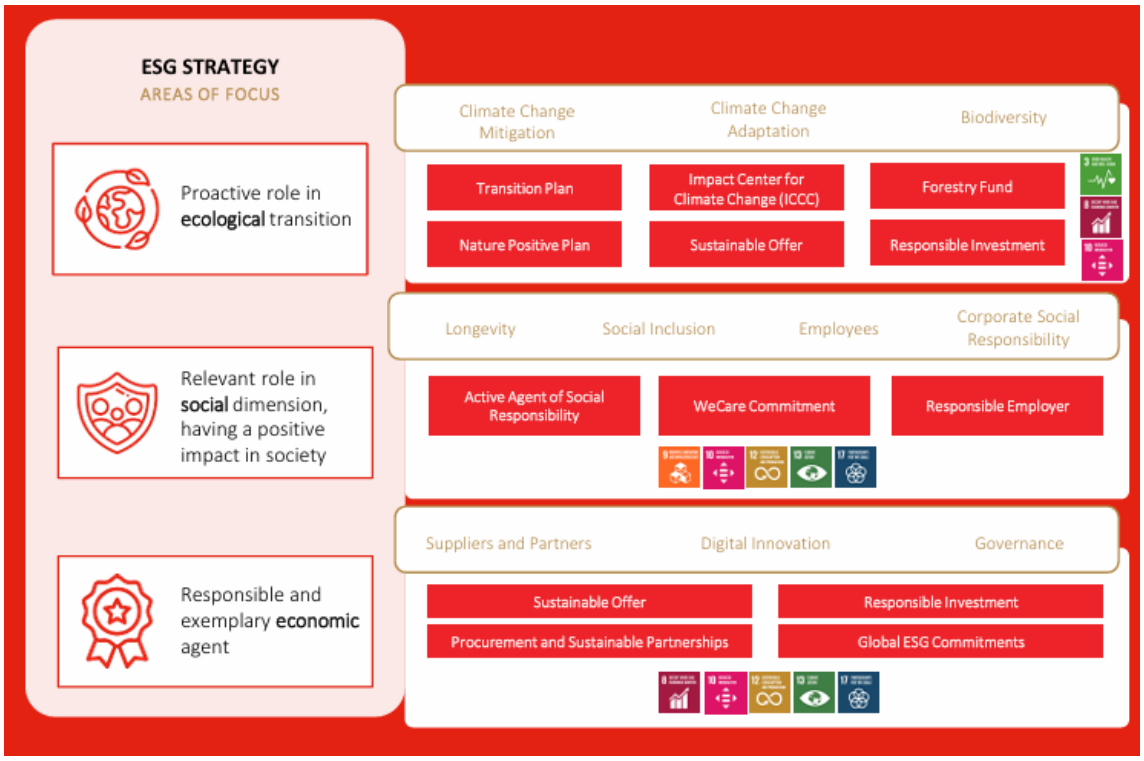
The four main principles describe how corporate responsibility should be incorporated by insurers into their business. By signing the PSI, the Group commits to addressing environmental, social and governance (ESG) issues in the way it conducts its business as an insurer and in its relationships with all stakeholders in the sector, including employees, clients, suppliers, government bodies, and the communities in which it operates. This commitment is further anchored in the Group´s Sustainable Policy, which establishes ESG commitments aligned with the UN Sustainable Development Goals, and is complemented by topic-specific policies on Environment and Climate, Sustainable Investment, Sustainable Procurement and Claims management.

This report from the Group seeks to report on the progress towards the four principles. Please see Annual Report 2025 of Fidelidade Group for a more detailed overview of key figures and activities.

PRINCIPLE 1 - *We will embed in our decision-making environmental, social and governance issues relevant to our insurance business*

FIDELIDADE GROUP'S STRATEGY

The Group's strategy is aligned with the Sustainable Development Goals (SDGs), aiming to create a positive impact on the planet and society, prioritising and focusing on the aspects identified in the double materiality analysis. In line with the Sustainability Policy, the Group structures, its action across three pillars:



MORE INFORMATION

- Fidelidade's Integrated Management Report 2025 > 2.1.3 Sustainability Pillars, pp. 17-20

SUSTAINABILITY POLICIES

The Group has a comprehensive set of policies that define its key commitments and guidelines across a wide range of sustainability topics, covering the Group's various activities among which the following stand out:

- Sustainability Policy;
- Environment and Climate Policy;
- Sustainable Investment Policy;
- Sustainable Procurement Policy;
- Diversity, Equity, Inclusion and Belonging Policy
- Underwriting Policy (internal policy);
- Global Policy on Claims Management (internal policy).

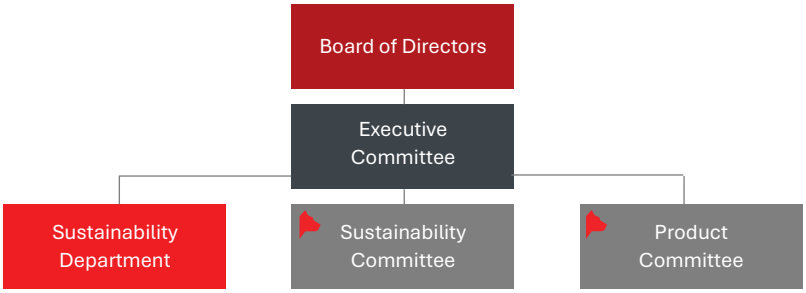
MORE INFORMATION

- The Group 's website > Sustainability Reports & Policies

GOVERNANCE MODEL

The Fidelidade Group's sustainability governance model reflects its importance to the Group. The model ensures the effective integration of sustainability impacts, risks and opportunities into decision-making processes.

To put this into practice, a Sustainability Committee has also been set up to ensure that priority sustainability issues are discussed and monitored, with the participation of members of the Executive Committee and key department heads.



With the participation of Sustainability Department

MORE INFORMATION

- Fidelidade's Integrated Management Report 2025 > 5.4.1. Sustainability Governance, p. 90

RISK MANAGEMENT AND UNDERWRITING

To ensure organisational stability and the achievement of strategic objectives, the Fidelidade Group implements, in its day-to-day operations, an effective and systematic risk-management approach based on informed decision-making.

The Group is progressively strengthening the identification, assessment, and mitigation of risks across its activities by integrating sustainability criteria to minimize adverse impacts and enhance ESG performance, while also deepening its evaluation of climate-related impacts through both qualitative and quantitative analyses of material risks, including physical and transition risks, including reputational, legal, and portfolio exposures. In underwriting, this includes the progressive integration of georeferencing data on physical climate exposures (such as floods and wildfires) into risk assessment prior to policy issuance, as well as the definition of specific underwriting requirements and exclusions for sectors with elevated climate risk.

From a social perspective, the Group seeks to reduce social and environmental protection gaps by promoting inclusive insurance solutions and adapting products to the needs of vulnerable segments, while embedding sustainability considerations into product design and review processes. Sustainability-related risks are also considered in the assessment of products and services.

From a governance perspective, the Group has reinforced the incorporation of sustainability considerations into key risk management framework and policies, including ORSA, and the implementation of dedicated policies such as the Responsible Investment Policy and the Climate and Environment Policy.

MORE INFORMATION

- Fidelidade's Integrated Management Report 2025 > 5.5 Risk Management, p. 93
- Fidelidade's Integrated Management Report 2025 > Sustainability Statement > Environmental Disclosures > Assessment of climate-related impacts, risks and opportunities, pp. 130-135

PRODUCT AND SERVICE DEVELOPMENT

The Group is committed to progressively design and develop products and services that create positive ESG impact and support responsible customer behaviour. Through its Product Design and Approval Policy, the Group ensures that products are designed and marketed responsibly, with clear, complete and accessible information, including transparent disclosure of potential negative outcomes.

The Group is progressively advancing the integration of sustainability into its underwriting processes, strengthening the organisation's ability to improve risk management and identify opportunities that support sustainable development. In line with the Underwriting Policy ongoing work aims to further embed ESG factors into underwriting assessments and decision-making processes.

Aligned with ESG principles and the Sustainable Development Goals, the Group will continue to embed sustainability across its innovation strategy, supporting solutions that reduce societal and environmental risks while empowering customers with greater understanding of insurance and ESG topics. Examples include the Fidelidade Drive telematics solution, which monitors and rewards safer and more environmentally sustainable driving behaviours. In the social dimension, the Group promotes financial literacy through the "Finanças para Todos" programme, supports healthier lifestyles through Multicare Vitality, and accompanies the needs of the 60+ population through the Sofia platform.

MORE INFORMATION

- Fidelidade's Integrated Management Report 2025 > 4.2.1 Clients, pp. 32-38
- Fidelidade's website > Responsible Insurance

CLAIMS MANAGEMENT

In alignment with Sustainable Development Goal (SDG) 9 – Industry, Innovation and Infrastructure, the Group has prioritized the modernization of claims management by investing in innovative technological solutions. These initiatives have driven improvements in operational processes, particularly through automation, which has reduced errors and enhanced service quality and efficiency. This effort is also supported by the Group's global claims settlement policy, which includes a specific subsection regarding sustainability.

Together, these measures reflect the Group 's broader strategy to foster sustainable innovation and resilient digital infrastructure within the insurance sector.

Sustainability considerations are also embedded in selected claims management practices. Through the Green Parts initiative, the Group promotes the use of original reused components from end-of-life vehicles in automotive repairs, reducing the need for new parts and supporting a more circular approach to claims management.

When settling property claims, there are salvaged assets that may still have value and for which it is a priority to find a suitable destination. The 'Salvados' project aims to build a robust network that promotes the circular economy, sustainable consumption and the valorisation of resources, transforming items considered 'without value' into new opportunities for use or trading, with a positive economic and social impact. Throughout the implementation phase, collected items are sorted and checked for their condition and reuse potential, allowing materials to be separated for recycling and items suitable for resale or donation to be identified.

Honouring the WeCare essence, the Group works to ensure the continuity of support for accident victims and their families, guided by the premise "so that life does not stop". While fulfilling all legal obligations, the Group has procedures that, in certain situations, enable support that goes beyond mere indemnification, since it aims to support the physical rehabilitation and social, professional, and family reintegration of severe accident victims, respecting the individuality of each person. In this regard, while fulfilling all legal obligations, the Group has procedures that, in certain situations, enable support that goes beyond what is strictly required. Aligned with SDG 3 – Good Health and Well-being and SDG 12 – Responsible Consumption and Production, these initiatives reinforce the Group's commitment to responsible and sustainable claims management across the markets in which it operates.

SALES AND MARKETING

The Group's approach to product marketing and communication is aligned with Sustainable Development Goal (SDG) 12– Responsible Consumption and Production and anchored in principles that promote clarity, consistency, and transparency. These practices reflect a commitment to delivering value, building trust, and fostering meaningful engagement with its audiences. In line with this, the company ensures that product-related communications are clear, complete, and transparent, include disclosure of potential negative consequences when relevant, and are appropriately targeted based on the product's complexity, risk profile, and sustainability considerations.

These practices are reinforced by a dedicated training plan on responsible offering and marketing, targeted at key stakeholders including product managers, and by the Group's Compliance Policy, whose Risk Matrix specifically monitors risks related to product marketing and communication. In addition, the Group has developed and disseminated a Greenwashing Prevention Guide to align marketing practices with real results.

MORE INFORMATION

- Fidelidade's website > Responsible Insurance

INVESTMENT MANAGEMENT

The Group is a signatory to the United Nations Principles for Responsible Investment (PRI) and incorporates ESG issues into its investment decision-making process.

In line with its Sustainable Investment Policy and Transition Plan, the Group has set a goal of achieving net zero in its investment portfolio by 2050. In addition, in 2024 Fidelidade Group issued its first green bond, which amount is allocated to sustainable assets that contribute to a carbon-neutral economy.

The Group believes that adopting a sustainable investment approach foremost facilitates a better understanding of risks and opportunities of underlying investment portfolios, but at the same time strengthens the overall profile of ESG practice of Fidelidade Group itself. It is, therefore, of paramount importance to incorporate the ESG factors into the conventional investment process alongside with traditional financial analysis factors. In line with the Sustainable Investment Policy, the Group's approach is structured across the following dimensions: (i) exclusion/negative screening; (ii) best-in-class/positive screening; (iii) proxy voting/engagement; (iv) divestment strategy.

As a responsible investor, The Group does not consider new investments in socially controversial sectors (including the manufacturing of tobacco production, controversial weapons, laser- blinding weapons and gambling with revenues exceeding the 25 % threshold). Furthermore, to meet the target of achieving net-zero GHG emissions across its investment portfolio by 2050, it is also committed to guidelines that prohibit new investments in utility companies with more than 5% of their revenue derived from coal and set a maximum limit of 2.5 % of assets under management in companies related to the Manufacture of refined petroleum products and fossil fuel products and Extraction of crude petroleum.

In this regard, the Group also applies positive screening, with the aim that portfolios should consist of at least 75% of assets with an ESG rating and that portfolios should have a minimum weighted average ESG rating of 'low risk', amongst other aspects detailed in the Sustainable Investment Policy.

MORE INFORMATION

- Fidelidade's website > Responsible Investment

PRINCIPLE 2 - *We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions*

CLIENTS AND SUPPLIERS

The Fidelidade Group engagement strategy is built on continuous and constructive dialogue with customers, suppliers, and other stakeholders across the value chain. As a partner committed to protection and trust, the Group seeks to raise awareness of ESG-related risks and the importance of adequate insurance coverage.

In addition to developing innovative products that respond to emerging needs, the Group provides clients with relevant information, helping them understand the impacts associated with their decisions. This commitment is anchored in the Treatment Policy, which ensures that all interactions are carried out with clear and adequate information, allowing informed and reasoned decisions.

Supply chain management seeks to follow responsible practices. ESG considerations are progressively integrated into tendering and supplier selection processes, reinforcing the Group's commitment to sustainable procurement. Through instruments such as the Sustainable Procurement Policy and the Supplier Code of Conduct, the Group sets out clear expectations on ESG performance and gives priority to those who adopt best practice. Suppliers are required to comply with the Code of Conduct, which covers legal compliance, ethics, human rights safeguarding, and environmental responsibility, as a condition of contracting.

MORE INFORMATION

- Fidelidade's Integrated Management Report 2025 > 4.2.1 Clients, pp. 32-38 & 4.2.4 Suppliers and partners, p. 53
- Fidelidade website > Responsible Procurement & Partner

INSURERS, REINSURERS AND INTERMEDIARIES

Fidelidade Group actively engages in initiatives that promote sustainability and responsible business practices across the insurance sector. The Group collaborates with national and international organizations to create a positive societal impact, supporting the integration of ESG issues into professional education and ethical standards. The Group is a signatory of key global sustainability commitments and works to promote the adoption of these principles throughout the industry. These actions demonstrate the Group's proactive approach to embedding ESG considerations in both its operations and the broader insurance ecosystem.

MORE INFORMATION

- Fidelidade's Integrated Management Report 2025 > Active signatory and promoter of global ESG commitments, p. 20
- Fidelidade website > Sustainability Reports & Commitments

PRINCIPLE 3 - *We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues*

The Group engages with key stakeholders to promote widespread action on ESG issues, for example, by participating in public consultations on legislative documents relating to sustainability matters that are under preparation (for example participation in public consultation on CSRD evolution), subscribes various commitments and is a member of several initiatives and working groups. The main commitments and initiatives to which the Group subscribes or which it is a part of are the following:

- UN Principles for Sustainable Insurance;
- UN Principles for Responsible Investment;
- Forum for Insurance Transition to Net-Zero;
- Net-Zero Asset Owner Alliance;
- UN Global Compact.

The Group reports annually on the commitments and initiatives to which it is a member in its Annual Report.

MORE INFORMATION

- Fidelidade's Integrated Management Report 2025 > Active signatory and promoter of global ESG commitments, p. 20
- Fidelidade website > Sustainability Reports & Commitments

PRINCIPLE 4 - *We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles*

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles

The Group discloses its progress in implementing the Principles through its annually published Progress Report. In addition, the company issues its Annual Report, prepared in accordance with the Non-Financial Reporting Directive (NFRD), as transposed into Portuguese law transposed into Portuguese law through Decree-Law No. 89/2017, and aligned with the European Sustainability Reporting Standards (ESRS), given that the Corporate Sustainability Reporting Directive (CSRD) had not yet been transposed into Portuguese law at the time of preparation. The Group also reports under the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy Regulation, and the Global Reporting Initiative (GRI) standards, ensuring comprehensive and multi-framework disclosure of its sustainability performance.

MORE INFORMATION

- Fidelidade's Integrated Management Report 2025