



# **Long-Term Investment Strategy Declaration (DEILP)**

**July 2021**

# Contents

- 1. Introduction and regulatory framework.....4
- 2. Purpose and scope of application.....4
- 3. General principles.....4
- 4. Strategy and consistency with the duration of long-term liabilities .....4
- 5. Review.....5
- 6. Transparency and publication.....5

<i>Version</i>	<i>Date created</i>	<i>Responsible</i>	<i>Changes</i>	<i>Favourable report</i>	<i>Approval</i>
1.0	July 2021	Subdirectorato General for Investments	N/A	Global Risk Committee  Management Committee  Risk Committee 13/07/2021	Board of Directors  22/07/2021

## 1. Introduction and regulatory framework

Institutional investors, including insurance companies, are often significant shareholders of listed companies, and may eventually play a key role in the long-term strategy and performance of these companies.

Directive (EU) 2017/828 on long-term shareholder engagement considers that greater transparency for institutional investors and asset managers on their investment strategies and engagement policies, as well as their application, could have a positive effect on the final beneficiaries in making their investment decisions. Under the aforementioned Directive (EU) 2017/828, certain obligations for institutional investors such as VidaCaixa are introduced through its transposition regulations and that, in this context, are reflected in Articles 79 ter Law 20/2015 of 14 July on the ordination, supervision and solvency of insurers and reinsurers (hereinafter, LOSSEAR) and 89 ter of Royal Decree 1060/2015, of 20 November, on the ordination, supervision and solvency of insurers and reinsurers (hereinafter, ROSSEAR). Therefore, to complement their Engagement Policies, insurers authorised to sell life insurance and reinsurers that cover life insurance obligations, must – in the form and with the content determined by regulation – make information on how the main elements of its investment strategy in companies whose shares are traded on a regulated market in or operating in a Member State known to the public, and be consistent with the profile and duration of its liabilities, in particular its long-term liabilities, and the way in which they contribute to the medium and long-term performance of its assets (hereinafter, the Declaration or the DEILP).

VidaCaixa already has an Engagement Policy and this document complies with the additional obligation of having the aforementioned DEILP.

## 2. Purpose and scope of application

The purpose of this Declaration is to report on how the main elements of VidaCaixa's investment strategy in the shares of companies traded on a regulated market in or operating in a Member State of the European Union are consistent with the profile and duration of liabilities, in particular its long-term liabilities, and how they contribute to the medium and long-term performance of its assets.

This Declaration's scope of application therefore refers exclusively to the investment strategy with respect to shares of companies traded on regulated markets in or operating in a Member State of the European Union (hereinafter, the 'Listed Shares').

## 3. General principles

In the strategic make-up of assets in which it invests, VidaCaixa considers consistency with the duration of the liabilities when appropriate based on commitments to its customers and taking the product type and the characteristics of the value proposition offered to the client into account, as well as long-term investment objectives. Similarly – and as reflected in the Engagement Policy – it is aware that the integration of environmental, social and governance factors in investment management is crucial due to the potential impact that these factors may have on profitability, as well as the impact they may have on the planet and the economic progress of society in general.

Likewise, in its commitment to being an active owner of its investments, it is explicit in the importance of being involved in the companies of which it is a shareholder through active dialogue that affords influence over companies' strategies on environmental, social or governance factors that are particularly relevant to its sustainability and the impact they may have on people, society or the planet. For more information on this issue and to avoid repetition, see the Engagement Policy.

#### **4. Strategy and consistency with the duration of long-term liabilities**

As of the approval date of this Declaration, and in regard to equities, VidaCaixa's strategy mainly revolves around collective investment instruments. Investments in Listed Shares are limited to portfolios related to insurance products where the policyholder assumes the risk of the investment, in accordance with the value proposition offered.

Regarding consistency with the duration of assets and liabilities, VidaCaixa does not have products with financial guarantees to which the Listed Shares are associated among its commercial insurance offering. As previously stated, products to which VidaCaixa associates investments in equities, even when the investment is not through Listed Shares, are considered insurance products whereby the policyholder assumes the risk of the investment and, therefore, with respect to which there is no liability whatsoever to take as a reference to monitor the consistency of the assets over time.

#### **5. Review**

In general, this DEILP will be reviewed annually, notwithstanding the possibility of a smaller review period should the need for amendments, adaptations, updates or substitutions in any of its sections be identified.

#### **6. Transparency and publication**

This Declaration will be published on the VidaCaixa website, either independently or as an annexe to the Financial Situation and Solvency Report, thereby promoting the entity's commitment and transparency on the aforementioned points.