Responsible Underwriting Standards

These standards complement the UW Policy which includes a principle on responsible underwriting addressing and mitigating possible environmental, social and governance (ESG) risks in Ageas' underwriting activities.
Its objective is to detail how to implement this ESG principle in practice considering at this stage Commercial Property and Casualty (B2B P&C) activities.

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1 Introduction. Background and Purpose

As a global (re) insurance group, Ageas aims to foster a healthier, safer and sustainable society by integrating sustainability into its core operations putting it "at the heart of everything we do". Ageas is aware of its direct impact through its own operations, as well as the leverage it can have through its investment and insurance activities. Ageas is a signatory of the UNEP FI Principles for Sustainable Insurance (PSI), which involves integrating and addressing ESG issues in every aspect of the business.

Ageas is conscious that ESG factors can present risks and opportunities for companies and impact their long-term value. Providing underwriting services to clients with significant ESG risks could result in reputational and financial losses for Ageas, as these risks may affect the financial performance of the businesses involved and cause harm to people or the environment. However, Ageas can also leverage its position as a global insurance group to foster sustainable business models, reducing environmental impacts and mitigating social risks while managing associated risks and opportunities for Ageas.

Consequently, Ageas has developed these Standards for Responsible Underwriting, applying ESG considerations into its Commercial Property and Casualty (P&C) underwriting activities[1]. This integration includes evaluating the actual and potential impacts of the companies Ageas insures on topics like climate change, biodiversity and ecosystems, human rights, and governance issues such as corruption, bribery, and money laundering. In addition to targeting potentially harmful activities, Ageas aims to selectively promote insurance for activities that support the transition, such as renewable energy production and recycling initiatives.

2 Scope

The Responsible Underwriting Standards apply to ageas SA/NV and its Subsidiaries, hereinafter referred to as "Ageas". A 'Subsidiary' means any entity in which Ageas SA/NV, directly or indirectly, has a majority shareholding and holds operational control. For the Affiliates, Ageas will advise similar principles on a most reasonable basis.

The standards apply to commercial (B2B) P&C activities for new and existing business.

Subsidiaries should strive to ensure that where third parties (e.g. brokers) perform the underwriting, adequate competences and knowledge are in place to operate on behalf of Ageas in accordance with these standards.

[1] Commercial P&C addresses B2B Property, Motor and Liability insurance towards business customers. It does not include Workman's Compensation

3 Our approach

3.1. By implementing these standards, Ageas shall comply with the following principles, as already described in *existing policies*[2]

- As per the Ageas' Combating Money Laundering (AML) and Counter Financing of Terrorism (CFT) Policy, Ageas and its Staff members are prohibited from engaging in or facilitating, in any manner whatsoever, money laundering or terrorism financing.

- As per the Ageas' Sanctions Policy, Ageas prohibits any Business Relationship, whatsoever, including with the persons directly or indirectly related to them, in accordance with Sanctions regimes as they may apply to Ageas.

- As per the Ageas' Anti-Controversial Weapons Policy, Ageas does not want to be involved directly or indirectly in financing, investing or providing (re)insurance services to the development, production, maintenance, use, distribution, storage, transportation, trade or any other activity related to 'controversial weapons', as defined in the policy.

- As per the Ageas' Human Rights Policy, Ageas carefully considers its business relationships with industries and companies operating in countries and / or sectors where the risk for adverse human rights impacts is perceived as high.

3.2. In addition to the above, **Ageas will also apply in its Commercial P&C underwriting the following[3]**:

- Ageas will refrain from doing business with companies active in unconventional oil & gas[4] or coal electricity production.

- Ageas will perform an enhanced screening on possible environmental, social and governance (ESG) risks for companies in activities related to
  - Production of weapons;
  - Production & distribution of gas and petroleum;
  - Electricity production

3.3. In line with its commitment to increase its sustainable product offering Ageas also promotes "positive underwriting" ensuring the development of activities which support the transition towards a more sustainable world

- some activities could benefit from additional support as they are necessary for the transition while the insurance risk, stricto sensu can be considerable.
- activities that can be selectively promoted are (non-exhaustive):
  - Energy audit & renovation
  - Renewable energy production
  - Asbestos detection & removal
  - Recycling

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[2] This document is intended to provide a general overview of the principles in existing policies and is not intended to be a comprehensive representation.

[3] In case the company belongs to a large international group, focus of the analysis will be on the local activity (ic in the country Ageas operates)

[4] Unconventional oil and gas production involves extracting hydrocarbons from difficult-to-access sources, like shale rock or oil sands, using advanced methods such as fracking or horizontal (arctic) drilling. Extraction is more energy-intensive, emitting significantly more carbon dioxide and methane than conventional methods.

4 Enhanced screening on ESG risks

When a (prospective) client operates in one of the sectors listed above (see 3.2.) a screening will be conducted within each business.

To this end, Ageas implements appropriate monitoring procedures and systems in its offices.

If no substantial ESG risk is identified during such screening process, Ageas will proceed with the business transaction following its standard procedures.

In case a substantial ESG risk or multiple ESG risks are identified during the screening process, Ageas can decide to refrain from underwriting or accept or proceed under some conditions.

Within each business, analyses and decisions is documented and centralized to ensure traceability and enable close evaluation and necessary adjustments. An existing governance body (such as the risk acceptance committee for commercial business) will be assigned to oversee, monitor and report on the process.

5 Governance: roles and responsibilities

Governance in underwriting risks follows the governance roles and responsibilities described in and executed through the Ageas Underwriting Policy.

Group Sustainability is the owner of this document and monitors and reports on the implementation of these standards and proposes adaptations when appropriate. The Group ESG steerco validates proposals which are ultimately decided by the Ageas Executive Committee (Exco).