AGEAS CO2 DISCLOSURE

JUNE 2022

Ageas measures and monitors its CO_2 emissions for all its consolidated entities as part of its responsibility towards society. From 2019 onwards, Ageas issues a yearly disclosure including comparative figures.

This disclosure presents the comparative results for 2021, 2020 and 2019.

SCOPE AND METHODOLOGY

Since 2018, Ageas measures and monitors its CO2 emissions for all consolidated entities, including AG Real Estate and Interparking (except for France). On a yearly basis, an updated measurement is performed. The results of such measurement have been included in Ageas' latest annual reports[1]. In 2021, the scope of the measurement was enlarged, compared to 2019 and 2020, as emissions related to Ageas France and to IT equipment and storage were included in the scope.

The measurement is performed in accordance with the Greenhouse Gas Protocol (GHGP), a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG protocol Corporate Accounting and Reporting Standard classifies emissions into 3 scopes:

Scope 1: Direct GHG emissions

Scope 1 accounts for all direct GHG emissions from sources that are owned or controlled by a company. For example, emissions from fuel combustion, company vehicles and fugitive emissions from owned or controlled equipment.

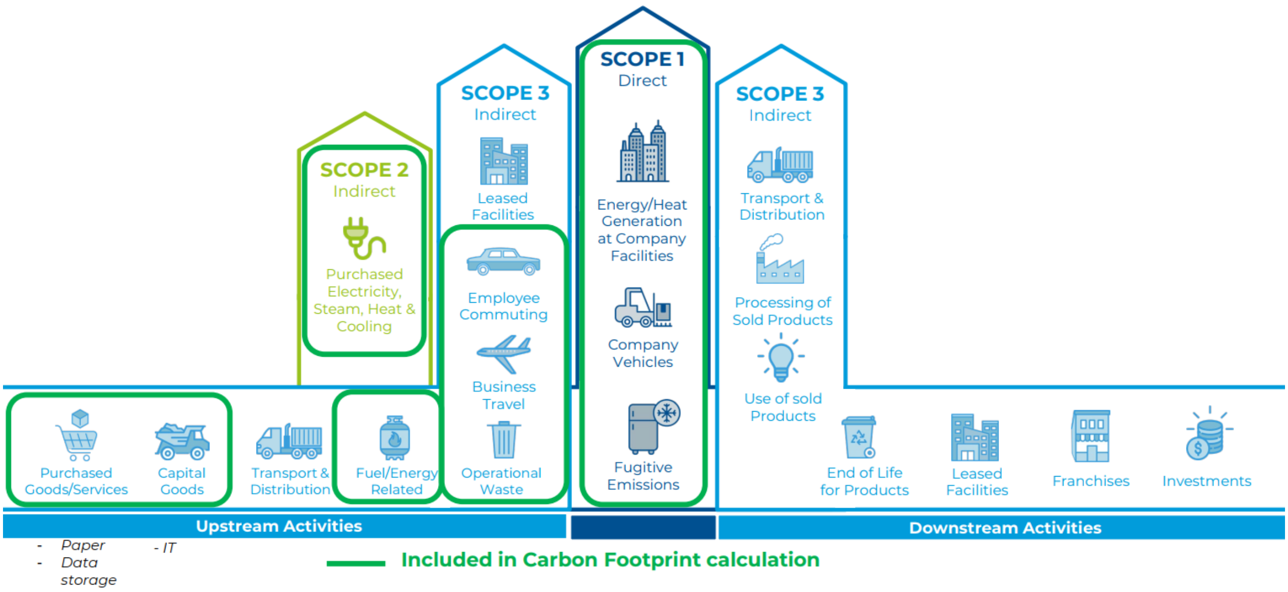
Scope 2: Electricity indirect GHG emissions

Scope 2 covers indirect GHG emissions from the generation of purchased electricity consumed by the company, the consumption of purchased electricity, heat or steam.

Scope 3: Other indirect GHG emissions

Scope 3 refers to all other indirect emissions resulting from activities of the company but occurring from sources not owned or controlled by the company, such as the extraction and production of purchased materials and fuels, commuting, business travel and investments. Scope 3 emissions are known as 'value chain emissions', including upstream and downstream activities.

As depicted in the figure below, the following categories (highlighted in green) are included in Ageas' current CO2 emission measurement:



[1] Included in Ageas 2020 Annual Report (page 41); and in Ageas 2021 Annual Report (page 51).

Ageas will further assess whether there are other aspects to be considered in the category ‘Purchased goods/services’, affecting its carbon footprint significantly[2].

Considering Ageas’ main activities are insurance and re-insurance, the following categories have not been considered material:

- Upstream and downstream transport & distribution
- Processing of sold products
- End of life of Products
- Leased facilities
- Franchises

In relation to the activities of AG Real Estate and Interparking the scope is currently limited to its own operation and does not comprise e.g. energy consumption in the rented building or parking lots. Scope of measurement is continuously growing, first for internal purposes and for communication with the tenants, and will be included in the CO2 disclosure when feasible.

Ageas is currently setting up measurement for the category Investments, more specifically for corporate bonds and equity in its portfolio. A first disclosure has been made in the 2021 TCFD report and is also included further below. Finally, in relation to the last category, ‘Use of Sold Goods’, this should represent the CO2 emitted by Ageas’ customers when making use of their insurance policy. There is however at this stage a lack of sufficiently clear guidance on how to measure these CO2 emissions. Ageas will continue to follow-up any guidance that is issued and implement it whenever feasible to its own operations.

[2] Ageas defines “significant” as having an impact on the gross CO2e emissions of the base year by more than 10%

3 YEARS OF RESULTS – OWN OPERATIONS

The table hereafter reports the absolute and relative carbon emissions (in tonnes CO2e) for Ageas' own operations during the last 3 years. The year 2019 is considered as the base year for reduction comparison as this is the last full year before Covid-19.

Ageas carbon footprint in tCOe

		2021		2020**		2019**	
Scope		Net total (tCO2e)	Relative share	Net total (tCO2e)	Relative share	Net total (tCO2e)	Relative share
Scope 1	Direct energy - gaz & heavy fuels	2,028	11%	1,810	11%	2,394	8%
	Refrigerants	181	1%	266	2%	531	2%
	Owned vehicles	8,108	45%	7,474	45%	9,850	33%
	Total scope 1	**10,317**	**57%**	**9,550**	**57%**	**12,775**	**42%**
Scope 2	Electricity – net*	479	3%	1,180	7%	2,575	9%
	Total scope 2	**479**	**3%**	**1,180**	**7%**	**2,575**	**9%**
Scope 3	Home - work commuting	3,998	22%	5,235	31%	10,167	34%
	Business travel	273	2%	559	3%	4,333	14%
	Purchased good and services						
	Paper	205	1%	180	1%	168	1%
	IT	2,583	14%	Not included		Not included	
	Waste	57	0%	76	0%	265	1%
	Total scope 3	**7,116**	**40%**	**6,050**	**36%**	**15,518**	**49%**
TOTAL tonnes CO2e gross		**17,912**		**16,780**		**30,283**	
Carbon offsetting (AG Insurance Belgium and Interparking)		10,600		8,551		10,272	
TOTAL tonnes CO2e net		**7,312**		**8,229**		**20,011**	
Tonnes CO2e per FTE		1.8		1.6		2.8	

** including district heating ** restatement of 2019 and 2020 figures based on data gathering improvements*

The relative share of emission related to electricity remains limited as green electricity already counts today for more than 85% of the total electricity consumption, an increase of more than 25% compared to 2019; also the gross electricity consumption has decreased thanks to the move to buildings that are more energy efficient, centralization of offices and accordingly the close of some offices:

Electricity in detail (tCO2e)	2021	2020	2019
Electricity - gross	3,931	5,005	6.581
CO2e avoided by green electricity	3,452	3,825	4.006
Electricity - net	479	1,180	2.575

The calculations for 2019 resulted in an almost stable level of CO2 emission of nearly 30,000 tons CO2e compared to 2018. 2020 delivered a significant reduction largely reflecting exceptional circumstances due to Covid-19, which is confirmed in 2021: less travel, use of the office buildings and commuting resulted in a total emission level of 17,912 tons CO2e, including scope enlargement. The scope extension in 2021 represents an increase in the overall emissions by more than 2,800 tons CO2e, mainly IT related. Hence, scope on scope the level of CO2e emissions in 2021 was 8.6% lower than in 2020.

The most important contributors to Ageas's carbon footprint are in scope 1 - car fleet (45%) and in scope 3 - commuting (22%); due to the exceptional circumstances in 2020 and 2021 business travel dropped significantly and only represents 2% (compared to 14% in 2019). This follows the organisational structure of the group with strong ties in Europe and Asia, whereby in the latter region the activities are managed outside the regional office in Hong Kong and management follow-ups require frequent visits. The new category "IT" comes in at a weight of 14%.

To structurally reduce its CO2 emissions, Ageas took a number of initiatives starting in 2020 that are estimated to ultimately result in a structurally lower emission and carbon footprint groupwide. The main initiatives are:

- A progressive review of the lease car policies across the Group aimed at promoting hybrid and electric cars for its employees;
- An adapted organisational and working environment named 'Sm@rter Together" whereby employees are actively encouraged to work more of the regular working hours from home. It should be noted that the CO2e calculation takes into account the effect of the emissions of a home office;
- A reviewed travel policy which aims to structurally reduce travel by 50%. For instance, Ageas representatives on local Boards of our Asian joint ventures will assist one on two local Board meetings virtually;
- Move to green electricity in Portugal;
- Approval of a group wide environmental policy with the explicit commitment to develop a long-term process of continuous improvement to enhance environmental protection and as such, to minimise the negative environmental footprint whilst maximising environmental opportunities.

Through its Belgian subsidiary AG Insurance and Interparking, Ageas actively supports two specific projects that offset part of the carbon emissions. These projects are located in West-Africa, specifically in Ghana and in Benin, and focus on the optimization of the preparation of home meals in these two countries. The benefits of the projects go beyond the reduction in greenhouse gas emissions, and more specifically also benefit the:

- Reduced deforestation and improved biodiversity;
- Less indoor air pollutants from the burning of fuel in the family home;
- Reduced costs in the purchase of fuel for households;
- And specifically for the project in Ghana, support for local employment as stoves are manufactured in the country itself.

Interparking has been recognized with the CO2 Neutral label® since 2015, AG Insurance since 2018.

Moving beyond offsetting, Ageas joined forces with Go Forest to plant over 10,000 trees in four countries where Ageas also operates: Belgium, the UK, Malaysia and Portugal, removing and storing carbon from the atmosphere.

Further details regarding the CO2e measurement of Ageas are included in annex.

FIRST MEASUREMENT OF THE INVESTMENT PORTFOLIO

In 2021, Ageas started to measure the carbon intensity of AG Insurance's equity portfolio and the corporate bond portfolio of Ageas UK, based on data of an external data provider, compared to a benchmark. In the other countries, developments of such measurement are ongoing, preparing the foundations for reduction target setting.

Metric	Scope	2021
Carbon intensity (tCO2e/mln USD)	AG Equity portfolio	113.3 (benchmark 145,4)
Carbon intensity (tCO2e/mln USD)	Ageas UK Corporate bonds	82 (benchmark 85)

In 2020, Ageas and AG Insurance also became signatory to CDP's environmental disclosure platform on Climate Change, Forests and Water. AG Insurance joined the Climate Action100+, an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change (in 2021 167 engagements taken, representing 80% of the industrial CO2e emissions).

Our investment team exercises in accordance with the 3rd pillar of Ageas Responsible Investment Framework in well-defined circumstances its voting rights and dialogue with investee companies.

For the real estate portfolio, measurements are made at the level of the individual buildings already since 2016. Actions undertaken so far have resulted in the following reductions:

Electricity, gas and CO2e emissions reduction are measured in almost 80% owned office buildings of AG Real Estate since 2016

CO2e	Reduction of 17.5%
Gaz	Reduction of 15.8%
Electricity	Reduction of 24.2%

IMPACT24 STRATEGY - STRENTHENING CO2 AMBITIONS

Early June 2021 Ageas announced its new 3-year strategy Impact24 putting sustainability at the heart of its business. Ageas sustainability ambitions have been clustered around four impact areas (people, customers, investments and planet) with its contribution to climate change as a transversal commitment throughout all impact areas. Ageas will focus on those themes where it can make most impact and consequently:

- We will offer **transparent products and services** that create economic and societal value, stimulating our customers in the transition towards a more sustainable and inclusive world.
- We will strengthen the **long-term, responsible approach to how we invest**, contributing to solutions around sustainable cities, local economies, and climate change.
- Across the Group, we will **reduce our environmental impact**, aiming to be 'GHG-neutral' in our own operations.
- And finally, we will work towards a **diverse workforce**, ensuring **fair and equal treatment of our employees**, while fostering a culture of **continuous learning**.

Building upon strong financial ambitions this strategy includes for the first time also 3 non-financial and 9 sustainability targets and the ones specifically CO2 related are:

- Neutral carbon emissions of our own operations (scope 1 & 2) by 2024
- Net zero carbon emissions of our investment portfolio by 2050 at the latest

In line with Ageas climate neutral ambition for own operations, as one of the targets of Impact24, Ageas has set a target to reduce its CO2 emissions for 2022 by 30% compared to 2019, the base year. As such, the focus is first on reducing CO2e emissions as much as possible, moving on to offsetting the remaining emissions. This reduction target is also one of the components of the management bonus for 2022.

WAY FORWARD

Going forward, Ageas will continue to measure its CO2 emissions at least on a yearly basis, and progressively strengthen the scope of its measurement, following analysis of updated guidance and/or assessment of aspects currently not yet in scope.

Another action taken up is the complete CO2 measurement of the investment portfolio, where relevant. For some asset categories this information is readily available and already part of the investment decision process, when assessing ESG aspects. For other this is not yet the case. Ageas will investigate the best way(s) to gather robust information for all asset classes as one might even doubt in some cases the quality of the currently available information.

At Ageas, we are on a journey, from measuring through monitoring to action and initiative for improvement. We are determined to strive to continuous improvement to make the change we want to be: create a positive impact for all our stakeholders.

ANNEX – Details to the CO2e measurement

Overview of the gross GHG per emission per category (tCO2e) presented in accordance with GHG protocol

Ageas carbon footprint in tCOe

Scope		2021 Net total (tCO2e)	2021 Relative share	2020** Net total (tCO2e)	2020** Relative share	2019** Net total (tCO2e)	2019** Relative share
Scope 1	Direct energy - gaz & heavy fuels	1,751	8%	1,565	8%	2,054	6%
	Refrigerants	181	1%	266	1%	531	2%
	Owned vehicles	5,574	26%	5,034	24%	6,569	19%
	Total scope 1	**7,506**	**35%**	**6,865**	**33%**	**9,154**	**27%**
Scope 2	Electricity – gross	3,013	14%	3,853	19%	5,145	15%
	District heating	108	1%				
	Total scope 2	**3,121**	**15%**	**3,853**	**19%**	**5,145**	**15%**
Scope 3	Direct energy and electricity	1,202	6%	1,392	7%	1,774	5%
	Company cars	2,533	12%	2,440	12%	3,280	10%
	Home - work commuting	3,998	19%	5,235	25%	10,167	30%
	Business travel	273	1%	559	3%	4,333	13%
	Purchased good and services						
	Paper	205	1%	180	1%	168	0%
	IT	2,583	12%	Not included		Not included	
	Waste	57	0%	76	0%	265	1%
	Total scope 3	**10,851**	**50%**	**9,882**	**48%**	**19,987**	**58%**
TOTAL tonnes CO2e gross		**21,478**		**20,600**		**34,286**	

** including district heating ** restatement of 2019 and 2020 figures based on data gathering improvements*

1. All electricity is location based.

2. Split renewable versus non-renewable energy in kWh

Energy in kWh	2021	2020	2019
Renewable energy			
- Green electricity	16,330,252	16,955,279	18,103,810
Non renewable energy			
- Grey electricity	469,827	2,802,980	3,546,318
- Natural gas	9,446,614	8,412,382	8,676,329
- Fuel	13,928	598	
- District heating	635,390		
TOTAL	**26,896,011**	**28,170,641**	**30,326,456**

3. Split in type of company car

Share of type of company car in total company cars (%)	2021	2019
Electric vehicles	2	1
Hybrid	11	2
Gasoline	72	80
Diesel	14	17
TOTAL	**100**	**100**

4. Transport mix in home-work commuting

Relative % on total kilometers of transport of home commuting	2021	2019
Private car	47	44
Moto	1	1
Public transport	49	49
Walk / bike	3	6
TOTAL	**100**	**100**

5. Business travel

Relative % of total kilometers of business travel	2021	2019
Air	64	63
Train	26	26
Car (and alike)	10	11
TOTAL	**100**	**100**

6. Disposed waste

Disposed waste in metric tonnes	2021	2019
Total waste generated	340	1,153
Total waste used / recycled / sold	176	606
TOTAL waste disposed - incinerated with energy recovery	**164**	**547**