



# Our approach to Procurement

Based on the Ageas Procurement Policy version 2  
approved by the Board of Directors on 10<sup>th</sup> of December 2024

## INTRODUCTION, PURPOSE & BACKGROUND

In order to run and to transform its activities, Ageas needs to acquire goods and services from external parties.

Next to the possible financial cost savings thanks to a good negotiation, a sound procurement practice defined by clear rules can reduce inherent risks: legal incorrectness, compliance issues, tax compliance, information security issues, business continuity issues, data protection issues, ....

Additionally, taking advantage of the group dimension in negotiations with Suppliers can bring additional added value, be it financial, flexibility, quality of service.

## SCOPE

This policy applies to ageas SA/NV and its Subsidiaries, hereinafter referred to as "Ageas".

For the Subsidiaries, should compliance with this Policy result in non-compliance with local legislation or regulations, the latter must take precedence. The group Policy owner must be informed and consulted immediately in such circumstances

For the Affiliates it is recognized that the requirements of the local law, the local regulator and the majority shareholder's policy apply. However, Ageas will upon request, advise similar principles with reasonable effort.

All categories of goods and services to be acquired are in the scope.

## OBJECTIVES

This policy - complemented by Standards and Code of Conduct for Suppliers - describes a minimum set of procurement principles to be followed by Ageas for the organization and execution of procurement activities.

Additionally, the Procurement Policy and Standards postulates a coordinated group procurement approach, when it makes sense, for specific situations. These documents therefore describe when and how the group procurement activities are executed and coordinated at group level (ageas SA/NV).

## PRINCIPLES

This section contains the high-level principles that are to be followed when implementing this Policy.

### **Principle 1 - A Procurement function or role is set up at Ageas**

To play specific roles and responsibilities as set out in the Procurement Standards.

### **Principle 2 - Operational Procurement processes should be carried out in 3 phases**

#### **Phase 1 - Procurement planning**

#### **Phase 2 - Source to Contract**

#### **Phase 3 - Contract Execution - Supplier Relationship Management & Performance SRM/SPM**

These phases are further clarified in the Procurement Standards.

### **Principle 3 - Each Supplier and acquired goods or services are subject to risk assessment**

The scope of the assessment has to be proportionate to the goods or services required, based on the criticality of the activity or process supported by the Supplier, taking into account information which is being processed. When applicable, the Outsourcing policy needs to be applied.

### **Principle 4 - Group procurement approach for services and goods when it makes sense**

This Policy and Standards recommend a coordinated group procurement approach, when it makes sense, in the below situations:

- when dealing with Suppliers already working with Ageas or
- when acquiring goods or services that might be utilized across Ageas

In the above situations, a coordinated group procurement strategy, coordinated at group level (ageas SA/NV) could offer a more attractive business opportunity with a specific Supplier than individual entities acting separately, resulting in:

- Potential better prices and/or negotiated scheme of Volume Discount given the size of the Group;
- Synergy between entities on the efforts on negotiation, compliance verification work and contract drafting;
- Better quality of service and care from Supplier due to managing the Supplier also at Group level and exchanges of feedback during SRM/SPM;

- Specific clauses enabling more flexibility (e.g. pooling of licenses across the Group).

The Group Procurement Board decides which acquisition will be negotiated at Group level and by whom. It monitors also the progress of each negotiation.

### **Principle 5 - Periodic procurement management reporting is produced**

Given the importance of having efficient and compliant procurement activities, a periodic reporting to the management committee of each entity in scope should be produced by Procurement (at least on a quarterly basis).

### **Principle 6 - Compliance with applicable legal and regulatory requirements and related internal policies**

A sound procurement practice that complies with the applicable laws, regulations and related internal policies can therefore reduce inherent risks such as legal incorrectness, compliance issues, tax compliance, information security issues, business continuity issues, data protection issues, ...

The entire Procurement process, including the underlying contract must meet all applicable legal and regulatory requirements and internal policies.

### **Principle 7 - Ageas aims to ensure that Suppliers uphold the principles outlined in the Ageas Code of Conduct for suppliers**

Ageas' Code of Conduct for Suppliers supports Ageas' integrity and aims to safeguard its reputation as a reliable business partner that lives up to its core values towards all its Stakeholders.

Therefore, Ageas aims<sup>1</sup> to ensure that Suppliers uphold<sup>2</sup> the principles outlined in the Ageas' Supplier's Code of Conduct, which includes principles of integrity, ESG, product safety and quality.

### **Principle 8 - Specific attention to ESG (Environment, Social & Governance) impacts and risks during the entire procurement process**

At Ageas, corporate sustainability means conducting business in a responsible manner, achieving sustainable economic growth while anticipating the legitimate interests of our Stakeholders, and taking social and environmental responsibility.

Ageas expects its Suppliers to uphold specific ESG principles, which Ageas aims to enforce through specific measures further clarified in the Procurement Standards.

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<sup>1</sup> The outcome of contractual negotiations can depend on the extent of Ageas' leverage power over the supplier.

<sup>2</sup> adherence by Supplier can be derived when:

- the Suppliers has an equivalent code of conduct, which is incorporated or referred to by the agreement, or
- when the Ageas' Supplier's Code of Conduct is referred to or incorporated into the Agreement.

## Principle 9 - Specific attention to potential conflicts of interest

Procurement processes must be compliant with the conflict-of-interest policy at group and local levels.

The joined implication of the Business Owners, Business Owner Delegates and of the Procurement team for acquisition projects is an important way to mitigate the impact of conflicts of interest.

## Principle 10 - Preferred Suppliers list is established at group level

A list of Suppliers currently having a group agreement, and that demonstrate they can deliver goods or services that meet expected quality standards at competitive prices, is established and communicated within Ageas, to allow local companies to join this agreement.

## GOVERNANCE

The **Board of Directors (BoD)** defines and supervises the Procurement Policy, endorses its principles, which is evidenced by their validation of this policy.

The **Executive Committee (ExCo)** implements the Procurement Policy and Standards, as well as the related documents as herein described.

All **Line Managers** are expected to inform the Policy Owner in case they become aware of any material breaches of the principles included this policy.

All **Staff members** are expected to adhere to the policy principles

The roles and responsibilities of the **Business Owner (Delegate)**, the **Procurement Function**, **Group Procurement** and the **Support functions** are further described in the Procurement Standards

## LOCAL IMPLEMENTATION AND DEVIATIONS

This Policy, complemented by its standards and the Code of Conduct for Suppliers, describes a minimum set of principles to be adopted by Ageas. Its local implementation is documented in a Local Procurement Policy (LPP) complemented by local standards if required.

Any local deviation in an Ageas' entity in scope must be submitted to the group Policy Owner.

## ESCALATION

Anytime a breach of the Procurement policy or Standards is observed and/or flagged, the Policy owner addresses the offender and his/her manager and refers to the Procurement Policy and Standards in place.

In case of repeated violations, the Policy owner informs the Exco and the CEO of the business concerned so as to agree on mitigating measures and corrective actions to be taken. Group Compliance is also informed.

## LEGAL AND REGULATORY REFERENCES

This Policy is prepared in accordance with:

<b>At European and international level</b>	<p><b>GDPR:</b></p> <ul style="list-style-type: none"><li>- General Data Protection Regulation (EU) 2016/679</li></ul> <p><b>DORA:</b></p> <ul style="list-style-type: none"><li>- Regulation (EU) 2022/2554 of the European Parliament and the Council of 14 December 2022 on digital operational resilience for the financial sector and any applicable implementing delegated act (DORA RTS).</li></ul> <p><b>Solvency II (Outsourcing):</b></p> <ul style="list-style-type: none"><li>- Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance ("Solvency II Directive"), art. 95.</li><li>- European Commission Delegated Regulation (EU) 2015/35, art. 274.</li></ul> <p><b>CS3D:</b></p> <ul style="list-style-type: none"><li>- Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence (CS3D)</li></ul>
<b>At Belgian national level</b>	<ul style="list-style-type: none"><li>- Law of 13 March 2016 on the status and control of the insurance and reinsurance companies ("<i>Solvency II Law</i>") articles 15, 54° and 92 (outsourcing).</li><li>- NBB Circular NBB_2020_018 on Outsourcing to Cloud Service Providers (hereinafter "<i>NBB Cloud Circular</i>") and NBB Circular NBB_2016_31 on prudential expectations in terms of governance system for insurers and reinsurers (hereinafter "<i>NBB Governance Circular</i>"), chapter 7 on Outsourcing.</li><li>- NBB Circular NBB_2021_15 providing guidelines on information and communication technology security and governance (Hereinafter "<i>NBB ICT guidelines</i>"), Guideline 25.</li></ul>

## RELATED DOCUMENTS

Each LPP should contain the list of associated internal regulations to be compliant with. This list should include at least the following non-exhaustive list of Policies and Standards/Procedures/Manual/Guidelines:

- Procurement Standards
- Procurement procedure (only for ageas SA/NV)
- Code of Conduct for Suppliers
- Human Rights Policy
- Outsourcing policy
- Business Continuity
- AML/CTF policy and Standards
- Integrity policy
- Information security policy
- Personal data management standards
- Compliance Charter
- Anti-bribery and Corruption policy and Standards
- Legal Charter
- Tax policy
- Conflict of interest policy
- Anti-trust statement
- Sanctions Policy and Standards
- Anti Controversial Weapons Policy and Standards