



WAICA Re ESG Implementation Journey

May 2025 Update

Reinsuring Responsibly

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1 Introduction

WAICA Re is committed to embedding Environmental, Social, and Governance (ESG) principles across all aspects of our business. As part of our continuous improvement, we have developed structured policies, implemented science-based targets, and assessed our investment portfolio, underwriting practices, and corporate sustainability initiatives. Our ESG journey is guided by international best practices, regulatory frameworks, and industry benchmarks, ensuring that we align our operations with global sustainability goals.

WAICA Re strategic ESG Journey started in 2023, and in 2024 we took significant steps toward strengthening climate risk management, emissions reduction, and sustainable investment strategies. We have conducted materiality assessments, enhanced ESG governance structures, and benchmarked our ESG performance against leading industry players. This report outlines the key initiatives that define our ESG strategy and our continued commitment to responsible reinsurance and sustainable business practices.

2 ESG Materiality Assessment

WAICA Re conducted a comprehensive ESG materiality assessment in collaboration with S&P Global, ensuring that key environmental, social, and governance (ESG) issues are aligned with industry standards such as SASB and GRI frameworks. The assessment identified 17 material ESG topics, including climate risk, ethical business practices, customer privacy, and workforce diversity. Stakeholder engagement, including input from employees, investors, regulators, and customers, played a critical role in defining the priorities. The results of this assessment allow WAICA Re to integrate ESG considerations into strategic decision-making, risk management, and corporate reporting, ensuring a transparent and responsible approach to sustainability.

To remain responsive to evolving ESG risks and opportunities, WAICA Re periodically reviews its materiality assessment to reflect shifts in regulations, market expectations, and climate-related risks. The organization is committed to enhanced ESG disclosures, ensuring that stakeholders remain informed about its sustainability journey. The findings

of this assessment are applied across investment strategies, operational resilience, and corporate governance, reinforcing WAICA Re's leadership in responsible reinsurance practices.

3 Science-Based Targets for Scope 1 & 2 Emissions

WAICA Re has formally adopted Science-Based Targets (SBTi) to guide its Scope 1 (direct emissions) and Scope 2 (indirect energy-related emissions) reductions. WAICA Re has committed to a linear 5.5% annual emissions reduction from 2023 to 2033, aiming for a 55% reduction by 2033 and net-zero emissions by 2050. The approach aligns with the 1.5°C Paris Agreement trajectory, ensuring that WAICA Re's climate commitments are based on scientific methodologies. Key initiatives supporting this reduction include shifting to renewable energy sources, optimizing energy efficiency, and integrating sustainable building designs across its operations.

In addition to these direct emissions reductions, WAICA Re is committed to transparent emissions reporting, regularly disclosing progress towards these targets. WAICA Re's climate action strategy also involves collaboration with industry stakeholders to encourage sector-wide decarbonization efforts. This ambitious emissions reduction pathway positions WAICA Re as a leader in sustainable finance and risk mitigation in the reinsurance industry.

4 Science-Based Targets for Scope 3 Emissions

WAICA Re acknowledges that Scope 3 emissions, particularly those associated with its investment portfolio and supply chain, represent a significant portion of its total carbon footprint. To address this, WAICA Re is working towards setting science-based Scope 3 targets (Portfolio Coverage Approach), focusing on financed emissions, vendor sustainability performance, and green investment strategies. This approach aligns with international best practices, where financial institutions and insurers play a crucial role in influencing low-carbon economic transitions.

WAICA Re commits to increasing the percentage of investees that have set science-based targets that have been validated by the SBTi to 31% by 2029, and 100% by 2040. This would

imply an increase of at least 6.25% per year, and a total increase over current levels of 31% by 2029 and 100% by 2040.

WAICA Re's Scope 3 emissions reduction strategy includes engaging with investee companies to encourage decarbonization, integrating ESG factors into underwriting decisions, and promoting sustainable supply chain practices. WAICA Re is actively developing engagement frameworks with clients and partners to ensure that emissions reductions are realized across all business touchpoints. By committing to Scope 3 target setting under the SBTi framework, WAICA Re is taking a holistic approach to climate responsibility, ensuring that both direct and indirect emissions are mitigated.

5 Corporate Climate Risk Portfolio Assessment

WAICA Re systematically assesses the climate-related risks and carbon footprint of its corporate investment portfolio, leveraging methodologies aligned with the Task Force on Climate-Related Financial Disclosures (TCFD). This assessment identifies the sectors and companies within its portfolio with high carbon intensity, enabling WAICA Re to manage exposure to transition risks such as carbon pricing regulations and stranded assets. The evaluation includes scenario analyses based on different climate pathways, ensuring that investment decisions align with low-carbon economic development.

The findings from the portfolio assessment guide investment reallocation strategies, prioritizing companies with strong ESG performance, lower emissions intensities, and robust climate adaptation strategies. WAICA Re is actively working to reduce the financial risks associated with high-carbon assets while supporting investments in climate solutions such as renewable energy, sustainable infrastructure, and green bonds. This strategic approach ensures that WAICA Re's financial strength remains resilient amidst evolving global climate policies and market expectations.

6 Sovereign Portfolio Climate Impact Analysis

WAICA Re applies a climate risk assessment to its sovereign bond holdings, evaluating the carbon intensity and climate policies of issuing governments. This analysis enables WAICA Re to identify potential risks linked to national climate policies, carbon taxation frameworks, and energy transitions. The 2023 assessment revealed that certain sovereign

issuers carry high exposure to fossil fuel reliance, necessitating a strategic review of investment allocations to align with long-term sustainability goals.

By incorporating climate risk considerations into sovereign bond investments, WAICA Re seeks to encourage responsible government policies and long-term climate resilience. WAICA Re actively engages with sovereign issuers and policymakers, advocating for transparent carbon disclosures and alignment with international climate commitments. This ensures that WAICA Re’s investment approach not only mitigates financial risk but also contributes to sustainable economic development in emerging and frontier markets.

7 Data Tables & Analysis

Metric	2023 Baseline	2028 Target	2033 Target	2050 Net Zero Goal
Scope 1 Emissions (tCO2e)	134	98	61	13
Scope 2 Emissions (tCO2e)	55	40	25	6
Scope 3 Emissions (tCO2e) Portfolio Coverage	308			
ESG-Compliant Investments (%)	0%	25%	56%	100%
Climate Risk Portfolio Assessment Score	Medium-High	Medium	Low	Low

8 Benchmarking and ESG Gap Analysis

A benchmarking analysis conducted by Ernst & Young assessed WAICA Re’s ESG maturity against regional peers. The study placed WAICA Re in Quadrant 1 of the ESG risk-reward matrix, indicating the need for enhanced ESG integration, structured policies, and KPI tracking. Key areas for improvement include governance structures, employment equity, waste management, and sustainable product offerings. The analysis provides a strategic roadmap for WAICA Re to transition towards Quadrant 4—leveraging ESG for growth and brand differentiation.

However, the above summary analysis was at the beginning of the implementation journey in 2024. As at report update 2025, WAICA Re is in Quadrant 4 where it is leveraging ESG for growth and brand differentiation.

9 WAICA Re ESG Management Systems Policy

The ESG Management Systems Policy (ESGMS) establishes a structured framework to manage environmental, social, and governance (ESG) risks across WAICA Re's operations, underwriting, and investments. It includes sustainability policies, governance controls, compliance monitoring, and stakeholder engagement mechanisms. This framework ensures that WAICA Re's business model aligns with global best practices in responsible reinsurance.

10 WAICA Re ESG Policy 2025

The WAICA Re ESG Policy 2025 outlines a strategic commitment to sustainability, focusing on climate resilience, responsible investment, and social governance. This policy ensures adherence to international ESG frameworks such as the UN Global Compact, IFC Performance Standards, and TCFD recommendations. Key elements include carbon footprint reduction, ESG-integrated decision-making, and sustainable development partnerships.

11 Potential Investor Highlights – Why Invest in WAICA Re's ESG Journey

WAICA Re presents a compelling investment proposition for mission-aligned investors seeking long-term financial returns paired with measurable sustainability impact. As a regional reinsurance integrator and climate-conscious financial institution, WAICA Re's ESG journey offers significant value creation opportunities. Below are five key ESG-aligned rationales for investing in WAICA Re:

1. Renewable Energy Deployment Projects in Owned Buildings.

WAICA Re has committed to reducing its operational emissions footprint and improving energy efficiency. One of the initiatives under implementation is the deployment of renewable energy solutions—such as solar carports and rooftop systems—across all WAICA Re-owned facilities. These projects aim to reduce dependence on fossil fuel-powered generators, contribute to decarbonization goals, and improve long-term cost efficiency. Investor capital will be instrumental in enabling these infrastructure rollouts.

2. Product Innovation for Climate Resilience and Inclusive Risk Protection.

WAICA Re's sustainable underwriting strategy includes innovative insurance products such as parametric insurance and weather-index-based solutions. These products are designed to provide quick, data-driven payouts for climate-related events such as droughts and floods, particularly benefiting vulnerable populations and underserved markets. Investment in this area will support research, regulatory engagement, and pilot projects necessary for successful scaling.

3. ERP Implementation for Digital Efficiency and Sustainability.

As part of WAICA Re's operational sustainability drive, the company is pursuing the deployment of an Enterprise Resource Planning (ERP) system. This initiative aims to reduce resource consumption, enhance ESG data tracking and reporting, automate compliance controls, and improve enterprise-wide operational efficiency. The ERP deployment is a strategic enabler of sustainable governance practices and long-term business resilience.

4. Integrated ESG Management and Governance.

The company has established a robust ESG Management Systems Policy (ESGMS) and ESG Policy 2025, ensuring that ESG risks are managed holistically across underwriting, operations, and investment functions. By investing in WAICA Re, stakeholders align with a governance framework built on the UN Global Compact, IFC Performance Standards, and TCFD principles—assuring accountability, transparency, and regulatory compliance.

5. Facilitating Regional Integration and ESG Capacity-Building.

WAICA Re is positioned to support the integration of reinsurance markets across Africa while advancing sustainability through responsible underwriting and ecosystem partnerships. Investor funds will be used to build regional ESG knowledge centres, support cross-border insurance harmonization, and grow internal ESG capabilities—creating shared long-term value for stakeholders and communities alike.

12 Commitment to Transparency and ESG Leadership

WAICA Re's sustainability strategy is deeply integrated into its business operations, investment decisions, and corporate governance framework. WAICA Re is committed to enhancing ESG disclosures, strengthening climate resilience, and driving sustainable insurance solutions. Stakeholders can expect continuous updates on emissions reductions, ESG materiality assessments, and portfolio climate alignment strategies.

For additional details on WAICA Re's ESG policies, carbon reduction commitments, and investment sustainability approach, please email esg@waicare.com.