

WALCA Re Abridged Responsible Investment Policy Statement



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Public Statement

1. Purpose, Scope and Governance

WAICA Re believes that effective investment management must balance financial performance, risk management, sustainability and long-term value creation. The Group's investment activities are therefore guided by responsible investment principles that recognise the importance of Environmental, Social and Governance (ESG) factors in investment decision-making.

This Policy outlines how WAICA Re incorporates sustainability considerations into its investment activities and stewardship approach while maintaining its fiduciary responsibilities, prudential obligations and commitment to sustainable long-term value creation. It is intended as a public statement of the Group's responsible investment philosophy and does not disclose confidential investment limits, internal approval processes or proprietary methodologies.

This Policy applies to:

- WAICA Reinsurance Corporation Plc
- All subsidiaries and regional offices

Board of Directors

- The Board shall provide oversight of this Policy through its governance and risk management responsibilities.

2. Responsible Investment Commitment

WAICA Re seeks to integrate environmental, social and governance considerations into investment analysis, portfolio management, stewardship activities and ongoing monitoring processes.

The Group recognises that responsible investment contributes to:

- Improved risk management.
- Enhanced long-term investment performance.
- Protection of stakeholder value.
- Climate and sustainability resilience.
- Better governance outcomes.
- Stronger financial and operational stability.
- Positive environmental and social outcomes.

WAICA Re's approach is aligned with its broader Environmental, Social and Governance commitments and reflects its support for the principles of responsible investment and sustainable insurance.

3. ESG Integration into the Investment Process

WAICA Re incorporates ESG considerations throughout the investment lifecycle.

Investment Assessment

Prior to investment, ESG considerations are evaluated alongside traditional financial factors. The assessment may consider:

- Long-term sustainability of the issuer or investment.
- Material ESG risks and opportunities.
- Regulatory compliance.
- Corporate governance standards.
- Business conduct and ethics.
- Climate and environmental impacts.
- Human capital management.
- Reputation and stakeholder relationships.
- Business resilience and operational sustainability.

Ongoing Monitoring

Investments are monitored periodically to identify material changes in financial performance, sustainability performance, governance quality and risk exposure.

Where material ESG concerns arise, WAICA Re may pursue engagement, enhanced monitoring, voting action, restrictions on additional investment exposure or review the ongoing suitability of the investment and consider appropriate portfolio actions where necessary.

4. Environmental Factors Considered

Environmental factors considered by WAICA Re may include:

- Climate change vulnerability.
- Physical climate risks.
- Transition risks associated with the move to a lower-carbon economy.
- Greenhouse gas emissions.
- Energy efficiency.
- Renewable energy adoption.
- Pollution prevention and control.
- Water management.
- Waste management.
- Biodiversity and ecosystem protection.
- Sustainable land use.
- Natural resource management.
- Climate adaptation and resilience.

These factors are assessed according to their potential impact on long-term investment performance and sustainability outcomes.

5. Social Factors Considered

Social factors considered by WAICA Re may include:

- Human rights.
- Labour practices and working conditions.
- Occupational health and safety.
- Employee wellbeing.
- Diversity, equity and inclusion.
- Community engagement.
- Customer welfare and protection.
- Data privacy and security.

- Access to finance and financial inclusion.
- Supply-chain responsibility.
- Cultural heritage and community impacts.
- Social development outcomes.

These factors are assessed for their implications on stakeholder relationships, operational resilience, reputation and long-term value creation.

6. Governance Factors Considered

Governance factors considered by WAICA Re may include:

- Board effectiveness and oversight.
- Business ethics and integrity.
- Anti-bribery and anti-corruption controls.
- Anti-money laundering measures.
- Regulatory compliance.
- Risk management frameworks.
- Cybersecurity and information security.
- Transparency and disclosure.
- Internal controls.
- Accountability and responsible leadership.
- Conflicts of interest management.
- Corporate conduct and governance practices.

Strong governance remains a cornerstone of sustainable investment performance and long-term stakeholder confidence.

7. ESG Screening and Exclusions

WAICA Re applies exclusionary and risk-based screening within its responsible investment framework.

The Group does not knowingly invest in activities that are prohibited under applicable laws, sanctions requirements or recognised exclusion frameworks adopted by the Group.

The Group applies exclusion criteria informed by internationally recognised standards, including the International Finance Corporation (IFC) Exclusion List.

Examples of excluded activities may include unlawful activities, harmful labour practices, prohibited products, sanctioned activities and other activities inconsistent with WAICA Re's responsible investment commitments.

Investments that present elevated ESG risks may be subject to enhanced review, engagement or additional due diligence.

8. Asset Class Framework

WAICA Re applies ESG considerations across relevant asset classes.

Government Securities

Assessment may include governance quality, social and economic resilience, sovereign risk, regulatory environment and climate-related considerations.

Deposits and Financial Institutions

Assessment may include financial strength, governance, regulatory standing, cybersecurity, ethical conduct and sustainability-related risks.

Bonds

Assessment may include credit quality, governance standards, environmental and social risks, transparency and sustainability disclosures.

Green and Sustainability Bonds

The Group may consider investments linked to:

- Renewable energy.
- Energy efficiency.
- Pollution prevention.
- Sustainable resource management.
- Biodiversity conservation.
- Clean transportation.
- Sustainable water management.
- Climate adaptation initiatives.
- Circular economy solutions.

- Green buildings.

Listed Equities

Assessment may include governance quality, sustainability practices, climate resilience, reputation and stakeholder management.

Private Investments

Assessment may include governance structures, business conduct, long-term sustainability and responsible business practices.

Property Investments

Assessment may include environmental performance, resilience, resource efficiency and sustainability considerations.

External Investment Managers

External investment managers are expected to demonstrate responsible investment capabilities and incorporate ESG considerations into their investment processes.

9. Sector Guidance

WAICA Re recognises that ESG risks differ across industries. Additional consideration may therefore be given to sectors with potentially elevated environmental, social or governance exposures, including:

- Energy.
- Mining and extractives.
- Agriculture and forestry.
- Infrastructure.
- Manufacturing.
- Transportation.
- Property development.
- Water and environmental services.
- Financial services.
- Technology and data-intensive sectors.

Sector-specific considerations may include climate risk, biodiversity impacts, labour conditions, community impacts, governance quality, resource use and regulatory exposure.

10. Climate-Related Investment Commitments

WAICA Re recognises climate change as a material long-term investment consideration.

The Group seeks to:

- Consider climate-related risks and opportunities during investment analysis.
- Support investments that contribute to environmental sustainability and resilience.
- Monitor climate-related developments affecting relevant investments.
- Encourage appropriate climate-related disclosure.
- Consider opportunities in sustainable, climate-resilient and environmentally beneficial investments.
- Improve understanding of climate-related financial risks and opportunities over time.

These commitments support WAICA Re's broader sustainability strategy and climate-risk management objectives.

11. Stewardship and Engagement Framework

WAICA Re recognises that responsible stewardship can contribute to sustainable long-term investment performance, improved governance and stronger stakeholder outcomes.

Stewardship Objectives

Stewardship activities seek to:

- Promote sustainable long-term value creation.
- Encourage effective management of material ESG risks.
- Support responsible corporate conduct.
- Promote transparency and accountability.
- Strengthen climate and sustainability resilience.

- Improve governance standards.
- Encourage responsible business practices.

Climate Change Engagement

Where appropriate, WAICA Re may engage investees and counterparties regarding:

- Climate governance.
- Climate-risk management.
- Climate resilience.
- Greenhouse gas management.
- Climate-related disclosures.
- Climate adaptation and transition planning.

Biodiversity Engagement

Where appropriate, engagement may address:

- Biodiversity conservation.
- Ecosystem protection.
- Sustainable land use.
- Responsible natural resource management.
- Nature-related risk management.
- Environmental stewardship.

Governance Engagement

Engagement may focus on:

- Board oversight.
- Business ethics.
- Corporate governance.
- Regulatory compliance.
- Anti-corruption controls.
- Risk management.
- Cybersecurity and data governance.
- Transparency and disclosure.

Social Engagement

Engagement may focus on:

- Human rights.
- Labour practices.
- Diversity and inclusion.
- Employee wellbeing.
- Occupational health and safety.
- Community engagement.
- Customer welfare and protection.

Prioritisation of Engagement

Engagement priorities are determined using a risk-based approach considering:

- Magnitude of ESG risk.
- Strategic importance of the investment.
- Potential impact on long-term value.
- Stakeholder concerns.
- Regulatory developments.
- Climate and sustainability significance.
- Potential for measurable improvement.

Collaboration

WAICA Re supports collaboration with investors, insurers, reinsurers, industry associations, development institutions and other stakeholders where such collaboration promotes responsible investment principles and sustainable market development.

Escalation Approach

Where engagement does not lead to satisfactory progress, WAICA Re may consider proportionate escalation measures, including:

- Continued engagement.
- Enhanced monitoring.
- Requests for improved disclosure.

- Stewardship actions.
- Restriction of future investment exposure.
- Review of investment suitability.
- Responsible divestment where appropriate.

Escalation decisions will depend on the severity, persistence and materiality of the issue as well as the Group's ability to influence outcomes.

12. Responsible Voting Policy

12.1 Purpose and Voting Principles

Where WAICA Re holds voting rights, the Group seeks to exercise those rights responsibly and in a manner consistent with long-term value creation, effective corporate governance and the management of material environmental, social and governance risks.

Voting decisions are guided by the merits of each proposal, the circumstances of the investee organisation, the materiality of the issue, the interests of WAICA Re and its stakeholders, and the potential effect of the proposal on sustainable long-term investment performance.

WAICA Re does not automatically support or oppose a resolution solely because it is described as an ESG resolution. Each resolution is assessed on its substance, relevance, proportionality and likely contribution to responsible corporate conduct and long-term value.

12.2 Definition and Criteria for ESG Resolutions

For the purposes of this Policy, an ESG resolution is a shareholder or management proposal that principally addresses a material environmental, social or governance matter. Relevant criteria include whether the proposal: addresses a financially or operationally material ESG risk; promotes appropriate oversight, transparency or disclosure; protects stakeholder or shareholder interests; supports responsible conduct and long-term value creation; is proportionate to the investee's activities and risk exposure; is sufficiently clear and capable of implementation; and does not conflict with applicable law or create unjustified adverse consequences. Resolutions may concern climate change, biodiversity, human rights, labour practices, customer

protection, board effectiveness, ethics, remuneration, risk management, cybersecurity or related sustainability matters.

12.3 Decision-Making Process

WAICA Re assesses relevant shareholder resolutions individually before deciding whether to vote in favour, vote against or abstain.

The assessment may consider:

- The purpose, wording and expected effect of the resolution.
- The materiality of the ESG matter to the investee organisation.
- The investee's existing policies, commitments and performance.
- The quality of management's response to the matter.
- The resolution's consistency with WAICA Re's responsible investment principles.
- The proposal's likely contribution to long-term value creation.
- The availability and reliability of supporting information.
- Applicable legal, regulatory, fiduciary and contractual requirements.
- The proportionality and practical feasibility of the proposal.
- Relevant engagement undertaken with the investee.
- Any material conflicts of interest.

Voting decisions are based on appropriate internal review and remain the responsibility of WAICA Re. Where relevant information is incomplete, the Group may seek clarification, abstain or determine that the proposal cannot be supported.

12.4 Environmental Voting Guidelines

WAICA Re may support well-constructed and proportionate resolutions that encourage investee organisations to:

- Strengthen oversight of material environmental and climate-related risks.
- Disclose material physical and transition climate risks.
- Establish credible climate adaptation, resilience or transition plans.
- Improve the measurement and management of greenhouse-gas emissions.
- Promote energy and resource efficiency.
- Prevent or reduce pollution and waste.

- Strengthen water stewardship.
- Protect biodiversity, ecosystems and natural resources.
- Improve transparency concerning material environmental impacts.
- Align environmental commitments with credible implementation arrangements.

The Group may oppose or abstain from resolutions that are unclear, immaterial, duplicative, impracticable, inadequately evidenced or inconsistent with sustainable long-term value creation.

12.5 Social Voting Guidelines

WAICA Re may support well-constructed and proportionate resolutions that promote:

- Respect for human rights.
- Fair labour practices and appropriate working conditions.
- Occupational health, safety and employee well-being.
- Diversity, equity and inclusion.
- Responsible supply-chain practices.
- Customer welfare, fair treatment and product responsibility.
- Data privacy and responsible information management.
- Constructive community engagement.
- Appropriate management of significant social impacts.
- Transparent reporting on material social risks and performance.

WAICA Re considers the relevance of each social matter to the investee's activities, workforce, customers, communities, supply chain and long-term performance.

12.6 Governance Voting Guidelines

WAICA Re may support resolutions that strengthen:

- Board effectiveness, competence and appropriate independence.
- Accountability and oversight.
- Ethical conduct and corporate integrity.
- Anti-bribery and anti-corruption controls.
- Risk management and internal controls.

- Cybersecurity, data protection and operational resilience.
- Transparent and reliable corporate reporting.
- Appropriate management of conflicts of interest.
- Equitable treatment of shareholders.
- Responsible executive remuneration.
- Regulatory compliance.
- Oversight of material ESG risks and opportunities.

WAICA Re may oppose resolutions, appointments or governance arrangements where material concerns exist regarding accountability, integrity, oversight, independence, transparency, excessive remuneration, conflicts of interest or the protection of stakeholder and shareholder interests.

12.7 External Voting Service Providers

Where WAICA Re uses an external investment manager, proxy adviser, voting agent or other service provider, voting recommendations and voting activities are expected to be consistent with WAICA Re's responsible investment principles and applicable voting guidelines.

External recommendations may inform the Group's decision but do not remove WAICA Re's responsibility for voting oversight. WAICA Re may:

- Review the provider's voting methodology and governance arrangements.
- Communicate applicable voting expectations.
- Assess whether recommendations are consistent with this Policy.
- Seek clarification where a recommendation differs materially from WAICA Re's position.
- Examine the management of potential conflicts of interest.
- Monitor relevant voting reports.
- Override a recommendation where appropriate and practicable.

Material or persistent inconsistency with WAICA Re's voting principles may result in further engagement, enhanced monitoring or review of the service arrangement.

12.8 Conflicts of Interest

Actual, potential or perceived conflicts of interest relating to voting activities must be identified and managed appropriately.

Voting decisions must not be influenced by improper personal, commercial or other interests. Where a material conflict cannot be managed satisfactorily, WAICA Re may apply appropriate safeguards, obtain independent input or abstain from voting.

12.9 Voting Records, Monitoring and Disclosure

WAICA Re seeks to maintain appropriate records of relevant voting decisions, including the nature of the resolution, the voting decision and, where appropriate, the principal reason for that decision.

The Group seeks to monitor:

- The number of ESG-related resolutions considered.
- The number of ESG-related resolutions supported.
- The number opposed or subject to abstention.
- Significant departures from applicable voting guidelines.
- Material voting themes.
- Voting undertaken by relevant external managers or service providers.

Where reliable and complete information is available, WAICA Re may publicly disclose the percentage of ESG resolutions supported during the reporting period.

The calculation will be:

Percentage of ESG resolutions supported = Number of ESG resolutions voted in favour ÷ Total ESG resolutions voted on × 100

Resolutions for which WAICA Re did not have voting rights or did not cast a vote should not be included in the denominator. Abstentions should be treated as votes not supported unless the applicable reporting methodology requires different treatment.

13. Outcome Identification and Measurement

WAICA Re seeks to monitor and measure the effectiveness of its responsible investment approach using appropriate indicators and available information.

Areas that may be monitored include:

- ESG integration coverage.
- ESG risks identified and addressed.
- Stewardship and engagement activities.
- Alignment with exclusion criteria.
- Responsible investment performance.
- Sustainability-related investment outcomes.
- Climate-related indicators.
- Green and sustainability investment exposure.
- Progress against responsible investment commitments.

The Group remains committed to improving the quality and consistency of ESG-related investment information and reporting over time.

14. Alignment with International Principles

WAICA Re supports the objectives of the:

- United Nations Principles for Responsible Investment (UN PRI).
- United Nations Principles for Sustainable Insurance (UN PSI).
- United Nations Sustainable Development Goals (SDGs).
- International Financial Reporting Standards (IFRS S1 & S2)

The Group seeks to progressively strengthen ESG integration, responsible investment practices, stewardship activities, transparency and sustainability outcomes in alignment with these internationally recognised principles and frameworks.

15. Continuous Improvement

WAICA Re recognises that responsible investment practices continue to evolve. The Group therefore reviews and enhances its responsible investment approach periodically to reflect:

- Emerging sustainability risks.
- Regulatory developments.
- Stakeholder expectations.
- Market developments.
- Advances in ESG and climate-related practices.
- New opportunities for sustainable value creation.

Public Commitment

WAICA Re is committed to managing investments responsibly, prudently and transparently. Through the integration of ESG considerations into investment decision-making and stewardship activities, the Group seeks to support long-term financial resilience, sustainable value creation and positive outcomes for its stakeholders, markets and communities.