

Sustainable Insurance Underwriting Policy Statement

WAICA Re Group Sustainable Insurance Underwriting Policy Statement

Public Policy Statement

1. Introduction

WAICA Reinsurance Corporation Plc (“WAICA Re” or “the Group”) recognises that environmental, social and governance (ESG) issues increasingly influence risk profiles, claims experience, business resilience, financial performance and long-term sustainability.

As a provider of reinsurance solutions across multiple jurisdictions, WAICA Re seeks to incorporate relevant ESG considerations into underwriting decision-making, risk assessment, portfolio management and stakeholder engagement activities. The Group believes that responsible underwriting supports stronger risk management, healthier insurance markets, improved resilience and sustainable value creation for clients, shareholders, regulators and society.

This Policy provides a public overview of WAICA Re’s sustainable insurance underwriting approach and is aligned with the Group’s ESG Management System, Risk Management Framework, Treasury and Investment Policy Framework and commitments to internationally recognised sustainability principles.

2. Purpose

The objectives of this Policy are to:

- Integrate relevant ESG considerations into underwriting activities.
- Improve identification and management of ESG-related risks.
- Promote responsible insurance practices.
- Support sustainable economic development.
- Strengthen climate resilience across insurance markets.
- Enhance stakeholder confidence and transparency.
- Align underwriting practices with recognised sustainability principles and standards.
- Protect the long-term interests of policyholders, cedants, shareholders and other stakeholders.

3. Scope

This Policy applies to WAICA Re's underwriting and reinsurance activities, including facultative and treaty reinsurance business, across applicable business lines, geographical markets and operating entities.

The Policy also supports engagement with:

- Cedants.
- Brokers and intermediaries.
- Strategic partners.
- Service providers.
- Other relevant stakeholders involved in the insurance value chain.

4. Sustainable Insurance Underwriting Principles

WAICA Re seeks to:

4.1 Integrate ESG into Underwriting

Environmental, social and governance considerations are incorporated into underwriting, risk assessment and business selection processes where relevant to the nature of the risk being considered. ESG considerations complement traditional underwriting assessments and support more comprehensive risk evaluation.

4.2 Promote Risk Awareness

WAICA Re encourages greater awareness of ESG-related risks and opportunities among cedants, brokers and other stakeholders through communication, engagement and knowledge-sharing activities.

4.3 Support Sustainable Development

The Group seeks to support sustainable economic development through responsible underwriting practices, climate resilience, innovation and the promotion of sustainable insurance solutions.

4.4 Maintain Strong Governance

The Group is committed to high standards of ethics, risk management, transparency, compliance and accountability in underwriting decision-making.

5. ESG Issues Considered in Underwriting

The relevance of ESG issues varies according to the nature of the risk, sector, geography and line of business.

E - Environmental Issues

Examples of environmental issues that may be considered include:

- Climate change vulnerability.
- Physical climate risks.
- Transition risks.
- Carbon emissions.
- Energy use and efficiency.
- Pollution and contamination.
- Biodiversity impacts.
- Deforestation and land degradation.
- Water and wastewater management.
- Natural resource management.
- Climate adaptation and resilience.

S - Social Issues

Examples of social issues that may be considered include:

- Human rights.
- Labour practices.
- Occupational health and safety.
- Workforce wellbeing.
- Community relations.
- Cultural heritage.
- Customer welfare.
- Data privacy and information protection.
- Diversity, equity and inclusion.
- Employee engagement.
- Community impacts.

G - Governance Issues

Examples of governance issues that may be considered include:

- Regulatory compliance.
- Corporate governance.

- Board oversight.
- Business ethics.
- Anti-bribery and anti-corruption controls.
- Risk management frameworks.
- Transparency and disclosure.
- Cybersecurity.
- Data governance.
- Financial crime controls.
- Internal control environments.

6. Client and Cedant Engagement

WAICA Re recognises that collaboration with clients and cedants contributes to improved management of ESG risks and opportunities.

The Group may engage clients and cedants to:

- Raise awareness of material ESG risks.
- Share industry developments and best practices.
- Encourage appropriate ESG risk management.
- Promote climate resilience and adaptation.
- Support sustainable insurance solutions.
- Encourage responsible business practices.
- Improve transparency and disclosure.

The Group aims to progressively increase ESG engagement across its client and cedant base as part of its broader sustainability strategy. Public reporting on engagement levels may be provided periodically through sustainability disclosures.

7. Broker and Intermediary Engagement

WAICA Re works with brokers and intermediaries to promote understanding of sustainability-related risks and opportunities.

Engagement activities may include:

- Sharing underwriting expectations.
- Promoting awareness of ESG considerations.
- Highlighting emerging climate-related risks.
- Supporting responsible insurance practices.
- Encouraging sustainability-related disclosure and transparency.

The objective is to strengthen risk awareness and support better risk outcomes throughout the insurance value chain.

8. ESG Screening and Exclusions

WAICA Re applies exclusionary and risk-based screening processes as part of its underwriting framework.

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

The Group's screening approach is informed by internationally recognised standards, including the International Finance Corporation (IFC) Exclusion List.

Business opportunities associated with prohibited activities will not ordinarily proceed.

Activities with elevated ESG risks may be subject to enhanced review and assessment.

9. Sensitive Sector Approach

Certain sectors may present higher environmental, social or governance risks and therefore receive additional ESG consideration.

Examples may include:

- Oil and gas.
- Mining and extractive industries.
- Large infrastructure projects.
- Agriculture and forestry.
- Large-scale industrial operations.
- Activities involving significant environmental impact.
- Activities with significant community or social impacts.
- Other sectors identified as high-risk under the Group's ESG framework.

Sector-specific assessment may consider climate issues, biodiversity impacts, labour practices, community impacts, governance quality, environmental management and regulatory compliance.

10. Escalation of High-Risk ESG Cases

WAICA Re applies a risk-based approach to underwriting governance.

Where material ESG concerns are identified, underwriting personnel may seek additional specialist input or escalate the matter for further review in accordance with established governance processes.

Escalation may be considered where:

- ESG risks are unusually significant.
- Information is insufficient to support a decision.
- Material legal, regulatory or reputational concerns are identified.
- Risks are inconsistent with the Group's policies or risk appetite.
- Enhanced due diligence is required.

The Group maintains mechanisms to review and monitor material ESG-related concerns arising during underwriting activities. The volume of cases escalated may vary from year to year based on underwriting activities and portfolio composition.

11. Climate Change and Resilience

WAICA Re recognises climate change as one of the most significant long-term risk drivers affecting insurance and reinsurance markets.

The Group seeks to:

- Consider climate-related risks in underwriting activities.
- Improve understanding of climate-related exposures.
- Support climate adaptation and resilience.
- Encourage improved climate-risk disclosure.
- Promote sustainable insurance solutions.
- Strengthen understanding of emerging environmental risks.

These activities align with the Group's broader climate-risk management and sustainability objectives.

12. Governance and Oversight

Ultimate accountability for sustainable underwriting rests with the WAICA Re Board of Directors, supported by management and appropriate governance structures.

The Group seeks to ensure:

- Appropriate ESG oversight.
- Responsible risk management.
- Compliance with applicable requirements.
- Transparent reporting.
- Continuous improvement of underwriting practices.

Detailed authorities, committees, approval thresholds and internal processes are confidential and are therefore not included in this public statement.

13. Continuous Improvement

WAICA Re recognises that sustainability issues continue to evolve.

The Group therefore seeks to periodically review and enhance its underwriting approach in response to:

- Emerging ESG risks.
- Climate developments.
- Regulatory changes.
- Market expectations.
- Stakeholder feedback.
- Industry best practice.

This supports the continual strengthening of sustainable insurance practices across the Group.

Public Commitment

WAICA Re remains committed to integrating relevant environmental, social and governance considerations into its underwriting practices. Through responsible risk selection, stakeholder engagement, climate-risk awareness, sound governance and continuous improvement, the Group seeks to contribute to resilient insurance markets, sustainable economic development and long-term value creation for stakeholders