

WAICA Re Group Physical Climate Risk Adaptation Policy Statement

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Public Statement

Our Commitment

WAICA Re recognises that climate change is increasing the frequency and severity of physical risks such as flooding, drought, extreme temperatures, severe storms, coastal impacts and other weather-related events across many of the markets in which the Group operates. These risks have the potential to affect communities, economies, insured assets, business operations and the long-term resilience of the insurance sector.

WAICA Re is committed to strengthening climate resilience by integrating physical climate risk considerations into its risk management, underwriting, business planning and sustainability processes. Climate adaptation is embedded within the Group's Sustainability and Enterprise Risk Management Frameworks through climate-risk assessments, scenario analysis, catastrophe risk management, underwriting processes and resilience-building initiatives, supporting alignment with IFRS S2 climate-related disclosure requirements.

Understanding Physical Climate Risks

WAICA Re considers physical climate risks to include both acute and chronic climate-related events and trends that may affect business operations, insurance portfolios and stakeholders.

Examples include:

- Flooding and coastal inundation.
- Drought and water stress.
- Severe rainfall events.
- Heat stress and rising temperatures.
- Extreme weather events.
- Wildfires and environmental degradation.
- Infrastructure disruption.
- Climate-related impacts on economic activity and insured assets.

The Group recognises that these risks may influence underwriting performance, claims experience, operational continuity and long-term business sustainability.

Our Adaptation Approach

WAICA Re applies a proactive and risk-based approach to climate adaptation. The Group seeks to identify, assess, monitor and manage physical climate risks as part of its broader climate risk management programme.

Key elements of the approach include:

- Periodic climate risk assessments.
- Climate scenario analysis and stress testing.
- Monitoring of climate-related developments and emerging risks.
- Integration of climate considerations into underwriting activities.
- Catastrophe exposure management and portfolio monitoring.
- Business continuity and operational resilience planning.
- Stakeholder engagement on climate resilience matters.
- Continuous enhancement of climate-risk capabilities and governance.

Supporting Climate Resilience

WAICA Re aims to contribute to a more resilient insurance market and broader economy by:

- Supporting risk-informed decision-making.
- Encouraging greater awareness of climate-related risks.
- Strengthening understanding of long-term climate exposures.
- Promoting adaptation and resilience measures where appropriate.
- Supporting innovation in risk transfer and insurance solutions.
- Engaging with stakeholders on climate resilience and sustainability matters.

Physical Climate Adaptation Measures

WAICA Re has identified and is implementing climate adaptation measures designed to strengthen resilience to physical climate risks. These measures include:

- Integration of physical climate risks into underwriting and risk assessment processes.
- Climate risk modelling and scenario analysis using climate-risk assessment tools.
- Monitoring of catastrophe and weather-related exposures across the portfolio.
- Enhancement of business continuity and operational resilience arrangements.
- Climate-related risk reporting and governance oversight.
- Stakeholder engagement and awareness-building on climate resilience.
- Continuous review of emerging climate risks and adaptation opportunities.

Adaptation Implementation Timeline

WAICA Re's climate adaptation programme is being implemented through a phased approach:

Short-Term (0–5 Years)

- Strengthen climate risk assessments.
- Expand climate scenario analysis.
- Enhance catastrophe exposure monitoring.
- Integrate physical climate risk considerations into underwriting and risk management processes.
- Improve climate-related reporting and governance.

Medium-Term (5–10 Years)

- Further develop climate-resilient underwriting approaches.
- Expand climate data and analytics capabilities.
- Strengthen stakeholder engagement on climate resilience.

Long-Term (Beyond 10 Years)

- Continue improving adaptation capabilities in response to evolving climate conditions, regulatory developments and market needs.
- Support the long-term resilience of insurance markets and communities through sustainable risk management practices.

Governance and Oversight

Climate-related risks are overseen through WAICA Re's governance and risk management structures, with the Board having the highest. Physical climate risks are assessed alongside other strategic, operational and emerging risks as part of the Group's integrated risk management approach.

The Group periodically reviews climate-related risks, opportunities and response measures to ensure that its approach remains aligned with evolving scientific understanding, regulatory expectations, market developments and stakeholder needs.

Continuous Improvement

WAICA Re recognises that climate risks and adaptation requirements will continue to evolve. The Group therefore seeks to enhance its climate-risk management capabilities over time through:

- Improved climate-related data and analytics.
- Enhanced scenario analysis capabilities.
- Continuous review of climate-related risks and opportunities.
- Ongoing stakeholder engagement.
- Strengthened resilience-building initiatives across its operations and business activities.

Public Commitment

WAICA Re remains committed to strengthening resilience to physical climate risks and supporting sustainable long-term value creation. Through proactive risk management, climate-risk integration and continuous improvement, the Group seeks to contribute to more resilient communities, stronger insurance markets and a more sustainable future.