

The cover features a teal background with a cityscape at the bottom. Overlaid on the city are various white icons: a globe, a pie chart, a gear, a leaf, a water drop, a wind turbine, a solar panel, a car, a location pin, a hand holding a globe, and a recycling symbol. A network of white lines connects these icons, suggesting a global or interconnected system. A large, dark teal diagonal stripe runs from the top right towards the bottom left, partially overlapping the city and icons.

# ESG

Environmental, Social  
and Governance

# POLICY

06/2022

**IRB** Brasil RE

# Summary

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## 1. INTRODUCTION

IRB - Brasil Resseguros S.A. (IRB Brasil RE) sees the evolution of the global and local environmental, social and corporate governance (ESG) agenda, aware of its role as a reinsurer and investor in identifying, evaluating, monitoring, mitigating and adequately controlling the risks related to the topic and inducing the integration of these issues as insurance chain management practices.

We believe that the insurance sector has a relevant social role in protecting and creating value for the society in general, and acting on the ESG agenda is a way to further enhance this contribution. In addition, we understand that value for the business and for society must be generated from technical and human competences, valuing capital and knowledge.

Thus, we want, in close collaboration with business partners and other stakeholders, to increase knowledge, engagement and the development of concrete solutions for the ESG agenda to part of business models and the decision-making process.

## 2. OBJECTIVE

IRB's ESG Policy – Environmental, Social and Governance – (“Policy”) aims at reinforcing the commitment to social, environmental and climate responsibility for our activities, businesses and relationships with stakeholders. This Policy addresses the management of climate, environmental, social and governance risks (collectively also referred to as “sustainability risks”), as well as business opportunities and socio-environmental responsibility actions, aiming at preventing negative impacts and expanding positive impacts on the environment and society.

Thus, this Policy establishes the principles and guidelines on the consideration of environmental, social and corporate governance factors in its internal activities, relationship with stakeholders and in its businesses, and must be observed by all its directors, committee members, officers, employees or interns (“collaborators”).

## 3. COVERAGE

This Policy applies to IRB Brasil RE and its branches, in Brazil and abroad, hereinafter defined as “IRB” or “company”, and its adoption by direct and indirect subsidiaries is recommended.

## 4. DEFINITIONS

- > ESG: set of environmental, social and corporate governance factors;
- > Common interest: interest associated with a group of persons legally or factually linked by the same cause or circumstance;
- > Stakeholders: employees, customers, suppliers, local community, government agencies and any other persons or institutions directly or indirectly impacted by the company's products, services or activities;
- > Environmental risks: possibility of losses caused by events associated with acts or activities that degrade the environment, including the excessive use of natural resources, or environmental disasters resulting from human intervention;
- > Climate risks, in their aspects:
  - > Physical climate risks: possibility of losses caused by events associated with frequent and severe bad weather or long-term environmental changes, which may be related to changes in weather patterns;
  - > Transitory climate risks: possibility of losses caused by events associated with the process of transition to a low carbon economy, in which the emission of greenhouse gases is reduced or compensated and the natural mechanisms for capturing these gases are preserved; and
  - > Litigation climate risks: possibility of losses caused by liability insurance claims or direct lawsuits against the company, both due to failures in the management of physical or transitory climate risks.
- > Social risks: possibility of losses caused by events associated with the violation of fundamental rights and guarantees or acts that are harmful to the common interest; and
- > Sustainability risks: set of climate, environmental and social risks.

## 5. PRINCIPLES AND GUIDELINES

The company is committed to acting with social, environmental and climate responsibility. The Policy and its implementation must be guided by the following principles:

- > Relevance, through the identification of the most relevant ESG issues applicable to its activities and business model;
- > Proportionality, with measures and guidelines that are appropriate to its structure and market positioning; and

- > Consistency, with measures aimed at the constant improvement of processes, procedures, controls and actions linked to this Policy.

To ensure that these principles are practiced, we commit to observe guidelines regarding our actions and impacts on the environment and society, as detailed below. These guidelines aim to promote the company's short and long-term vision, considering the relationship with its different stakeholders.

All changes made to this Policy shall be implemented and operationalized gradually and consistently, in line with an action plan defined and approved internally.

## 5.1 Care and Respect for the Environment

In addition to guiding our employees within the scope of this Policy and related policies of the organization, we encourage the conscious use of resources in the corporate environment, as exemplified below:

- i.** Encouraging the creation of insurance products that promote positive impacts on the environment and consider the transition to a low carbon economy;
- ii.** Promoting, whenever possible, the efficient use of resources and technologies that reduce consumption and, consequently, environmental impacts;
- iii.** Gradually increasing the participation of proven renewable sources in IRB's energy matrix;
- iv.** Encouraging the adoption of practices that promote the reduction of greenhouse gas emissions and, consequently, the mitigation of climate change;
- v.** Guiding employees and users of the building facilities on the proper disposal, including recycling of the generated solid waste, in relation to the National Solid Waste Policy;
- vi.** Prioritizing the selection and use of building infrastructure with environmental certifications and best environmental management practices, which ensure that the construction follows international sustainability standards, such as: rational use of water, energy efficiency, reduction, reuse and recycling of materials and resources, quality of the building's internal environments, sustainable space, innovation and technology; and
- vii.** Encouraging our collaborators, vendors and other business partners to adopt the best environmental practices.

## 5.2 Stakeholder Management

IRB believes that trust and collaboration foster long-term partnerships. Thus, we will be protagonists in the construction of opportunities, seeking excellence in our practices and with the audiences with whom we relate.

Based on this belief, the relationship with our stakeholders is based on:

- i.** Appreciating integrity and ethics in every relationship, relying on solid corporate governance and robust anti-corruption systems as aspects that sustain our good relationships;
- ii.** Ensuring constant attention to human rights, disavowing any disrespectful practice, both in internal and business relations;
- iii.** Providing a healthy and respectful workspace, free from threats or aggression, such as moral or sexual harassment;
- iv.** Rejecting and contesting any type of discrimination related to gender, race, color, disability, political orientation, sexual orientation, age, religion, among other aspects of discrimination;
- v.** Acknowledging and honoring the diversity of race, gender, sexual orientation, age and disability, in addition to providing an inclusive working atmosphere, with equal opportunities;
- vi.** Promoting the education of employees, in order to form quality human capital, aligned with the values of IRB;
- vii.** Valuing physical and mental well-being, mutual respect and equity between people. In this sense, we reserve the right to terminate any business relationship whenever our values are not present in such agreement, or even when the relationship represents a risk to IRB's reputation;
- viii.** Seeking maximum transparency and cooperation with the government and all its regulatory bodies, contributing to the sustainable development of the country;
- ix.** Adopting transparency practices with other stakeholders, especially investors, in relation to IRB's actions and businesses;
- x.** Fostering the adoption of best practices by the Brazilian financial sector, participating collaboratively in working groups, forums and networks on ESG and sustainability risks, including topics such as expanding society's access to the insurance market and financial and insurance education, in line with IRB's ESG strategy; and
- xi.** Stimulating philanthropic actions, selecting and supporting projects aligned with our values and, whenever possible, with our business environment.

### 5.3 Risk Management

The management of climate, environmental, social and governance risks must be included in the general context of IRB's Internal Controls System and Risk Management Structure, whenever possible, in a manner that is integrated with the management of underwriting, credit, market, operational and solvency risks. To this end, IRB's risk management will be based on the following guidelines:

- i.** Identifying, assessing, mitigating, controlling, monitoring and reporting the sustainability risks present in underwriting and claims activities and operations, including the use of criteria for pricing and acceptance linked to customer management and mitigation practices in relation to these risks;
- ii.** Assessing exposures to economic sectors, geographic regions, products or services that are more susceptible to sustainability risks, establishing and formalizing, when appropriate, restrictive lists or concentration limits for such exposures;
- iii.** Incorporating climate, environmental, social and corporate governance criteria in the management and decisions related to assets in which IRB and other companies of the group have operational control or controlling interest;
- iv.** Establishing and formalizing criteria and processes that assist in the identification and management of risks and investment opportunities of the company's reserves, based on the best sustainability practices, aiming at fulfilling the manager's fiduciary duty and generating value for its customers and stakeholders;
- v.** Establishing an efficient management of sustainability risks that may have an impact on investments in the company's reserves, through the analysis and integration of these factors into the investment process;
- vi.** Observing climate, environmental, social and corporate governance issues in the structuring of operations related to the capital market;
- vii.** Establishing and applying sustainability risk management criteria in the development of new products;
- viii.** Recording relevant data for the management of climate, environmental, social and governance risks, including data regarding possible losses incurred by IRB linked to these risks; and
- ix.** Continuously improving the guidelines of this Policy as the theme evolves with market standards, including adhered voluntary commitments, market indexes and other ESG standards.

## 6. RESPONSIBILITIES

To ensure the application and dissemination of principles and guidelines set out in this Policy, IRB has a governance structure for directing and monitoring activities related to the ESG theme, as detailed below.

### **Board of Directors**

- > Offering, through the Ethics, Sustainability and Governance Committee, guidance for the application of this Policy and IRB's ESG strategy;

- > Ensuring that the performance evaluation mechanisms and the remuneration structure adopted by the company do not encourage behaviors that are incompatible with this Policy; and
- > Approving all new versions and monitoring the compliance with this Policy.

### **Executive Board**

- > Appointing and maintaining an Officer Responsible for compliance with this Policy, ensuring its internal/external disclosure, and maintaining documentation related to its compliance;
- > Defining an ESG performance strategy, balancing economic and business development with socio-environmental responsibility; and
- > Supervising/monitoring the sustainability strategy and the implementation and fulfillment of the items of this Policy.

### **ESG Working Group**

- > Coordinating initiatives focused on sustainability, including advances in sustainability risk management and in the development of products and financial solutions with socio-environmental additionalities, encouraging other areas to implement sustainable measures;
- > Monitoring the progress of the action plan approved internally for the implementation of this Policy, reporting progress to management bodies; and
- > Coordinating the updating of this Policy, proposing its revisions and subjecting them to the Executive Board and the Board of Directors for approval.

### **Underwriting Area**

- > Establishing criteria for analyzing and monitoring sustainability risks in risk underwriting, observing the principles of relevance and proportionality; and
- > Defining the necessary assessment and inspection documents and procedures for managing sustainability risks in the risk underwriting process.

### **Claims Area**

- > Establishing criteria for analysis and monitoring of claims related to sustainability risks, observing the principles of relevance and proportionality; and
- > Defining the necessary documents and procedures on regulation and salvage for sustainability risk assessment and management in the claims process.

### **Asset Management Area**

- > Incorporating ESG factors into the analysis and monitoring of risks linked to the management of resources and reserves; and
- > Incorporating ESG aspects into investment allocation and performance assessments.

## **Marketing and RSC Area**

- > Developing and monitoring socio-environmental responsibility programs;
- > Coordinating and performing future updates of the action plan for the implementation of this Policy;
- > Acting as the secretariat of the ESG Working Group;
- > Disclosing the guidelines of this Policy to all areas and collaborators of the company;
- > Disclosing the Policy to the external public; and
- > Publishing this policy and reporting the advances and challenges linked to its implementation in the company's official channels.

## **Personnel Area**

- > Developing and monitoring diversity programs such as Young Apprentice and People with Disabilities;
- > Encouraging respect and inclusion in all relationships and practices, dealing with deviations, in line with the Code of Ethics;
- > Conducting the activities in an inclusive, diverse and transversal way, thus contributing to the sustainability of the business, to the compliance with the legislation and to the simplicity and respect of the relations between the company and its collaborators;
- > Maintaining a welcoming, diverse and egalitarian environment, valuing the human being and promoting physical, emotional and psychological health;
- > Promoting the equity of relationships and opportunities for all collaborators; and
- > Ensuring an environment of psychological safety, in which people can share their ideas and expose their views through open and transparent dialogue

## **Legal Area**

- > Managing legal, administrative or regulatory processes related to ESG risks involving customers, vendors, collaborators and other partners; and
- > Inclusion of contractual clauses with service providers that stipulate obligations related to ESG practices, including obligations related to the prevention of slavery, child labor and sexual exploitation, respect for the environment, respect for diversity and the fight against all forms of corruption.

## **Procurement Area**

- > Disclosing and engaging the company's vendors in relation to the guidelines of this Policy;
- > Managing the process of registration and approval of vendors, according to the guidelines of this Policy and the Vendors Policy; and

- > Sending vendors considered critical for analysis of the Compliance area, in regard to ESG risks.

### **Compliance Area**

- > Analyzing customers, partners and vendors with possible ESG risks, following internal governance guidelines to address the issue.

## **7. GENERAL PROVISIONS**

### **7.1 Technical Responsibility**

The Marketing Management is technically responsible for coordinating revisions to this Policy and submitting it for approval to the Board of Directors.

### **7.2 Implementation**

All guidelines contained herein will be implemented and operationalized gradually and consistently, in line with an action plan defined and approved internally.

### **7.3 Effectiveness, Abrogation and Review Cycle**

This Policy enters into force as of the date of its publication and must be reviewed and approved by the Executive Board and the Board of Directors of the company with a maximum frequency of two years. If, during the period, there is a change to the regulatory environment or to the risk management or ESG governance structure, the document must include the change.

### **7.4 Disclosure and Transparency**

This Policy must be widely disseminated within IRB and the companies of the group, and made available to all collaborators, service providers and partners that are directly related to the business activities.

In addition, IRB is committed to communicating its advancements and challenges in a structured, transparent and systematic way, in order to improve dialogue, strengthen the relationship of trust with its stakeholders and disseminate the best practices. Thus, we make this Policy and other information about your application available on our website.

## 7.5 Omissions and Exceptions

For exceptions to the compliance with the rules set forth herein, the applicant must submit the exception request to the Company's Executive Board with the reasons that justify it, and the final approval of the request must be made by the Board of Directors.

The omissions of this Policy must be informed to the Marketing Management for the assessment of revisions and improvements.