

UN Global Compact Progress report

Issued September 21, 2021

Supporter of your life

ageas.

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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Message from CEO

**Hans De Cuyper,
CEO ageas**

Message to our stakeholders

“Firstly, I’m delighted to present on behalf of all my Ageas colleagues this first UN Global Compact (UN GC) progress report. As a group, we are fully committed to the Principles of Responsible Business Conduct promoted by the United Nations Global Compact and support broader UN Goals, including the Sustainable Development Goals. This progress report provides a summary of our actions in accordance with the commitment required of signatories to the UN Global Compact.

Ageas formally subscribed to the UN GC principles in August 2020. This report is the first report issued by the Ageas group and will also seek to summarise who we are, what we represent and where we currently stand on contributing to the ten principles of the Global Compact. As of next year, this report will reflect the true progress being made.

We take this opportunity to thank all colleagues who made it possible to have a strong commitment towards the principles and act upon our policies and procedures every day, with dedication and above all humanity.”

Who we are?

As an international insurance Group with more than 45,000 employees across 14 countries in Europe and Asia¹, Ageas is aware of its responsibility to the communities in which it operates. As “supporter of your life” Ageas takes care of the “what if’s” and the “what’s possible” so that our customers can live life to the fullest with peace of mind at every stage of their journey, a philosophy we extend also to all stakeholders, including society.

2020 was the second year in the implementation of our 3-year strategic plan, Connect21, both at Group level and within the local entities. The strategic choices, made under Connect21, have been translated into local action plans that consider the specific characteristics of each business in the respective countries, ensuring Ageas remains relevant for all its stakeholders and true to its purpose as a “Supporter of your life”.

For each of these stakeholder groups Ageas made specific pledges and defined corresponding KPIs. Further detail is provided below.



¹ Ageas” designates the conglomerate of companies forming a group of which ageas SA/NV is the top holding. It encompasses the mother company, all its subsidiaries and affiliates. Subsidiary means an entity in which ageas SA/NV, directly or indirectly, has a majority shareholding and holds operational control, and Affiliate means any entity in which ageas SA/NV, directly or indirectly, has a minority shareholding and holds no operational control.

Connect21, focusing on sustainable growth for all stakeholders

Over the past decade, Ageas has gradually evolved as a high performing insurance company with a large activity base in Europe and Asia. Over that time, it has constantly explored ways to develop and grow, with the customer taking centre stage. When designing its strategic plan Connect21, Ageas went back to basics, exploring the very essence of its existence. It recognised that the world is becoming more complex, meaning that the role of an insurer is constantly being challenged and expanded to meet the changing needs of all stakeholders.

Through its competencies and skills, Ageas offers solutions in the domains of health, well-being, housing, and mobility as well as in matters related to ageing, including savings and pension solutions.

Ageas embraces the latest technological evolutions to create a great customer experience, offering solutions beyond the traditional boundaries of insurance: from prepare and protect, towards prevention and assistance.

In exploring these new areas beyond traditional insurance Ageas also recognises its broader role in society, taking note of those societal challenges where Ageas can add most value. In this context, underwriting the UN Principles of Responsible Investment (PRI) for its investments, the UN Global Compact (GC), the UNEP FI Principles of Sustainable Insurance (PSI) and embracing a selection of relevant United Nations Sustainable Development Goals (SDG – see below) helps support these efforts, alongside a commitment also to report transparently on the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

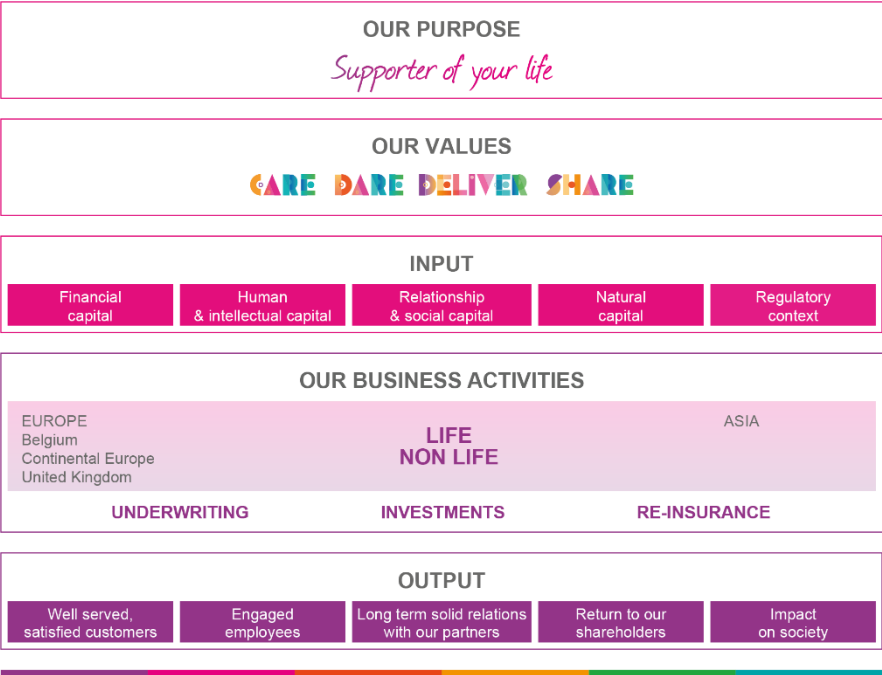
Based on its core competences Ageas chooses to actively work on the following 10 SDGs:



Ageas' success reflects on how all stakeholders value their relationships with Ageas over the long term. Implementing Connect21 is a gradual process in a world that is continuously changing. To remain hyper-relevant Ageas acknowledges that this means constantly evolving and reinventing itself to retain its competitive edge over time. Through a specific strategic workstream "Think 2030", the Group keeps a close watch on societal trends and technological innovations, and how these may impact the future product and service offering for customers.

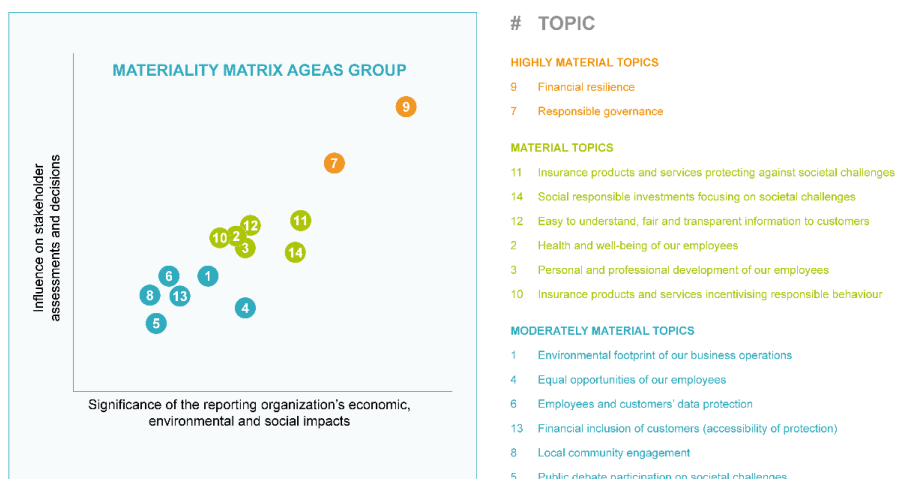
Business model

The scheme below presents Ageas' business model in line with its strategy and specifies the Integrated Reporting capitals relevant to Ageas.



Towards Impact24, the new strategy for the coming 3 years

A first ESG materiality assessment was conducted with the following highlighted as priorities for the group:




Inspired by the results of this survey of stakeholders, the Group's new 3-year strategic exercise, Impact24, which aims to set out the strategic direction for the years 2022 to 2024 puts sustainability at the heart of the business. Clear ambitions and targets have been defined and this plan acts as a guide to the entire group in the coming years to ensure that managing the company in a sustainable way is fully embedded, bringing the DNA of the company to life.

The sustainability ambitions have been clustered around four impact areas, i.e.

- 1 Our people
- 2 Our customers
- 3 Our society
- 4 Our planet

Our stated ambitions are that:

- We will work towards a diverse workforce ensuring fair and equal treatment of our employees, while fostering a culture of continuous learning and taking care of the health and wellbeing of our people.
- We will offer transparent products and services that create economic and societal value, stimulating our customers in the transition towards a more sustainable and inclusive world.
- We will strengthen the long-term, responsible approach to how we invest, contributing to solutions around sustainable cities, local economies, and climate change.
- Across the Group, we will reduce our environmental impact, aiming to be 'GHG-neutral' in our own operations



These ambition statements are supported by clear targets to be realised by the end of 2024 and beyond:

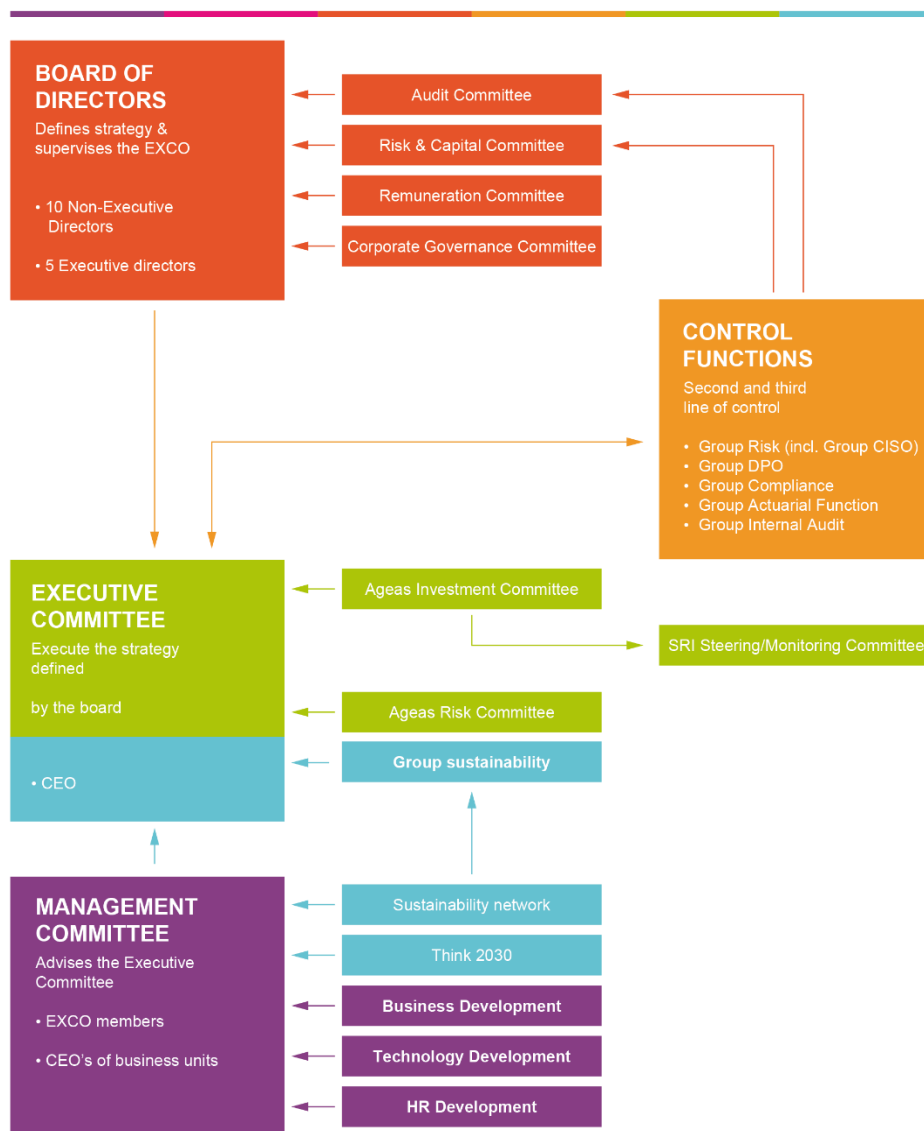
- **With respect to our people and our focus on diversity & inclusion:**
 - A 70% ratio of women in senior management / total % women in company
 - A 50/50 balance Male/Female succession pipeline within the Top 800
 - Top quartile performance with respect to equal participation of women at decision making level
- **With respect to our products:**
 - 25% of Gross Written Premiums from products that stimulate the transition to a more sustainable world
 - 100% of our product portfolio to be reviewed for transparency
- **With respect to the society in which we are active, i.e., the countries in which we operate:**
 - Increase our investments up to EUR 10 billion, making a positive contribution to the transition towards a more sustainable world
 - 100% of our investment decisions to include the integration of ESG
- **With respect to our climate:**
 - Become carbon neutral within our own operations (based on scope 1 & 2 CO₂ emissions)
 - Become Net Zero Carbon by 2050 at the latest with respect to our investment portfolio.

Ageas' ESG governance

Since early 2019 and the official launch of Connect21, formal governance has been put in place with the Sustainability Team reporting directly to the CEO of Ageas, underscoring the commitment and the importance given by the company to ESG. Regular presentations and updates have been provided to the Executive Committee and Management Committee as well as to the Board, both on the overall progress as well as on more technical aspects to enable and stimulate the accumulation of expertise up to the highest level of the organisation. As an example, a specific deep-dive session was set up with the Board with a view to establishing an urgency matrix combining the maturity level and the material topics as they emerge from the materiality survey.

Within the Board, the four subcommittees each take up a specific role related to sustainability. The Nomination and Corporate Governance Committee makes recommendations on environmental and societal matters alongside governance matters and non-financial KPI's; the Remuneration Committee advises on how to include sustainability in the performance KPI's; the Risk and Capital Committee follows-up on defining and monitoring ESG risks, and finally the Audit Committee has responsibility for assessing, reviewing and approving the Annual Financial Statements including the non-financial information disclosures.

The central Group Sustainability department has a pivotal role in defining and implementing the sustainability strategy in conjunction with a strong local, decentralised involvement delivered through a network of ambassadors. These ambassadors represent the various businesses, main subsidiaries, and the most relevant central departments. Aside from the commercial businesses represented, i.e., Belgium, UK, Portugal, and the Asian regional headquarters covering all the Asian countries, the network includes ambassadors within the domains of Risk, HR, Communications, and Investments. Over the past years this network has driven the various initiatives taken across the organisation. In addition to the Sustainability network, colleagues from other departments such as Legal, Compliance and Finance also contributed on a more ad hoc basis, to provide specific competencies that help deliver even better and more balanced solutions and a smooth and fast integration of the relevant sustainability principles into daily processes. This model has proven to be very successful leading to a first wave of significant achievements and progress, putting Sustainability very much at the forefront of our organisation.





In the context of Impact24 Strategy Execution a new department has been created under the Chief Development and Sustainability Officer (CDSO) to lead all transversal initiatives across the Group. The CDSO has a seat on the Management Committee. Group Sustainability will be part of this new organisational design to ensure that sustainability is fully embedded into all processes and especially within new product development. In addition, a steering committee chaired by the Group CEO will oversee strategic discussions that may arise during implementation, further contributing towards a smooth ESG transition.

The new structure is launched from September 1, 2021 and will be fully operational from the start of 2022.

Following is a report on the status of all current initiatives with respect to the ten guiding principles of the UN Global Compact framework.

Human rights

PRINCIPLE 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2:

Make sure they are not complicit in human rights abuses.

Closely linked to Ageas' values

Doing business responsibly, in compliance with laws and with integrity is the foundation of Ageas' culture, reflected in our core values within our stakeholder model. As such, Ageas fully subscribes to the "UN Universal Declaration of Human Rights"², the International Labour Organisations Core Conventions and the UN Guiding Principles on Business and Human Rights. The main touch points for Ageas on human rights are within its own

organization, and in its relationship with customers, hence the importance of explicitly including Ageas' commitment in its Code of Conduct³: "Ageas is aware of its responsibility to the communities in which it operates. We participate in those communities considering their sustainable development needs, expressed by our concern for human rights and the protection of the environment."



² <http://www.un.org/en/documents/udhr/>

³ https://www.ageas.com/sites/default/files/file/file/CODE%20OF%20CONDUCT%202019-2020_EN%201.pdf

Human right principles in Ageas' own operations and towards customers

The fundamental text of the Ageas Integrity Policy states that the concept of integrity relates primarily to individuals, to human beings and their sense of ethics. It implies honesty, respect and trust and that we behave accordingly. These principles should also apply to all human constructions, and to human society as a whole. Ageas' respect for human rights underpins the global policy framework. It manifests itself concretely in a series of domains, and among other, Ageas' Commitment towards Human & Labour rights and the statement of the related Guiding Principles⁴.

- We conduct our business in a manner that respects the rights of all people, complying with all legal requirements & internal policies.
- We recognise our responsibility to respect human rights and avoid complicity in human rights abuses, as stated in the UN Guiding Principles on Business and Human Rights.
- Towards suppliers & business partners we will seek to make contractual commitments that encourage them to adhere to the same principles.

Integrity is the leading premise underpinning respect for human rights, translated in the explicit rejection of any type of discrimination, the fight against corruption and fraud, the obligation to contract only with trusted and reliable third parties, and the unreserved commitment of zero-tolerance to unlawfulness and unacceptable practices.

A particular aspect of human rights concerns data. As an insurance company, personal data is a vital asset. Together with information, data can provide insights about customers, products and services. It can also help to innovate and to reach strategic goals. However, when not correctly managed it can be exposed to many risks including non-compliance with regulatory and legal requirements as well as security risks and breach of

human rights. That is why Ageas focuses on maintaining and improving Data Management: All Ageas information assets must be adequately protected from a wide range of threats such as malware, computer hacking, denial-of-service attacks, computer fraud, phishing, social engineering as well as the loss, theft, or disclosure of confidential information (including – sensitive – personal data), fire, etc. Information security is achieved by implementing the right controls, including the non-technical (e.g., policies, processes, procedures, guidelines, governed by organisational structures) and the technical (e.g., perimeter control, access control, monitoring, secure coding etc.). In line with the General Data Protection Regulation (GDPR) Ageas reviewed, over the past years, its personal data management framework which consists of the rules and principles relative to the processing and protection of personal data within Ageas and its entities. These rules give more rights to data subjects on the one hand and provide strict and formal rules for Ageas when processing personal data on the other hand. Processes have been formalised and all relevant information is communicated to the data subjects, including information on data transfer outside EEA. As such Ageas has strengthened transparency and control, protecting the interests of customers, staff, and other key stakeholders regarding data privacy. Ageas also invests in permanent awareness and mandatory training related to personal data management processes. Personal Data Management is part of Ageas' Group Risk Management framework and is complemented by Data Management Policy and Information Security Policy and detailed in the Ageas Information Security Framework. The latter is inspired by international standards such as ISO 27K series as well as by industry best practices regarding information security. Ageas closely monitors any data breach, evaluates them based on the incident severity assessment and reports to the authorities as required. The latter was the case in about 3% of all data breaches in 2020.

⁴ <https://headless-api.ageas.com/sites/default/files/2021-03/Human%20and%20labour%20rights%20-%20Guiding%20principles%202020.pdf>

The Ageas Sanctions Policy contains the principles to be applied to customer and providers acceptance, and to investments and merger & acquisitions, taking into account the restrictions, imperative sanctions and black lists recommended by internationally recognised organisations. We have numerous other policies and processes that guide more specific aspects of how we deliver on our commitment to human rights, for example a the Suitability Framework that sets out the rules and standards designed to ensure that bodies and

individuals entrusted with managerial duties are at all times fit and proper; a Whistleblowing Framework⁵ that ensures that any act or practice that would or could alter the full respect for human rights can be reported safely, through a protected procedure with allocated responsibilities for addressing such events; a Health and Safety Policy complying with all (local) legal requirements & internal policies that recognises our responsibility to ensure the health, wellbeing and safety of everyone that works for us or does business with us.

Application in the investment portfolio

An area beyond our own operations and customers, is the field of investments. Ageas has set out in the Responsible Investment Framework⁶ the integration of

ESG considerations in each investment, and as such integrates human rights into its decision making:



Looking forward

In 2021, Ageas commenced a human rights risk assessment across the group, which is expected to be finalised by year end, at which time results will be shared. The assessment will be based on the completion of a questionnaire that covers questions from the UN Global Compact Self-Assessment Tool to better evaluate the business' position in respect of specific rights e.g. Health & Safety, Training, Working Hours, Wages, Discrimination, Child Labour etc. and additional questions specific to the areas of policy commitment, due

diligence and grievance mechanisms that the UN Guiding Principles on Business and Human Rights say a business should have in place to meet their responsibility to respect Human Rights.

The outputs should then serve to identify any processes and controls that require strengthening and inform the business of any salient issues that require management attention and disclosure.

⁵ <https://headless-api.ageas.com/sites/default/files/2021-03/Whistleblowing%20-%20Our%20approach%202020.pdf>

⁶ <https://headless-api.ageas.com/sites/default/files/2021-03/Responsible%20Investment%20Framework%202021.pdf>

Labour principles as robust foundation

PRINCIPLE 3:

Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4:

The elimination of all forms of forced and compulsory labour;

PRINCIPLE 5:

The effective abolition of child labour; and

PRINCIPLE 6:

The elimination of discrimination in respect of employment and occupation.

Taking care of employee rights

Throughout Ageas' history, our people have embraced constant change. 2020 was no different. Last year, in an unprecedented health, economic and social crisis, more than 45,000 people around the world demonstrated their dedication, resilience and commitment to our clients and creating shared success for all stakeholders.

As one of the four core values of Ageas is CARE, the labour principles of UN Global Compact are the start of Ageas' employee related policies and a commitment to the International Labour Organisation's Core Conventions⁷.

Ageas' Commitment towards Human & Labour rights⁸ includes explicit commitments towards labour practices:

- We treat everyone who works for Ageas fairly and without discrimination.

- Our employees are entitled to work in an environment and under conditions that respect their rights and dignity.
- We respect freedom of association. Where our employees wish to be represented by trade unions or works councils, we will cooperate in good faith with the bodies that our employees collectively choose to represent them within the appropriate national legal frameworks.
- We respect the right of collective bargaining. Where our employees wish to be represented by trade unions or works councils, we will cooperate in good faith with the bodies that our employees collectively choose to represent them within the appropriate national legal frameworks and where we can discuss and negotiate the terms and conditions of work.

⁷ <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/>

⁸ <https://headless-api.ageas.com/sites/default/files/2021-03/Human%20and%20labour%20rights%20%20Guiding%20principles%202020.pdf>

Everyone counts

Having a diverse and inclusive place to work, is also core to our values and expressed through the Diversity and Inclusion policy⁹. Ageas endeavours to create an environment with diverse cultures, colours and backgrounds encouraging everyone to embrace diversity. The principles in this policy are clear:

- We do not discriminate and have a zero-tolerance approach to any form of bullying, harassment, or discrimination
- Equal opportunities are given to all employees regardless of age, gender, race, (dis)ability, social and family background, sexual orientation, or political opinion
- Diversity and inclusion is good for all our Stakeholders (customers, employees, partners, investors & society)
- We treat our people fairly and with respect, dignity, openness to other cultures and an appreciation of difference of other perspectives, experiences, and backgrounds
- We help our people to give and be their very best

- Everyone is responsible for creating a diverse and inclusive workplace
- We monitor and are accountable for our performance
- All of our leaders role model the values and behaviors expected.

Across the company, there are many activities and initiatives already underway to support the focus on diversity and inclusion and to encourage everyone to bring 100% of themselves to work every day. For example, this year a Global Inclusion Forum was introduced where a representative from each entity meets each month (virtually) to discuss their ideas, ambitions and recommendations and identify areas where they can work collaboratively and continue to drive forward activities. Through the recent Denison Global Culture Survey, 74% of colleagues said that they valued diversity and inclusion, and 75% thought that Ageas has an inclusive culture. This is a strong foundation to build on with continued focus and effort.

Year-on-year performance

	2020	2019
Workforce		
Number of employees (group)	more than 45,000	more than 45,000
Headcount consolidated entities	11,179	11,552
Average seniority (# years)	13.0	13.3
Diversity		
Total employees		
- Male	46%	46%
- Female	54%	54%
Board of Directors		
- Male	67%	67%
- Female	33%	33%
Top management		
- Male	74%	75%
- Female	26%	25%
Nationalities		
Number of nationalities at head office	22	16

Looking forward

Within Impact24, for the first time, formal targets on diversity and inclusion have been expressed:

- A 70% ratio of women in senior management / total % women in company
- A 50/50 balance Male/Female succession pipeline within the Top 800
- A top quartile gender diversity index score

⁹ <https://headless-api.ageas.com/sites/default/files/2021-05/Diversity%20and%20inclusion%20-%20Our%20approach%202020.pdf>

Environment

PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8:

Undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9:

Encourage the development and diffusion of environmentally friendly technologies.

Precautionary approach

Ageas is aware that as a leading insurer, it has a unique role to play in the global effort to mitigate and adapt to climate change and environmental challenges in the broadest sense, both as a provider of risk protection solutions and as a major investor of clients' assets.

Currently, Ageas is finalising a formal environmental policy however the precautionary approach is embedded in the company's Code of Conduct: "Ageas is aware of its

responsibility to the communities in which it operates. We participate in our communities while considering their sustainable development, which is expressed by our concern for human rights and the protection of the environment."

This is demonstrated in the content of several initiatives taken by Ageas.

Ageas' response to TCFD recommendations

In 2021, Ageas published its first report detailing its approach to managing climate risks and opportunities in line with the voluntary recommendations set out by the TCFD (Task Force for Climate related Financial Disclosure)¹⁰. The report describes how 3 types of risks distinguished by the TCFD framework could have an impact on the company, and also the opportunities moving towards a low-carbon economy and incentivising

preventative behaviour by our customers. As outlined in the Connect21 strategy, Ageas adopted the UN Sustainable Development Goals and selected 10 of these SDGs, including SDG 13, Climate action, to actively work on. Ageas is committed to operating as a responsible insurer and investor, managing risks effectively and making a positive contribution to the achievement of the Paris Agreement 2015 goals.

¹⁰ <https://headless-api.ageas.com/sites/default/files/2021-04/TCFD%20disclosure%20April%202021.pdf>

A Products & Services

The most direct risk related to physical climate change can be found within the Non-Life underwriting business, more specifically in Household and to a lesser extent in the Motor portfolio. Ageas has a significant Non-Life presence within its European business, especially in Belgium (n°2 market position), Portugal (n°3 market position) and the UK (n°6 market position). Based on 2020 figures, inflows for Household represent 27.3 % of total consolidated Non-Life inflows (EUR 1.2 billion on a total of EUR 4.3 billion).

Currently, Non-Life insurance policies are reviewed annually in terms of coverage, conditions and price, so the company can reassess periodically climate risks and opportunities and to act quickly with respect to pricing or risk taking. Furthermore, via its Reinsurance activities, Ageas has an additional tool to limit potential financial losses. Reinsurance contracts are typically reviewed and negotiated on an annual basis.

Ageas reports periodically on the financial impact of adverse weather events as they impact on the actual results of the past reporting period. In 2020, claims related to adverse weather events amounted to EUR 94 million which represents 18% of the pre-tax results in Non-Life for the consolidated companies. It is expected that the recent floods in Belgium will impact the 2021 Group's net result by EUR 55 million (after tax and net of reinsurance), with a total cost of customer claims as high as EUR 0.4 billion.

As Ageas' underwriting is mainly focused on retail clients & SMEs with limited exposure to industrial risks in corporate business, we currently assess that the transition risks related to Non-Life underwriting are low. However, one could anticipate changing behaviours regarding mobility which could change the products that customers want, for instance a gradual shift away from

car ownership. This change could imply a transition risk as the Motor portfolio is substantial for Ageas (EUR 1.7 billion being 40% of total consolidated Non-Life inflows). In addition, climate change can lead to economic uncertainty and governmental policy changes which could result in deterioration of renewal and retention volumes. Also, the Health business might be affected by climate change over a long(er) period of time due to new diseases appearing or changing mortality rates.

As for the liability risk, there has been little focus by the insurance industry on how claims based on climate change-related litigation could evolve and how to assess the liability.

In 2021, the Product Approval Policy has been updated with specific ESG criteria to reflect the sustainability considerations to be taken while developing or updating one of our insurance products.

Furthermore, Ageas continuously seeks opportunities that are related to climate change or climate impact. Hereafter, some examples of products¹¹ being launched by our local business operations aiming to meet specific challenges with an environmental related element:

- In Belgium, AG Insurance launched a Crop Insurance policy in 2019 in the Flanders region following a change in regulation. This insurance aims to cover the impact of weather on timing and quality of the crops as the higher frequency of extreme weather such as heavy rain, hail, flooding and drought, make this type of coverage much more relevant for the agricultural industry
- In the UK the use of 'Green parts' in motor repairs has been extremely well received by customers
- In Portugal, the first electric cars are being insured and pay as you drive covers are incorporated in new mobility solutions.

¹¹11 More info can be found on our website <https://www.ageas.com/about/sustainability>

B Investments

As referred to in the section on human rights, specific attention is given by Ageas to the “investments” on the balance sheet. The Responsible Investment Framework defines how sustainability is to be considered when investing:

1 INTEGRATION OF ESG RELATED ASPECTS IN DECISION MAKING:

“E-factors” such as renewable energy use, reduction programme of greenhouse gas, environmental policy, carbon footprint and forward-looking qualitative information on the climate strategy of companies, are taken into account in all investment decisions based on information from an external provider of ESG data.

2 EXCLUSION OF SENSITIVE SECTORS:

- In relation to climate change we exclude coal related activities (mining and power generation), shale oil & gas exploration, arctic drilling and oil sands production from our investments
- For coal, Ageas has reiterated its full commitment to be fully divested by 2030
- In the investment funds with a sustainability focus, additional restrictive criteria for investments in energy sectors and in utility sectors are being imposed.

3 ENGAGEMENT TOWARDS INVESTED COMPANIES:

AG's engagement policy focusses on climate related issues and ESG disclosures. The objective of the engagement is:

- To better understand the business of companies and specifically their exposure to ESG risk and opportunities
- To influence companies' behaviour aiming to favour good business practices in terms of ESG
- To tackle societal and/or environmental issues such as climate change.

Ageas follows as a guideline its Responsible Investment framework to exercise its voting right and incite more commitment to sustainable objectives. The focus lies mainly on climate-related issues in the energy and

electric utility sectors and in major investment files. Ageas will support the transition to a low carbon economy, initiatives to increase disclosures related to climate related issues and thus will support sound and well-considered proposals in that regard.

AG has joined in 2020 the Climate Action 100+. This is an initiative uniting investors in urging the world's largest GHG emitters to take necessary action on climate change and help achieve Paris Agreement's goals.

As an investor, Ageas can also play an important role in stimulating real climate transition. By making smart choices and investing with positive impact, Ageas believes it can contribute towards a cleaner and healthier environment. This is put into practice through:

Green investments

Ageas invests in assets that makes a positive contribution towards a more sustainable world. These assets include

- Infrastructure projects in renewable energy such as solar panels in Spain, France and Italy, offshore wind in Belgium, wind farms in Portugal and in green transportation such as Tram de Liège and tram depot in Belgium and SNCF high-speed line in France
- Green bonds and sustainable bonds
- Equity investment in companies offering products or solutions related to renewable energy

Sustainable products

AG Insurance developed a range of sustainable products for its retail clients (more than EUR 11 billion invested as per end 2020):

- More than 95% of the sustainable funds have a label or a certification from an external certification party implying that stricter criteria and guidelines around energy & electric utilities are applied. These carry the “Towards sustainability” label and the certification by Ethibel Forum
- In addition, some environmentally friendly thematic funds have been launched such as AG Life Climate change, AG Life World Aqua and Smart Invest Bon Responsible waste management.

C A specific category of investments - AG Real Estate and Interparking

Ageas holds indirectly via AG Insurance a majority stake in AG Real Estate, a leading private real estate investor. In turn, AG Real Estate holds a 51% stake in Interparking, one of the leading European public parking operators.

At the end of 2020 around EUR 5.9 billion had been invested in real estate or circa. 7% of the total funds under management. Both companies make considerable efforts to upgrade their assets and activities to the highest environmental standards, playing an important role too within the global strategy. And more specifically, their work is aimed at turning the cities of today into viable and sustainable cities for the future.

The Ageas Real Estate portfolio spans different types of property: offices, warehouses, shopping centres, development projects around new city areas, residential housing, social infrastructure and public parking management. Our Sustainable Development Policy¹² provides more specific guidelines on how AG Real Estate manages its portfolio, with environmental considerations being one of the key pillars of the sustainability strategy of AG Real Estate. A multitude of initiatives have been taken directly related to its core business:

- Analysis and development of assets thanks to technical alterations (new boilers, solar panels, etc.)
- Energy performance monitoring (EPB conformity) and consumption optimisation (Optiwatt platform)
- Development of environmental provisions for the occupants (WeCircular, Commuty...)
- Selective sorting of waste
- Supply chains and partnership with suppliers of goods and providers of services in line with our environmental protection ambitions
- Building Research Establishment Environmental Assessment Method, BREEAM and BREEAM In-use, is the reference for a sustainable quality mark for all newly constructed office buildings and existing buildings. Since 2017 a certification project for all office buildings has been initiated
- Buildings are at the disposal of the association "madeinabeilles" since 2016. On the roofs of various buildings, beehives have been installed which helps to maintain or improve biodiversity.

Interparking operates almost 950 public car parks spread over 9 countries in Europe and serving around 120 million customers per year. The company is convinced that the key to successful green and efficient mobility is above all multimodality. Interparking offers spaces adjacent to major public transport hubs, for example the metro, tram, bus lines, train stations or to airports. In Belgium, users of public transport can load their transport tickets straight onto their Pcard+. In Amsterdam, the alternative is "Park&Bike". These initiatives stimulate the change towards sustainable and cleaner cities promoting the use of lower greenhouse gas emitting public transportation instead of own transport.

In 2018 Interparking contracted with BNB Paribas Fortis as the first public parking operator a green credit line, whose payment conditions are determined by the delivery of two environmental commitments:

- Reduce the carbon footprint of the company by 30% in terms of tCO₂/FTE compared with 2014;
- Reduce the energy consumption by 20% expressed in kWh/parking space compared with 2014.

Interparking successfully achieved these two targets in 2020 (carbon footprint based on the 2019 data). On the second objective, it exceeded the objective thanks to an ambitious LED deployment plan, as well as the implementation of lighting control systems (dimming, motion detector systems,...).

The testing and roll out of a filtering ventilation/ionisation system that specifically focuses on fine and ultrafine dust in car parks, the so called "Lungs of the city programme, has continued in 2020 albeit at a slower pace due to the restrictions of COVID-19. Ultimately this should lead to a reduction of 50 to 70% of fine and ultrafine dust. New installations in several car parks in France and Belgium have been planned in the course of 2021.

Interparking also experiments with advantageous tariff systems for clients driving low emission or electrical vehicles in the Netherlands (up to 20% reduction).

Lastly, Interparking has continued in 2020 to roll out dedicated zones for electrical vehicles in its car parks, including more than 750 charging stations as well as for shared vehicles where it further developed partnerships with the main car share companies.

¹² https://www.agrealestate.eu/wpcontent/themes/aginsurances/assets/img/pdf/sustainable_development_policy.pdf

D Own operations

As well as the impact on our business, Ageas also identified risks in its own operations. Ageas is engaged in developing a long-term process of continuous improvement to enhance environmental protection designed to minimise negative impacts whilst maximising environmental opportunities. In this regard, Ageas is committed to minimising the emissions arising directly from its own business activities to the extent economically feasible.

Since 2018 Ageas has been measuring the CO₂ emission from its own operations based on the international GHG protocol and according to scope 1, scope 2 and three categories of scope 3 reflecting on an action plan to gradually reduce the CO₂e emission and eventually become carbon neutral. The main sources of CO₂e emission are:

- Lease car park
- Homework commuting
- Business travel
- Electricity consumption

Ageas took a number of initiatives that will result in a lower emission group wide. These include:

- A progress review of the lease car policies across the Group aimed at promoting hybrid and electrical cars for its employees
- An adapted organisational and working environment named "Future of Work" actively stimulating or facilitating employees to work more of the regular working hours from home
- A reviewed travel policy aimed at structurally reducing travel acknowledging that travel is essential to our business. This implies as an example that Ageas representatives on the local Boards of our Asian joint ventures aspire to assist in occasional local Board meetings virtually.

To demonstrate the extent of this commitment, Ageas actively supports various initiatives that contribute to a better climate, which include among others Business for Nature's Call to Action.

Year-on-year performance

Ageas follows up on its own progress by following a set of key indicators for the investments and own operations:

Metric	Scope	2020	2019
Carbon footprint of	Equity portfolio and corporate bond portfolio of AG Insurance	Monitored internally	N.A.
Transition to low-carbon economy	Infrastructure and other investments in renewable energy (including solar panels, winds farms)	EUR 420 million	EUR 303 million
	Infrastructure in "green" mobility (including train, metro, tramways, etc)	EUR 457 million	EUR 331 million
	Green bonds	EUR 340 million	EUR 291 million
CO ₂ e	Offices buildings owned by AG Real Estate	Reduction of 28% since 2016 (-12.49% compared to 2019)	Reduction of 18% since 2016
Gaz	Offices buildings owned by AG Real Estate	Reduction of 9% since 2016 (-2.93% compared to 2019)	Reduction of 6% since 2016
Electricity	Offices buildings owned by AG Real Estate	Reduction of 17% since 2016 (-12.04% compared to 2019)	Reduction of 6% since 2016

Within the Investments strategy, one can already refer to specific targets:

Target	Status in 2020
100% of our direct investments in equities, government bonds, corporate bonds, infrastructure, and loans subject to ESG analysis	90%
100% divestment of coal related investments by 2030	Target on track
0% of new investments in coal (*), tobacco (*), arms (**)	Fully realised
(*) revenue threshold 25% in traditional funds and 10% in sustainable funds	
(**) revenue threshold of 10% in traditional and sustainable funds	

Carbon footprint in tCO2e		2020		2019	
Scope		Net total (t CO2e)	Relative share	Net total (t CO2e)	Relative share
Scope 1	Direct energy – gas & heavy fuels	1,810	11%	2,394	8%
	Refrigerants	509	3%	531	2%
	Owned vehicles	7,474	45%	9,850	33%
	Total scope 1	9,793	59%	12,775	42%
Scope 2	Electricity – net	1,180	7%	2,575	9%
	Total scope 2	1,180	7%	2,575	9%
Scope 3	Home – work commuting	4,881	29%	10,167	34%
	Business travel	553	3%	4,333	14%
	Paper	181	1%	265	1%
	Waste	76	0%	168	1%
	Total scope 3	5,691	34%	14,933	49%
TOTAL tonnes CO2e gross		16,664		30,283	
Carbon offsetting (AG and Interparking)		8,551		10,272	
TOTAL tonnes CO2e net		8,113		20,011	
Tonnes CO2e per FTE		1.6		2.8	

Looking forward

Impact24 has set two targets directly related to emissions and two targets indirectly related to sustainability in general, including the environmental dimension:

- Become carbon neutral within our own operations (based on scope 1 & 2 CO2 emissions)
- Become Net Zero Carbon by 2050 at the latest with respect to our investment portfolio.

And indirectly:

- With respect to our products: 25% of Gross Written Premiums from products that stimulate the transition to a more sustainable world
- With respect to our investments: Increase our investments that have a positive contribution to the transition towards a more sustainable world up to EUR 10 billion

The action plan for reducing CO2e emissions has been initiated and targets have been defined both at Group level and operating company level. The action plan aims to reduce emissions in three major domains:

- Further greening our company car fleet
- Reducing employee commuting by increasing working from home discipline under the “new way of working”
- Structurally reducing business travel by utilising multimedia solutions more often
- Updated travel policies taking these considerations into account.

Anti-corruption

PRINCIPLE 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Zero-tolerance

Ageas firmly applies the zero-tolerance principle to corruption, in whatever form. Consequently, Ageas has issued several policies that clearly confirm this commitment, explaining to its employees the definition of corruption and the desired behaviours.

Fight against corruption

A series of thematic policies are of direct relevance in the fight against corruption: they integrate ethical, conduct and culture values, creating a series of processes that together shine a light on the protective, detective and monitoring requirements needed to prevent criminal activities.

- The Anti-Bribery and Corruption policy¹³ describes the frame of mind in which Ageas intends to operate and do business and sets out the principles and rules to abide by to avoid committing or seeming to commit an act of active or passive corruption, in particular the way to handle towards gifts, advantages, invitations and hospitality; in a nutshell: “Ageas prohibits bribery in any form whether direct or indirect”.
- The Conflict of Interest Policy focuses on a duty of vigilance for all staff towards potential or effective conflicting interests and their consequences on the achievement of the company’s objectives. The policy sets out a reporting process for such situations, and provides the rules and restrictions applicable to external mandates and functions, as well as financial participations in businesses or trading companies;
- The Personal Transactions Policy (Trading) defines the rules, obligations and prohibitions Ageas Insiders

must comply with when operating personal financial transactions in Ageas and other designated securities, conforming with the market abuse regulations;

- The Anti-Money Laundering and Countering Financing of Terrorism policy¹⁴ defines the preventive measures to implement as well as the due diligence requirements as regards anti-money laundering and terrorist financing prevention;
- The Outsourcing policy, comprises rules on third party acceptance, conflicts of interest and due diligence requirements;
- The Sanctions policy defines the standards to apply regarding customer and providers acceptance, in investments and mergers & acquisitions, based on international restrictions, imperative sanctions and black-lists, and restrictive measures recommended by international organisations. It also lists specific attention points leading to enhanced due diligence procedures;
- The Suitability (Fit and Proper) policy establishes the framework and set of rules to apply to ensure permanent conformity with the Suitability obligations.

¹³ <https://headless-api.ageas.com/sites/default/files/2021-03/Anti-Bribery%20and%20Corruption%20-%20Our%20Approach%202020.pdf>

¹⁴ <https://headless-api.ageas.com/sites/default/files/2021-03/AML-CTF%20-%20Our%20approach%202020.pdf>

Bringing the policies to life

As part of its Year Plan, the Compliance function has set up a wide and continuous training programme for employees and management.

All Compliance training sessions are mandatory and participation in these sessions is followed up as part of our reporting process towards the managing bodies. The objective is to reach 100% of the target audience, with exception duly justified and reported.

Group-wide, the programme is tailored to meet the training needs as adequately as possible. Hence, in the holding company as well as in the subsidiaries, there are training initiatives around a consistent series of topics: ethics and deontology, governance and policies, conflicts of interest, corruption, prevention of criminal activities, anti-money laundering and countering terrorist financing, treating customer fairly and product approval process, third party transactions.

Performance management

Participation rates to training sessions

2020

Inception meetings	100%
Awareness on-line quizzes	90%
Thematic sessions, with a representative of each department entrusted with the task to cascade the training content in the represented department	90%