

Monument Assurance Belgium (“MAB”) Information on ESG





▪ Introduction

As the world faces increasing environmental, social and governance (ESG) challenges, the role of insurance companies has become essential. ESG principles encompass a wide range of factors that go beyond financial considerations, with a focus on environmental sustainability, social impact and strong corporate governance :

▪ Environmental responsibility:

Climate change and environmental degradation pose significant risks to communities and businesses around the world. Insurance companies, with their expertise in risk management, have a unique opportunity to contribute to environmental sustainability.

▪ Impact social :

ESG considerations go beyond the environment and encompass social factors such as human rights, labour standards and community development.

▪ Good corporate governance:

The third pillar of the ESG focuses on corporate governance, which encompasses transparency, accountability and ethical conduct. Adopting strong governance practices not only protects the reputation of insurance companies, but also builds the confidence of customers, investors and regulators.

The integration of ESG principles into the core business of insurance companies has become a critical aspect of their long-term success. By embracing environmental responsibility, promoting social impact and implementing strong corporate governance practices, insurers can contribute to a more sustainable and resilient future. The insurance industry has the power to drive positive change, reduce climate change risks and foster social progress.

This ESG briefing aims to present MAB's commitment to environmental, social responsibility and good governance, including investment.



1. General Statement & Company's profile

■ Our activities

Monument Assurance Belgium (MAB) is a Belgian life insurance company regulated by the National Bank of Belgium, active since 2018. MAB is positioned as the leading consolidator of life insurance and pension portfolios in Belgium.

The business strategy of the Company is to:

- Focus on the administration of the existing in-force closed book of policies, whilst ensuring that high quality operations and customer service remain a priority;
- Provide solutions for asset intensive life insurance portfolios through reinsurance or acquisition in the European market;
- Continue to seek opportunities to grow the Company through acquiring insurance portfolios, primarily those in run-off, and targeting annuity, guaranteed savings or protection product lines; and
- Drive risk diversification and create capital synergies in line with the Monument Group strategy.

We position ourselves as a trusted long-term partner for all our counterparties: Belgian life insurers, brokers, policyholders and regulators.

The Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088 on the publication of sustainability disclosures in the financial services sector “**SFDR**”) has been adopted within the European Union in November 2019 and entered into force for the first time on March 10, 2021. It introduces new rules on published information sustainable investments and sustainability risks.

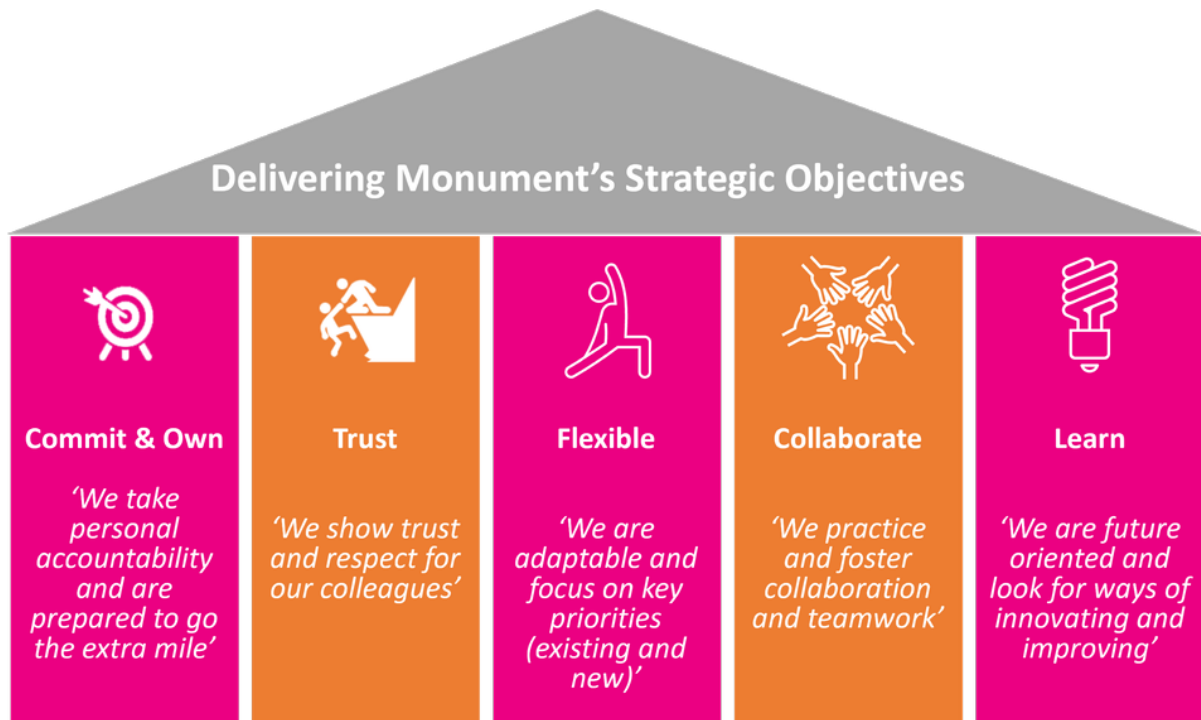
SFDR aims to strengthen the protection of end-investors and improve the transparency of the information provided to them with regard to the integration of sustainability risks into investment decision-making and advisory processes.

This ESG briefing provides information regarding MAB's sustainability policies and negative sustainability impacts, required under Articles 3 and 4 of the SFDR, supplemented by Commission Delegated Regulation (EU) 2022/1288 of European Commission of April 6, 2022.

As sustainability regulatory requirements continue to evolve, this document is subject to modification allowing MAB to continue to apply this requirements.



- Our values



2. ESG Statement

- Responsible Corporate Governance**

- Governance Structure

MAB has put in place a governance system adapted to its business strategy and activities.

Delegation of responsibilities, lines of authority and assignment of duties are clearly defined in documented committee terms of reference and charters of independent control functions. The governance system includes requirements relating to the suitability and probity, remuneration practices and outsourcing activities.

The board of directors has the widest powers to perform all acts necessary or useful for the accomplishment of the corporate object, excluding those reserved by law or statutes to the general meeting.

The Board of Directors is supported by an Audit Committee and a Risk&Compliance Committee.

The day-to-day management of the company is delegated to the Management Committee.

Sustainability is part of MAB's corporate strategy and governance. Sustainability requirements are therefore part of every department's projects and tasks.

- Ethical Policies and Practices



MAB commitment to ethical business conduct is integrated in our Code of Business Conduct and Ethics, which aims to ensure MAB's reputation as a reliable partner and helps us to remain true to our core values at all times.

MAB has implemented policies incorporating ethical principles, including:

- a policy of integrity,
- an anti-money laundering and combating the financing of terrorism policy,
- a whistleblower policy,
- a conflict of interest management policy,
- a code of business conduct and ethics,
- a Fit and Proper policy,
- an external mandates policy
- an anti-corruption policy and
- a policy of prevention in tax matters.

▪ Remuneration Policy

MAB Remuneration Policy aims to promote sound and effective risk management including ESG relating risks.

The Remuneration Policy is based on a number of financial and non-financial criteria. These criteria focus on robust and effective risk management as well as balanced risk taking. This covers all types of risks, including ESG related risks.

▪ Conflict of interest Policy

MAB is committed to minimizing risk of conflicts of interest. In the event that a conflict of interest persists, decisions are always made in the best interests of its clients, including client's sustainability preferences.

MAB remains faithful to its policies and commitments, this principle remaining unchanged even in the event of a conflict of interest arising between MAB and a company with significant business ties to it.

For more information on MAB's policy on conflicts of interest, please consult it on our website.

▪ ESG Risk Management

▪ ESG Risk Identification and Assessment

SFDR aims to strengthen the protection of end-investors and improve the information provided to them with regard to the integration of sustainable development risks into investment decision-making and advisory processes.

The European SFDR Regulation defines sustainability risk as an environmental, social or governance event or condition that, if it occurs, could have a significant negative impact on the value of the investment.



■ Sustainability Risk Policy - Article 3 SFDR

MAB has a Sustainability Risk Policy, which has been approved by the Board of Directors and is reviewed at least annually. The following key risks were identified: transition, physical, ESG investing, counterparty and direct impact risks.

The policy defines principles and requirements for identifying, measuring, managing, monitoring and communicating sustainability risks, including environmental, social and governance considerations.

MAB's Investment Policy integrates the principles and risks of the Sustainability Risk Policy with respect to the ESG parameters with which the Company must comply in terms of investments.

The responsibility for investment decisions depends on the nature of the insurance product:

- For traditional not-for-profit savings and insurance activities, asset management is generally outsourced to external asset managers. These asset managers must comply with the MAB's Investment Policy, including ESG limits.
- For certain unit-linked policies, and portfolio bonds in particular, investment decisions may be made by the policyholder on the basis of advice provided to the policyholder by an investment adviser.

■ Negative impact of investment decisions on sustainability factors - Article 4 SFDR

Although MAB attaches great importance to sustainability, MAB does not take into account the main negative consequences of investment decisions on sustainability factors.

MAB's portfolio is comprised of products previously sold on the Belgian market and now administered as a run-off business. Given the fact that MAB's business model is the acquisition of portfolios or insurers, primarily those in run-off and targeting mainly annuity, guaranteed savings or linked products and reinsurance of long-dated, asset intensive liabilities, typically with guarantees. MAB does not offer new products for sale to customers (MAB portfolio is a "run-off" consolidator).

MAB is therefore endeavoring to meet its existing obligations to its customers prudently and efficiently.

■ Integrating ESG risks into our business

- We have a low appetite for sustainability risks. We ensure that the financial protection we offer our clients does not have an unacceptable social or environmental impact.
- We adopt sustainable business practices, such as videoconferencing as an alternative to long-distance travel, and we include sustainability considerations in our selection of key subcontractors and suppliers, as well as in our investment strategy.
- We provide and encourage community investment opportunities.

3. Sustainable investments



In terms of responsible investments, MAB's investment policy provides specific limits for the assets held by the company. Our policy is based on the ESG rating established by MSCI and assigned to the various debt issuers.



▪ **Conclusion**

This ESG briefing demonstrates our commitment to sustainability, social responsibility and responsible corporate governance. At MAB, we will continue to manage our products and services responsibly, manage ESG risks and collaborate with our stakeholders to create a long-term positive impact. We recognise the growing importance of ESG considerations for our clients and society as a whole and strive to be a responsible player in the financial sector.

Engagement Policy

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1. Introduction

This policy describes Monument Assurance Belgium's approach as a shareholder and the way in which the company interacts with the companies in which it invests in the form of shares.

Monument Assurance Belgium, as a player in the life insurance sector, gives preference to investments in the form of loans, mainly sovereign bonds and corporate bonds listed on the financial markets.

However, Monument Assurance Belgium does invest a portion of its assets under management in equities, both within its general account and for unit-linked products.

Monument Assurance Belgium deploys its equity investments either directly or through external asset managers.

With this commitment policy, Monument Assurance Belgium wishes to emphasize the importance of sustainability in its investments.

In accordance with the provisions of Regulations (EU) 2019/2088 ("SFDR") and 2020/852 ("Taxonomy") and Directive 2017/828/EC with a view to promoting long-term shareholder engagement, Monument Assurance Belgium expresses its willingness to guarantee full transparency regarding its approach to taking sustainability issues into account in its investment decisions and insurance advice.

2. Scope

This policy aims to :

- Closely monitor invested companies by assessing their strategy, financial and non-financial performance, risk management, capital structure, social and environmental impact, and corporate governance.
- Actively exercise our voting and other share rights in line with our sustainability commitments.
- Communicate transparently with relevant stakeholders, including our customers.
- Manage potential conflicts of interest, particularly where we have significant commercial relationships with investee companies.

3. Investment policy

Monument Assurance Belgium's investment policy is based on a set of criteria designed to ensure appropriate risk management, while taking into account the commitments made to the company's customers.

The investment policy defines eligible asset classes and the constraints that apply to them. Particular attention is paid to environmental, social and governance (ESG) criteria.

The management mandates granted to the various asset managers include various constraints aimed at limiting investments in companies with a low "ESG" rating and achieving an average "ESG" rating. In this sense, the agreements concluded between Monument Assurance Belgium and the external asset managers remain in line with the investment policy.



4. Voting rights

Monument Assurance Belgium has direct shareholdings in listed companies. Monument Assurance Belgium's policy of diversification and limited appetite for equities in its investment strategy means that it has very few holdings in companies outside the Group.

Monument Assurance Belgium is the majority shareholder in several unlisted companies that are part of the Monument Group. These are Monument Immo Management and the companies active in the real estate sector within the framework of the Perspective Immo unit-linked product. Monument Assurance Belgium acts as an active investor in these companies, ensuring the deployment of an ESG strategy and a policy of energy-efficient renovation of real estate assets.

Monument Assurance Belgium votes at ordinary and extraordinary general meetings of the shareholders of companies in which it holds at least 1% of the share capital.

Voting decisions are taken independently, in line with our commitments and in the best interests of our customers. Monument Assurance Belgium ensures that its ESG commitments are respected.

Monument Assurance Belgium does not impose its investment policy on equity funds managed by external managers for its unit-linked products.

With regard to cooperation and communication with the various parties concerned, Monument Assurance Belgium maintains contacts only at General Meetings, limited to the agenda of the meeting, except in the case of companies belonging to the Monument group.

5. Conflicts of interest

Our engagement policy and the exercise of our voting rights may in some cases give rise to a conflict of interest. Monument Assurance Belgium has implemented a strict policy and procedures that may lead to abstention from voting.

Monument Assurance Belgium is committed to minimizing conflicts of interest. In the event that a conflict of interest persists, voting decisions are always made in the best interests of its customers.

Monument Assurance Belgium will remain faithful to its policies and commitments, this principle remaining unchanged even in the event of a conflict of interest that may arise between Monument Assurance Belgium and a company with significant business ties to it.

6. Publication and updating

This engagement policy is available to the public on the www.monumentassurance.be website.

Monument Assurance Belgium will produce an annual report on its engagement activities.

This engagement policy will be updated annually to take account of any legislative or regulatory changes.