

## Introduction

MAAGAP INSURANCE INC. (MAAGAP) is committed to embedding Environmental and Social (“E&S”) principles into our culture. We believe that sustainable growth provides opportunities for our shareholders, clients, and societal stakeholders.

## Company Overview

MAAGAP is a licensed non-life insurance corporation operating throughout the Philippines since 2001. Our focus is providing comprehensive non-life insurance solutions to individuals and businesses, including those in the agricultural, industrial, real estate, construction, energy, trade, and service sectors. We are actively exploring green insurance products and aim to expand our portfolio of environment-friendly offerings.

## Commitment to Sustainability

MAAGAP is dedicated to building a sustainable business by ensuring our risk management processes align with international best practices. To meet this commitment, we implement, maintain, and continuously improve our Environmental and Social Management System (“ESMS”). This system is integral to our operations, ensuring effective management of E&S risks and impacts associated with our insurance activities.

To fortify its commitment to sustainability, MAAGAP became a signatory to the Principles for Sustainable Insurance (PSI) under the United Nations Environment Programme (UNEP). As a member of the PSI Initiative, we adopt the global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities, and a global initiative to strengthen the insurance industry’s contribution as risk managers, insurers, and investors to building resilient, inclusive, and sustainable communities and economies.

## Governance

The Board of Directors holds overall responsibility for setting this policy and overseeing its implementation. The Board and shareholders receive periodic reports on the effectiveness of the ESMS and compliance with our E&S commitments.

## E&S Principles

We are committed to embedding the following E&S principles throughout our business and insurance activities:

1. **Communication:** We communicate our E&S Policy to employees, shareholders, investors, clients, and other interested parties.
2. **Client Engagement:** We encourage our clients to advance E&S principles in line with our policy.
3. **Risk Evaluation:** We evaluate E&S risks and opportunities associated with each insurance product and service, aiming for long-term sustainable performance and minimal adverse impacts.
4. **Positive Impact:** We seek to encourage, evaluate, and implement measures that will have positive E&S impacts.
5. **Risk Assessment:** We consider the E&S risks, impacts, and opportunities associated with each client when assessing whether to insure a particular entity or project and incorporate them into the insurance approval process.
6. **Exclusions:** We exclude from providing insurance coverage to any client entity or project that does not comply with our principles and obligations, including those engaged in prohibited activities.
7. **Compliance:** We endeavor to support our clients to comply with the following E&S requirements:
  - National laws, regulations, and conventions on environmental, labor, health, safety, and social issues.
  - International Labour Organization (ILO) Core Labour Conventions.
  - IFC E&S Performance Standards for relevant transactions.

## Monitoring

We monitor the E&S performance of each client and project in our insurance portfolio, obtaining timely disclosures and performance metrics, including incidents of non-compliance and rectification actions.

## Resource Efficiency and Climate

We promote the efficient use of materials and resources in our operations and those of our clients, including the use of locally produced goods, recycled materials, and energy and water efficiency measures when feasible.

## **Impact Insurance Products**

We explore opportunities to develop insurance products that generate positive E&S outcomes alongside financial returns. We will implement robust frameworks to measure and track the E&S impact of our insurance products.

## **Responsible Investment**

We adhere to high ethical standards and implement strong client protection principles as mandated by the Insurance Commission avoiding sectors or activities that raise ethical concerns.

## **Biodiversity**

We consider biodiversity risks and opportunities in our decision-making processes and support clients that promote biodiversity conservation.

## **Human Rights and Labor Standards**

We ensure that our direct and contracted employees have access to a safe working environment managed in accordance with our Employee Code of Conduct and ESMS. We treat all individuals with dignity and respect, prohibiting bullying, harassment, discrimination, and intimidation.

## **Stakeholder Engagement and Grievance Mechanism**

We engage with relevant stakeholders either directly or through our clients as appropriate. We maintain a Grievance Mechanism to allow employees, clients, insureds, policyholders, and other stakeholders to raise concerns about our E&S performance and compliance.

## **Capacity Building**

We continually build the capacity and competence of our direct and contracted employees, including senior management and frontline staff, to identify and manage E&S risks and opportunities effectively.

## **Resource Allocation**

We ensure sufficient human, financial, and material resources are provided to implement our E&S Policy and ESMS effectively.

## **Policy Review and Reporting**

We review the effectiveness and implementation of our E&S Policy and ESMS every two (2) years. We will report E&S findings, progress, and recommendations to the Board of Directors at least annually.