



living better together

UNIQA Sustainability Strategy in Corporate Business



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1. Introduction

Corporate Business is one of the core areas that reflect the efforts of UNIQA Group within its sustainability strategy.

UNIQA Corporate Business (UCB) follows the key objectives of the UNIQA Group Sustainability strategy, relevant for the corporate business, namely:

- Pursuing the Paris 1.5°C climate target path in underwriting, taking into account the two EU environmental goals of “Climate Change Mitigation” and “Climate Change Adaptation”,
- Achieving net-zero emissions of the underwriting portfolio by 2040 in Austria and by 2050 in the Group,
- Pursuing and meeting specific science-based interim targets for 2025, 2030 and 2035 based on the Paris 1.5° C climate target path,
- Avoiding negative impacts on other EU environmental targets,
- Ensuring compliance with minimum social standards.

By defining impactful measures for its contribution to the key objectives of the sustainability strategy, UCB follows the “principle of double materiality”.

On the one hand, playing a vital role as an insurer to enhance companies’ resilience to climate-related risks and supporting the clients externally affected by climate change (“outside-in”). And on the other hand, considering the consequences triggered by the economic activities of the clients in our underwriting portfolio on environmental and social concerns (“inside-out”).

Sustainability developments introduce significant impacts for the corporate insurance industry, including climate change related losses, integration of ESG-related risks in the underwriting process, disclosure of sustainability-related performance, market expectations for new sustainable products and components that support sustainable economic behavior and new technologies, as well as sustainability considerations in the supply chain.

Our approach to sustainability in Corporate Business covers three main directions: strengthening climate-related risk resilience, working on underwriting portfolio decarbonisation and developing new sustainable products and components.



The UNIQA Sustainability Strategy in Corporate Business encompasses climate and engagement directions, designed to complement each other in all the three areas.

2. Climate risks related resilience

As insurer, we see our core role in enhancing the resilience of our clients facing the risks caused by climate change. We consistently work in three main areas strategically important for impactful support of our clients: growing competence, improving standard risk resilience measures' quality and developing comprehensive advisory for the growing demand of companies to keep up with emerging risks related to climate change.

2.1. Climate risk-related resilience advisory

UNIQA Group focuses on its long-term plans for developing a structured process to provide customers with appropriate advisory support to embed mitigation measures relevant for climate risk-related resilience. For this purpose, we develop climate resilience reporting, containing climate models from experts together with organisational, construction, technical specifications for measures.

Our customers should be able to decide on the most efficient investments in respect of climate-related risk resilience measures based on our assumptions. We embed preventive advisory as well as advisory after a climate-related risk event.

2.2. Professional advisory on climate-related risks

UNIQA is developing a professional advisory service for risk resilience. The service is provided and developed by engineers from various technical disciplines across all group companies. The core element of the service is securing operational value creation through hazard analysis based on scenarios to prioritise necessary measures and their implementation. Both sustainability issues in general and the impact of climate change, in the form of climate reports, as well as the conventional risk landscape from operational activities, are considered, and their effects are assessed.



3. ESG-related steering of the underwriting portfolio

Insurance is enabling economic activities by sharing the financial consequences of various risks, and UCB carefully steers the underwriting portfolio to make sure ESG-related parameters are taken into consideration by evaluating the impact of our customers' portfolio on the environment and society.

3.1. Underwriting portfolio evaluation

We aim to use high-quality ESG-related data of our clients to properly evaluate the impact of our corporate business. UCB constantly works on the improvements of data provision, data management and data reporting for ESG matters. On our journey towards net-zero of the underwriting portfolio, it is important to rely on consistent good-quality data. In order to have a full overview of the ESG profile of our corporate business, we measure absolute CO₂ emissions and CO₂ emission intensity of our customers, as well as their exposure to ESG-related risks.

3.1.1. Insurance-associated emissions of the underwriting portfolio

As one of the core steps, UCB embedded third-party data into its underwriting platform so that every new offer is automatically evaluated for absolute CO₂ emissions and CO₂ emission intensity. That implementation allows analysing the total underwriting portfolio's insurance-associated CO₂ emissions (Scope 1 and 2 emissions) based on industry-average data. Insurance-associated emissions of our underwriting portfolio and its development will be regularly reported in the annual Sustainability Report of UNIQA Group.

UCB plans to gradually improve the portfolio evaluation of all business units, including EU and non-EU countries of our presence, and in the future to embed real company CO₂ emission data upon availability.

UNIQA commitments for the underwriting portfolio quality improvement are strengthened by its membership in the Green Finance Alliance, which guides our portfolio target setting and scope of climate and engagement commitments. For more details, see ["Memberships and Ratings"](#) on our Group homepage.

3.1.2. ESG-related risks of the underwriting portfolio

To adjust business processes to emerging ESG risks, UNIQA Corporate Business implemented the "UCB Environmental Social Governance (ESG) Standard" into its standard underwriting process in 2023. This ESG Standard is a supplementary document to the overall UCB Underwriting Standard and defines critical impact of ESG-factors on business decision making and describes how to proceed with critical clients. The implementation of the ESG Standard has been empowered by relevant updates of our IT environment and obligatory training, ensuring a user-friendly and smooth integration.

The evaluation is carried out by an external data provider and is based on the Principles for Sustainable Insurance (PSI) guideline "Management of environmental, social and governance risks in the non-life insurance business". The following ESG topics (and corresponding detailed topics) are considered in the analysis in accordance with the PSI guidelines:

E – Environment	S – Social	G – Governance
Climate change	Human rights	Corruption and money laundering
Environmental pollution	Controversial weapons	Poor corporate governance
Protected locations/species		Poor product and service quality
Unsustainable practices		
Animal welfare and testing		

3.2. Metrics and targets

Dedicated metrics and targets support our ambitions for both working on climate-related risks resilience of our clients and developing our underwriting portfolio to reach net-zero.

UNIQA Corporate Business sets the following climate-related targets:



1. Net-zero emissions underwriting portfolio

Underwriting portfolio insurance-associated CO₂ emissions reach net-zero by 2040 in Austria and 2050 in the CEE region with interim 5-year targets, based on the 1.5°C Paris climate path. The detailed target setting approach is described in the "Metrics and Targets" document available on our [Group homepage](#).

2. Stepping-out of fossil fuels

UNIQA commits to step out of fossil fuel business (coal/crude oil/natural gas), according to the decarbonisation commitment's time-plan.

3. 100% of big clients with climate targets

By 2040 all clients in our portfolio that are subject to obligatory sustainability reporting (NFRD and later CSRD) set their climate targets based on a 1.5°C Paris climate target path.

4. TOP 10 emitters' analysis

The top 10 clients contributing the most to our portfolio's CO₂ emissions in each market are analysed for the presence of a climate strategy and targets based on a 1.5°C Paris climate target path.

We also introduced metrics that support the measurement of how efficiently UCB moves towards its sustainability-related goals. The detailed methodology is described in the "Metrics and Targets" document available on our [Group homepage](#).

3.3. Underwriting portfolio decarbonisation

On our journey to net-zero emissions of our underwriting portfolio, we defined two core areas: step-out of fossil fuel business and focus on clients in high-emitting industries.

3.3.1. Commitments to step-out of fossil fuel business

Coal

As of 2019, UNIQA has resigned from writing new business with companies with a coal share higher than 30% of total turnover. Existing clients related to coal business are annually monitored for the presence of feasible transition plans committed in line with the Paris Climate Agreement and an assessment on progress made.

Starting with 2023, UNIQA resigned from writing new business in coal (exploration, production, distribution) and energy production with coal-related turnover higher than 5% and mining companies with a yearly production of more than 10 million tonnes of coal per year.

In 2030, UNIQA will phase-out all portfolio positions that generate more than 5% of their revenue from activities in the coal sector (exploration, processing and production, distribution, or conversion to electricity) and of all coal projects, except for the companies that have set science-based climate targets (time horizon: 2050, including five-year interim targets) and that decarbonise their core business in line with the Paris Agreement, as well as projects that are in line with the Paris Agreement.

Crude oil

Starting with 2024, UNIQA resigns from writing new business in crude oil (exploration, processing, distribution) and energy production with oil-related turnover higher than 30%.

In 2030, UNIQA will phase-out all portfolio positions in companies that generate more than 5% of their revenue from activities in the oil sector (exploration, processing, distribution, and conversion to electricity) and of all oil projects, except for the companies that

have set science-based climate targets (time horizon: 2050, including five-year interim targets) and that decarbonise their core business in line with the Paris Agreement, as well as projects that are in line with the Paris Agreement.

Natural gas

Starting with 2025, UNIQA resigns from writing new business in the natural gas sector (exploration, processing, distribution, and conversion to electricity) with gas-related turnover higher than 30%.

In 2035, UNIQA will phase-out all portfolio positions in companies that generate more than 5% of their revenue from activities in the natural gas sector (exploration, processing, distribution, and conversion to electricity) and of all natural gas projects, except for the companies that have set science-based climate targets (time horizon: 2050, including five-year interim targets) and that decarbonise their core business in line with the Paris Agreement, as well as projects that are in line with the Paris Agreement.

Nuclear business

UNIQA does not write any atomic/nuclear energy risks directly and/or by way of reinsurance and/or via pools and/or associations.

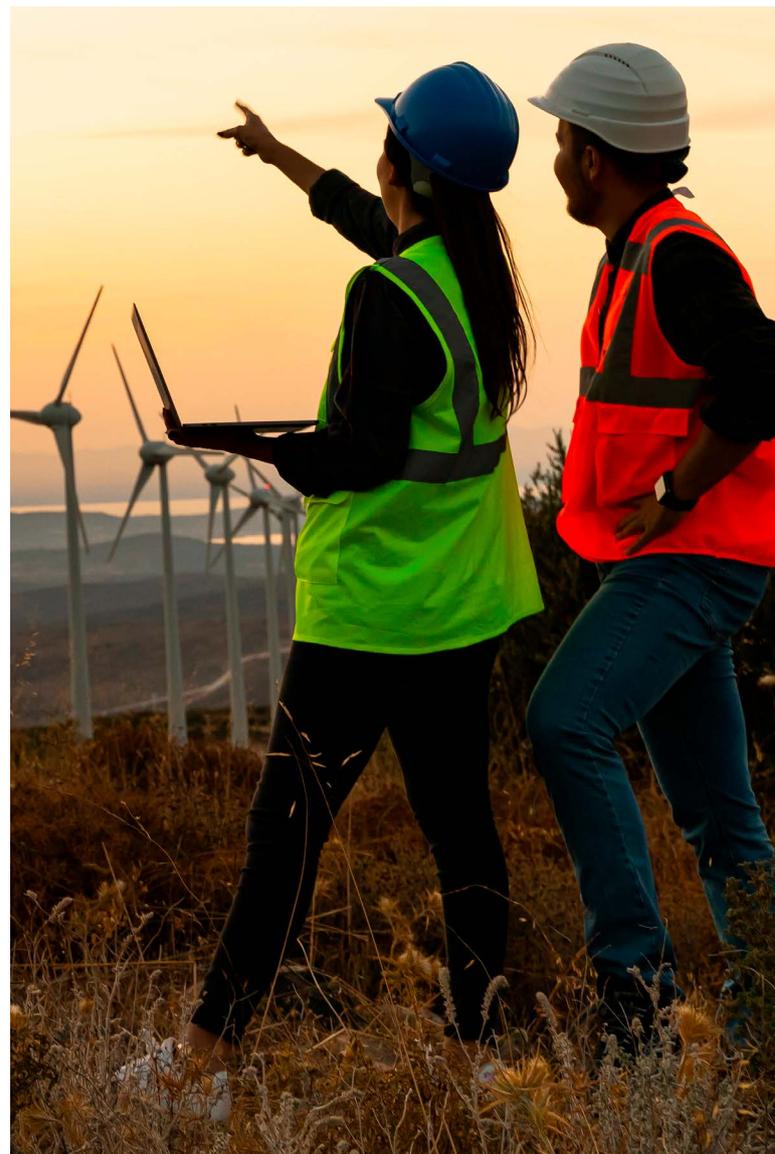
3.3.2. Focus on clients in high-emitting industries

Companies representing the most high-emitting industries contribute the most to the overall insurance-associated emissions of our underwriting portfolio. We follow thoroughly the developments in the regulatory environment, technological development, and innovations, as well as industrial initiatives and progress for decarbonisation. Transition pathways of energy sector, heavy manufacturing and transport are of special importance for the common goal to slow down the harmful anthropological impact on our climate.

UNIQA Corporate Business aims to monitor the sustainability-related developments in the high-emitting industries that our major clients represent, in order to partner for impactful engagement on their decarbonisation journey. On the short-term horizon (3-5 years), we will monitor our top-emitting clients in the underwriting portfolio for the presence and evolution of their climate strategies and targets. Together with this, we will follow the commitments and new technological standards developments for the most CO₂ emission intensive industries that are represented by the significant business volumes in our underwriting portfolio. On the mid-term perspective (5-10 years),

we aim to engage with clients from the most CO₂ emitting industries via official written communication and/or direct dialogue to be informed about their sustainability journey and the integration of relevant climate metrics and targets.

In the long term (10-15 years), we consider reshuffling business preferences and risk appetite away from insuring the NFRD-obliged companies that represent the most high-emission intensive industries (evaluated by the share of annual premium in the underwriting portfolio): energy sector, heavy manufacture, transportation, and do not set up science-based climate targets and/or do not comply with technical criteria developed accordingly for the given industry by EU Climate Delegated ACT 2021/2139 (technical criteria for substantial contribution to climate change mitigation). The progress will be reported annually in the Sustainability Report.



4. Embedding Sustainability Strategy in the governance of Corporate Business

UNIQA Corporate Business ensures the completeness of the agenda of our sustainability-related commitments by strengthening the team with dedicated experts. Core teams are therefore enhanced with sustainability experts. Their role includes fulfilling all regulatory requirements for corporate insurance, supporting product development, ensuring relevant processes' integration, initiating IT developments, monitoring relevant regulations, standards and methodologies, integrating UNIQA's Sustainability Strategy into our Corporate Business environment.

Additionally, to improve the portfolio steering in each market and proper local implementation of ESG-relevant processes and reporting, we introduced the new business role of ESG advisor for corporate business. The ESG advisor will play a crucial role in ensuring that each legal unit follows sustainability-related commitments and standards, engages with clients, and initiates relevant projects.

5. Development of sustainable products and product components

UNIQA Corporate Business sees the urge to support our clients in both their sustainable economic growth and in their development of new sustainable technologies by providing relevant products and product components. That will be the focus for the upcoming years.

Among the areas for products and product components development are:

1. Growth of business with renewable energy
2. Supporting circular economy: sustainable reconstruction, re-used materials
3. Further development of environmental liability components and social components of corporate insurance solutions.

New products and components will be annually reported in the UNIQA Sustainability Report.

6. Growing sustainability awareness and knowledge

We understand that significant progress in the development of the sustainability agenda in any business is possible only with sufficient effort in creating awareness and deepening relevant knowledge. UNIQA Corporate Business includes training and development of its employees in the topic of sustainability into the action plan for short- and long-term. We take practical aspects of climate and engagement strategy implementation as the most valid for the short-term plan. It covers trainings on ESG Standards, up-

dates in underwriting systems, ESG module in regular trainings and regular updates for the wider audience.

As for the longer-term planning, we see the importance of creating general awareness on the topic of climate change and the impact of insurance industry and namely corporate business on the progress of real economy moving forward to sustainable economy. We are gradually developing trainings on various topics of sustainability in corporate insurance.

7. Engagement approach as part of the Sustainability Strategy in UNIQA Corporate Business

UNIQA Corporate Business defines two directions of impactful engagement relevant for our core business. As part of our decarbonisation commitment for the underwriting portfolio, we plan to strengthen our engagement with corporate clients to ensure timely progress. As part of our core activity as insurer, risk expertise, as well as the opportunity to address many businesses in various industries, we put focus on engagement with all business audience to provide maximum support from our side on the common journey towards a sustainable economy.

7.1. Engagement for decarbonisation of the underwriting portfolio

Our portfolio's path to net-zero covers two focus areas: stepping-out of fossil fuel business and monitoring high-emitting companies. We see our engagement activities also defined within those areas with relevant level of intensity.

7.1.1. Engagement with clients related to fossil fuel in the underwriting portfolio

Stepping out of fossil fuel business started for our corporate business in 2019 with first commitments related to the coal sector. Crude oil and natural gas commitments follow from 2024 and 2025 respectively. UNIQA does not open new business in those industries, nevertheless the existing companies in our underwriting portfolio require monitoring and engagement.

Existing business with fossil fuel related companies might remain when those companies have set science-based climate targets (time horizon: 2050, including five-year interim targets) and decarbonise their core business in line with the Paris Agreement.

We define three levels of engagement with our clients in fossil fuel-related industries:

- As a first step, we analyse openly available information of the companies, namely published sustainability strategies, non-financial reports, relevant policies, as well as data bases like SBTi, Climate Action 100+, ISS ESG and similar. This information allows us

to evaluate the level of a company's own sustainability path, alignment with core standards and ambitions of climate strategy.

- In case of absence of relevant openly available sustainability information, we integrate an engagement letter both into the individual communication as well as into the standard underwriting contract documentation, that covers the confirmation of major policies, commitments and targets being integrated into the company.
- The third level of engagement is direct communication with the company client in case the first two steps did not reveal necessary information.

The result of our engagement with fossil fuel companies will be regularly reported within the UNIQA Sustainability Report.

7.1.2. Engagement with high-emitting corporate clients

From 2024 onwards, UNIQA Corporate Business monitors the high-emitting clients in the underwriting portfolios of all our markets. On our portfolio decarbonisation path we focus on the most impactful companies and aim to regularly monitor their progress with own climate commitments and net-zero targets.

As our underwriting portfolio in various markets differs in the exposure to different industries, we remain open for the industries classified as high-emitting depending on the country. We report the examples of the most contributing sectors of the total portfolio in the annual Sustainability Report. We will update our engagement procedures regularly upon the development of regulatory environment and will enhance it with direct communication upon necessity. The engagement intensity will develop upon the reliable company emission data availability.

7.2. Enlarging the scope of evaluated ESG criteria in the underwriting portfolio

UNIQA Corporate Business implements the ESG-related criteria of a company's evaluation upon data availability, market practice and relevant standards. In 2023 we implemented "UCB Environmental Social Governance (ESG) Standard" into our standard underwriting process. The ESG Standard defines both the process of integrating the ESG risks of our clients into the standard risk evaluation, as well as the engagement process with those companies, who are highly exposed to the risks relevant for the given industry and line of business, described in the adapted "heat-map", originally defined by the PSI Guideline.

The ESG risk evaluation model is based on external industry specific data and allows the evaluation of our underwriting portfolio's exposure to potentially high risks related to Environment, Social and Governance. We keep the three-level engagement approach for the ESG related risks evaluation, as we use for the fossil fuel industry:

- We keep the monitoring way of engagement for the period when we evaluate the clients upon industry average data. Monitoring includes analysis of openly available information of the companies, namely published sustainability strategies, non-financial reports, relevant policies, as well as information from data providers.
- We plan to integrate openly available company data from 2024 onwards also in our underwriting platform (e.g. presence of decarbonisation commitments, human rights policy, etc.) and develop standardized requests for confirmation of existing ESG-related policies and targets.
- In critical cases (namely proven legal incidents) the direct communication will be in place to ensure that clients' operations are in line with the common intention to develop a sustainable economic environment.

UNIQA Corporate Business plans to enlarge the scope of analysed company ESG-related data, including specific exposure to social and governance spectrum of risks (Minimum Social Safeguards), presence of critical incidents and evaluations covered by the scope of the ESRS (European Sustainability Reporting Standards). The updates of analysis with gradually enlarging scope will be reported annually.

7.3. Engagement for supporting sustainable economy

UNIQA Corporate Business sees its positive impact also out of the area of regulations and sustainability initiatives. As our corporate portfolio represents various industries, it gives us an opportunity to contribute even more to the common effort of transitioning to a sustainable economy, than covered only by insurance-relevant obligatory commitments.

We see the potential of supportive engagement in three areas:

Climate-related risk advisory:

UNIQA possesses deep expertise in physical risk assessments and mitigation/adaptation measures. We aim to make this expertise available for the wider audience via professional advisory services, in order to enhance companies' resilience to climate-related risks.

Supporting transition and circular economy:

We gradually develop sustainable products and product components, including preferential conditions for sustainable choices (e.g. sustainable reconstruction or re-used materials).

Additional direct engagement for awareness, knowledge and advisory:

We will regularly organize educational and advisory events directly for our corporate clients to support them in all stages of their sustainability journey.

UNIQA Sustainability Strategy in Corporate Business

