



# ZEP-RE SUSTAINABILITY REPORT 2023

Building a Sustainable Future





# ZEP-RE Sustainability Report 2023

## Disclaimer

The findings presented in this report are based on qualitative and quantitative impact-related information gathered from ZEP-RE and their direct investments. The report is based on the analysis of the data provided. Data reported for ZEP-RE is for the period between 1st January 2023 and 31st December 2023.



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Introduction

# About this Report

ZEP-RE SUSTAINABILITY REPORT 2023

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# About this Report

## Report Overview

This is ZEP-RE's (PTA Reinsurance Company) first annual Sustainability Report that provides non-financial performance disclosures for the reporting period 1st January 2023 to 31st December 2023. We are pleased to present sustainability disclosures and provide accountability to ZEP-RE's key stakeholders, partners, and sources of capital.

The Global Reporting Initiative (GRI) guides the content and level of disclosure presented in this report. Processes are being put in place to scale up our reporting in future years against the GRI requirements and progress made in reaching these objectives will be outlined in future editions of this report.

This report covers ZEP-RE (also referred to as "Company") which has established a network of offices with Headquarters in Kenya, regional hubs in Cote D'Ivoire and Zimbabwe and country offices in Sudan, Zambia, Ethiopia, Uganda, Democratic Republic of the Congo (DRC), and Rwanda.

As signatory to the UN Principles for Sustainable Insurance and the Nairobi Declaration for Sustainable Insurance, this report allows for the articulation of progress made against these commitments. In addition, we take into account other relevant frameworks such as the UN Sustainable Development Goals, International Finance Corporation Performance Standards (IFC Performance Standards), United Nations Guiding Principles on Business and Human Rights, International Labour Organisation (Core Labour Standards) and prevailing laws, regulations, codes, and industry guidelines of all countries of operations.

This report was collaboratively prepared by Ingrid Ruganzu (Lead ESG & impact at ZEP-RE) and Dr. Raylene Watson (Associate Partner at Ernest & Young), whose combined expertise and efforts were integral to its development.

This report has been reviewed and endorsed by the ZEP-RE Board of Directors. Any questions and comments which need to be addressed can be sent to [mail@zep-re.com](mailto:mail@zep-re.com).

The Sustainability Report has not undergone external assurance.

## Reporting Universe

This report should be read in conjunction with the ZEP-RE Annual Report, the Annual Financial Statements and ZEP-RE's Impact Report, all available on our [www.ZEP-RE.COM](http://www.ZEP-RE.COM), to fully assess the activities being undertaken by the Company.



**ZEP-RE is the French acronym for PTA Reinsurance Company and which translates to 'compagnie de réassurance de la zone préférentielle'**



# Message from the Managing Director

**Hope Murera**  
ZEP-RE Managing Director

## Welcome to our 2023 Sustainability Report

I am proud to present ZEP-RE's inaugural sustainability report. While this marks as our first stand-alone report outlining our commitments and achievements in the areas of environmental, social and governance; sustainability has long been ingrained in ZEP-RE's culture and our approach to conducting responsible business.

As a premier reinsurance company in Africa, we understand that we are in a long-term business – a business where our unwavering commitment to integrity, responsibility, resilience, and sustainability is paramount for enduring success. The accomplishments of 2023 are the culmination of thirty years of upholding these values and attest to the trust our clients place in us, the dedication of our people and the inspiration behind our purpose.

Our company has embraced Environmental, Social, and Governance (ESG) principles within our practices. The following ESG criteria continue to be critical to our operations:

1. **Strong governance and ethical business conduct,**
2. **Utilizing our services including our subsidiary ACRE Africa and the DRIVE (De-Risking, Inclusion and Value Enhancement of Pastoral economies in the Horn of Africa) Project to address climate change effects,**
3. **Community engagement and support,**
4. **Employee wellbeing,**
5. **Promotion of diversity and inclusion.**

These five focus areas are currently being integrated across all facets of our business. Our sustainability strategy underscores our responsibility in generating authentic value for our investors, fostering the prosperity of our clients, employees, and communities. Our approach further aims to promote the protection of the planet and safeguards the well-being of future generations. Our sustainability efforts go beyond mitigating our own business's impact, extending to our influence on the wider communities we operate in.

Once again, our close collaboration with strategic partners has proven instrumental in creating solutions that meet our client's needs. This includes products and services which have a strong sustainable development lens. Aspects which were focused on in 2023 include:

- Climate change,
- Promotion of the use of renewable energy solutions,
- Implementation of agricultural solutions to promote the use of climate smart applications,
- Inclusive products for underserved communities, and Investment in sustainable infrastructure.

Our ability to provide these services was enhanced through digitization. In this report, we detail the services provided in 2023, and how these provided our clients with effective reinsurance protection against risks within these domains. These services span across different geographies as well as public and private sector clients.

ZEP-RE has developed an Environmental and Social Management System (ESMS) in alignment with our ESG Policy. This system aims at integrating ESG considerations into our strategy, business operations, reinsurance offerings as well as investments. Our primary objective is to proactively address ESG risks, champion sustainability, and foster a positive impact. We are pleased to announce that the ESMS will be implemented in 2024.

Our investment team continues to integrate sustainability into our processes by adopting best-in-class and impact investment approaches aligned with the Principles of Responsible Investment (PRI), fostering good governance, integrity, and accountability. This alignment with our overarching goal, aims to achieve a total return for ZEP-RE while creating added societal value and reducing long-term risks.

Sustainability is an ongoing journey. In 2023, the Board and management made a collective decision to enhance governance regarding ESG matters. Subsequently, we established dedicated ESG functional role with management responsibility of tracking cross-cutting sustainability issues as well as to facilitate the realignment of management roles as they pertain to ESG risk management and value addition.

We are steadfast in our commitment to continuous improvement. To ensure that we are well-positioned to assess, monitor, govern, and disclose ESG matters embedded within our business operations and investments, we will review our policies and report on an ongoing basis.

As we look to the future, we will continue to enhance our business strategy to ensure consistency while contributing to individual needs and society's goals as articulated in the Sustainable Development Goals.

Sustainability is a shared responsibility here at ZEP-RE, and I anticipate actively driving the momentum we have ignited and the collective impact we can create together.

**Hope Murera**

**Managing Director & CEO, ZEP-RE**





Reinsurance

# About ZEP-RE

ZEP-RE SUSTAINABILITY REPORT 2023

# Who we are

ZEP-RE (PTA Reinsurance Company) is a premier reinsurer in Africa and a specialised institution of the Common Market for Eastern and Southern Africa (COMESA). The company was established in 1990 under the then Preferential Trade Area, a precursor to COMESA, to develop the insurance and reinsurance industry and support capacity building.

Gross written Premiums

USD 301.3M

Year ended 31 December 2023

Investment Portfolio

USD 377.3M

As of 31 December 2023

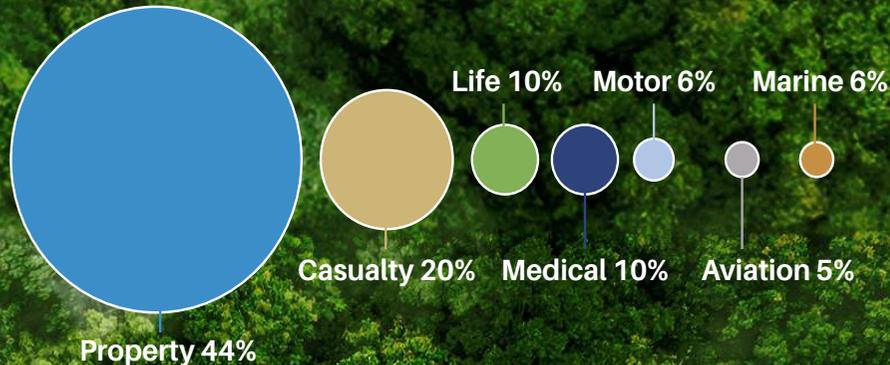
95 Employees

Colleagues in 11 offices across the region

30+

Years of Leadership

## Underwriting Business Mix



We are committed to fostering, insurance and reinsurance by creating essential capacity, enhancing the skills of the region’s insurance professionals, delivering technical expertise, and reinvesting premium funds regionally.

As the Preferential Trade Area evolved into COMESA, ZEP-RE’s contribution to the insurance industry was acknowledged, and the company maintained its status as one of COMESA’s institutions under Article 174.

This recognition reaffirmed our commitment to serving the interests of our region and its people. Our rich experience, combined with an ingrained knowledge of the region’s insurance industry, empowers us to deliver tailored solutions that are designed to meet our clients’ needs. At the core of our objectives lies an unwavering commitment to provide value through technical expertise and unparalleled professional service.

## Our Founding Objectives



Foster the development of the region’s insurance and reinsurance industry.



Promote the growth of national and regional underwriting and retention capacity.



Support regional economic development

## Our Philosophies

At ZEP-RE, our vision extends beyond the present. We are committed to expanding our reach and fostering a positive impact on societies and businesses for years to come.

## ZEP-RE's Business Model

Reinsurance, often referred to as "insurance for insurance companies," is a critical component of the insurance ecosystem. It involves the transfer of risk from insurance companies to specialised entities known as reinsurers. Through these arrangements, insurance companies and reinsurers share and spread risk, thus providing stability and resilience to the insurance industry. ZEP-RE champions this cause by fostering innovative strategies and bespoke solutions for its clientele and partners throughout Africa. Our extensive portfolio includes a diverse array of products and services, such as Property, Casualty, Medical, Life, Micro-Insurance, and coverage for Political Violence & Terrorism, Agriculture, Motor, Marine, and Aviation risks.

Acknowledging the low insurance penetration ratio of 2% in Africa, ZEP-RE has established itself as a pioneer in inclusive insurance across the region by venturing into new market segments and scaling innovative, accessible products. Our inclusive insurance initiatives focus on providing microinsurance to safeguard low to middle-income families, small and medium enterprises, and agriculture insurance to small scale farmers. These services offer protection against health emergencies, income volatility, natural disasters, and climate-induced events, ensuring affordable housing insurance and financial resilience for the vulnerable.

## Our Vision

To provide first class security and quality service to our clients.

## Our Mission

To be a world class leading reinsurer in Africa.

### Our Values



#### Client Driven

We place clients' needs at the centre of everything we do as an organisation.



#### Professionalism

We take immense pride in our team of dedicated and highly skilled professionals who bring a wealth of knowledge and expertise to the table.



#### Commitment

Our commitment encompasses our drive to create positive impact in the insurance and reinsurance industry.



#### Be a responsible corporate citizen

We understand the profound impact our actions can have on the environment and society.



#### Act with integrity

We demonstrate integrity by keeping commitments and modelling ethical behaviour at all times.

## Our Ownership Structure

Initially, ZEP-RE began with a shareholder base primarily composed of African (COMESA) member states or state nominated institutions. Over time, ZEP-RE continued to evolve and attract new investors. We have diversified our shareholder base and forged strategic partnerships with "A" rated Development Finance Institutions who have been instrumental in shaping ZEP-RE's growth trajectory. Together, we have reinforced our position as a premier reinsurer in Africa, expanding our reach and influence across the continent.

ZEP-RE's shareholders are categorized into three distinct classes:

**Class A Shareholders:** Comprises of Government shareholders, particularly the COMESA Member States and institutions owned by Member States.

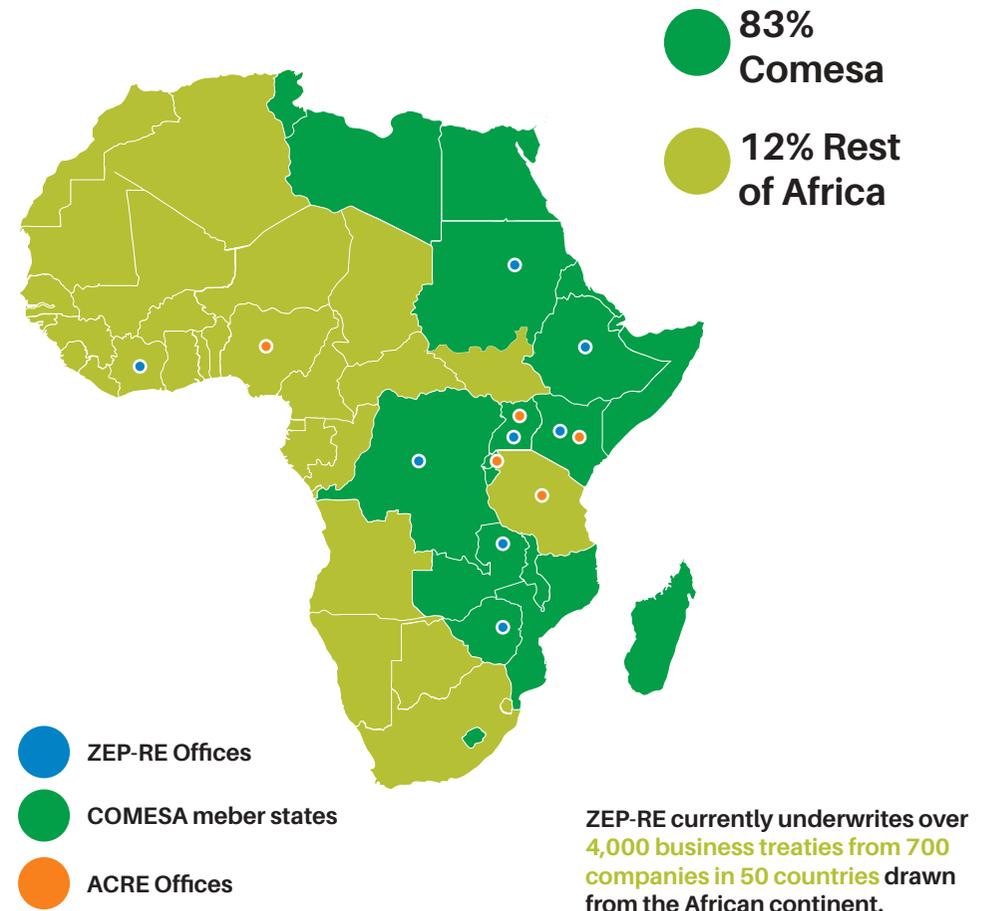
**Class B Shareholders:** Reserved for Private insurance and reinsurance institutions in the region, as well as eligible investors from both within and outside the region.

**Class C Shareholders:** Represented by Development Finance Institutions (DFIs).

Class Type	Sum of Shareholding
A	74.9%
B	7.3%
C	17.8%
<b>Grand Total</b>	<b>100%</b>

ZEP-RE has established a significant presence throughout East, Southern, and West Africa, with three strategic regional hubs, including the main headquarters situated in Nairobi, Kenya, and a Retakafu Window. Through its subsidiary ACRE Africa, ZEP-RE expands its reach to support and foster sustainable agriculture insurance on the African continent.

The Company's geographic footprint is presented as follows:



## Financial Strength - Ratings of ZEP-RE

	
<b>B++ financial strength Issuer credit bbb+</b>	<b>AAA "Strong Financial Profile"</b>

In November 2023, A.M. Best upgraded ZEP-RE's Issuer Credit Rating to 'bbb+' from 'bbb', with a stable outlook. The Financial Strength Rating of B++ was affirmed with a stable outlook. GCR also affirmed ZEP-RE's National Scale Financial Strength Rating of AAA, with a stable outlook, during the same period.

According to A.M. Best, the upgrade of the Issuer Credit Rating reflected the revision of ZEP-RE's ERM assessment to 'appropriate' from 'marginal', following management's actions to strengthen its risk management capabilities. The agency noted that in recent years, the company had taken robust steps to improve its underwriting results, whilst also reducing its exposure to investment risk. A.M. Best considered ZEP-RE's risk management framework to be appropriate given the size and complexity of its operations, as its risk management capabilities are closely aligned with its risk profile.

ZEP-RE's balance sheet strength continues to be designated as very strong, with the operating performance also considered strong, while the impact of the business profile is considered to have a neutral contribution towards the company's rating assessment.

The agency's opinion regarding ZEP-RE's very strong balance sheet strength is underpinned by the company's risk-adjusted capitalisation, which is evaluated as being held at the strongest level, as well as its prudent asset allocation and low underwriting leverage.

Although A.M. Best points to ZEP-RE's exposure to high-country risk through the high level of economic, political, and financial system risk associated with the company's operations, the agency acknowledges the company's good geographic diversification and conservative asset management strategy, as partially offsetting factors to this risk.

The company's strong operating performance assessment continues to reflect its track record of producing solid operating results. A.M. Best recognises ZEP-RE's competitive position within markets that offer attractive profit potential and considers the organisation's enterprise risk management framework to be evolving.

According to GCR, the key factors underpinning ZEP-RE's rating outcome, included the company's diverse membership and influence within the markets of the COMESA region, high levels of risk-adjusted capitalisation and liquidity coverage and its strong financial profile.

## Our approach to tax

In alignment with our commitment to responsible tax practices, we operate in accordance with the Agreement Establishing ZEP-RE, executed by Member States and Heads of Government of the COMESA region. This Agreement serves as the foundation for our approach to taxation, including applicable immunities and privileges in respect to the business and within the member states that we operate.

The above status is replicated in the Host Agreements, and domestic legal instruments in varied countries in which we operate. (Article 39).

## Catalysing Insurance Sector Growth

As a COMESA institution, we are committed to collaborating with Governments and Regulatory bodies to synchronize our efforts and effectively fulfil our collective objectives, which are aimed at stimulating growth.

ZEP-RE is dedicated to fostering regional development by channelling premium investments in the region, engaging in partnerships with regulatory bodies, and enhancing the technical capabilities of (re)insurance institutions. ZEP-RE plays a pivotal role in facilitating cross border trade and establishing managed risk pools for diverse threats. This multifaceted approach ensures a robust support system for the region's economic expansion and stability.

<b>USD 1.4 billion Cumulative pre- miums written</b>	<b>USD c.1 billion Cumulative claims paid</b>	<b>USD c500m Assets</b>	<b>&gt; Over 90% of premiums in- vested in Africa</b>
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### Case Example - ZEP-RE Insurance Fund

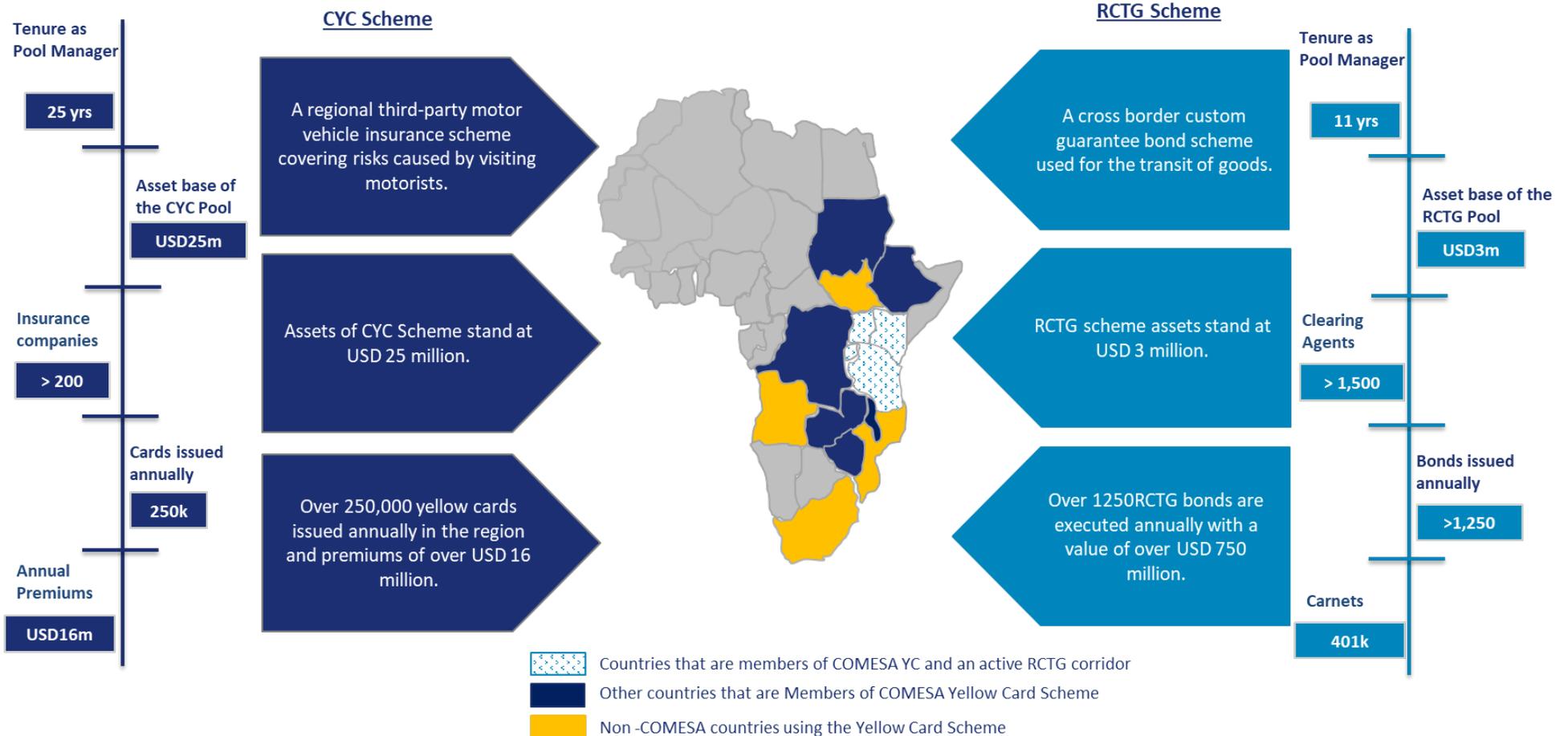
ZEP-RE is committed to enhancing its impact initiatives by bolstering technical and operational capabilities through strategic capital deployment. This initiative aims to bridge the protection gap by nurturing pillars such as micro-insurance, inclusive insurance, and credit accessibility, while also supporting the Charter's goal of advancing the insurance and reinsurance ecosystem in Africa.

Investments will target three distinct categories: early-stage ventures, growth ventures, and downstream activities, including mergers and acquisitions. The objective is to pinpoint and fund Insurtech companies, primary insurers, and other relevant entities that will not only gain from ZEP-RE's expertise but will also undergo transformation with improved corporate governance, integration of ESG principles, and growth capital to expand their influence throughout Africa.



# Facilitating cross border trade

We remain committed to advancing our developmental agenda by effectively managing the reinsurance pools for two pivotal schemes: The COMESA Yellow Card and the RCTG (Regional Customs Transit Guarantee). These initiatives are instrumental in bolstering cross-border regional commerce, simplifying the transit of goods and individuals. Our ongoing efforts ensure a smoother trade experience and enhanced economic integration.



## Annual Regulators Forum



### **Attendees of the Annual Regulator's Forum 2023 in Watamu**

Since its inception in 2019, the Annual Regulators Forum hosted by ZEP-RE in collaboration with the East African Insurance Supervisors Association, has convened yearly to forward the expansion and resilience of the (re)insurance sector across Africa. The annual forum addresses unique challenges and opportunities within African (re)insurance markets, devises strategies to increase access for underserved communities, and highlights the critical role of regulatory bodies in the advancement and maturation of these markets. It also provides valuable insights and identifies trends that are shaping the insurance and reinsurance landscape across the continent.

The 2023 edition themed “Closing the insurance protection gap; how ecosystems drive inclusivity,” focused on the importance of establishing a holistic ecosystem that includes all stakeholders in the value chain, aiming to drive the provision of insurance as a vital service, and ultimately financial inclusion. In addition to the Regulators of the East Africa insurance markets, the Regulators of the Malawi, Zambia and the Zimbabwe insurance markets, are also participating in the forum.

## Innovation in Insurance

ZEP-RE is passionately steering the wave of technological innovation within the insurance market, aiming to revolutionize how the industry adopts and implements new technologies. In 2023, ZEP-RE launched its inaugural innovation hub cohort in Rwanda, showcasing approximately 90 innovative proposals. Of these, 30 advanced to a hackathon stage, and 5 were selected for a six-month incubation period. During this time, these projects were refined and developed to market readiness with the support and mentorship of ZEP-RE’s experienced staff and insights from industry leaders. Out of the incubated ideas, three startups stood out and have now begun the market rollout of their solutions.

This initiative marked a significant milestone in the insurance sector, which had previously seen little activity in terms of innovation hubs. The introduction of 90 fresh ideas has sparked a sustained interest in the market. The program also contributed to job creation, with 25 young professionals gaining employment during the incubation phase. As these startups grow, it is anticipated that an additional 50 jobs will be generated, further expanding the solutions and potentially increasing market premiums.

Concluding the cohort, ZEP-RE established a strategic partnership with the National Bank of Rwanda (BNR), aiming to foster fintech innovation and drive development, funding, and investment within the insurance industry. This collaboration signifies a forward-thinking approach to financial technology and a commitment to nurturing the sector’s growth.





# Our Approach to Sustainability

ZEP-RE SUSTAINABILITY REPORT 2023



## Leadership Spotlight

**Ronald Kasapatu**  
Director of Partnerships

### Welcome to our 2023 Sustainability Report

“I am proud of ZEP-RE’s commitment to sustainability and ESG. We have actively embraced the need to scrutinise our strategy, systems, processes and operational practices to pragmatically incorporate ESG considerations throughout our business. I look forward to driving our progress in this regard.”

At ZEP-RE, our commitment to sustainability is not just a part of our business strategy; it is at the very core of who we are and what we aim to achieve. We recognize that our role as a reinsurance leader comes with a responsibility to operate with integrity, invest responsibly, and adhere to sound governance principles. Our purpose, to make a positive impact on the world around us, drives us to pursue excellence not only for our company but also to contribute to a more resilient and secure future for all.

In this inaugural Sustainability Report, we outline our current initiatives and practices across areas that are fundamental to our business and subsidiary. ZEP-RE believes that responsible reinsurance and investment practices are critical to delivering long-term value consistent with our mandate. We underscore the significance of fully integrating and operationalising environmental, social, and governance (ESG) and impact factors, as well as corporate responsibility, into our value system.

## Sustainability in practice

ZEP-RE's sustainability journey starts with a commitment to responsible and ethical operations. We operate with integrity, fostering a culture of care for our employees and the communities where we operate. From there, we extend our commitment to sustainability within our products, integrating ESG principles into their core.

## Value Creation Through Sound ESG Oversight

Our Board of Directors and management team understand the pivotal role of ESG factors in catalysing innovation and strengthening our regional presence. The Company's governance structure, systems, and processes are focused on safeguarding shareholder and stakeholder interests, as well as promoting trust, transparency, accountability, and upholding ethical behaviour within the business and subsidiary.

We understand the importance of preserving our core business values while also elevating our societal impact. The challenges posed by global crises in recent years have not deterred us; instead, they have provided ZEP-RE with valuable insights that enable us to make more informed and efficient choices.

ZEP-RE has adopted a proactive approach towards transparency and accountability. Our aim is to strengthen ZEP-RE's position as a regional leader in the reinsurance industry; drive a financially robust company, with a sustainable business model, which creates value for its shareholders and clients.

Our sustainability framework is thoughtfully crafted to integrate ESG factors into every facet of our operations, strategies, and plans.

Our journey towards a socially and environmentally conscious future is guided by a series of strategic initiatives that have been refined through the experiences and lessons of recent global crises including disruptive weather patterns, the Ukraine war and the post-pandemic recovery process that exacerbated vulnerabilities. Our initiatives endeavour to foster economic and social development, engage our employees actively, and expand our client portfolio, reduce our carbon footprint while ensuring the highest ethical standards are upheld at the Company.



# OUR SUSTAINABILITY PILLARS

## Sustainable Insurance

Integrating ESG in insurance  
Investing responsibly

## Catalysing Insurance Sector Growth

Serving the national strategy in Member States

## Environmental Protection

Climate change and energy transition  
Environmental management

## People and Community Care

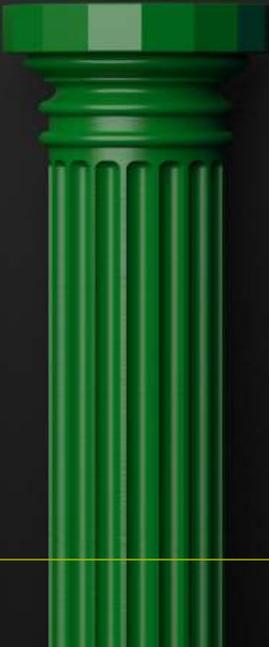
Talent Development  
Diversity, Equity, and Inclusion  
Health and well-being  
Community engagement

## Responsible Client Relations

Client satisfaction  
Data protection  
Innovation and digitization  
Sustainable products and services

## Strong Governance and Economic Performance

Corporate Governance  
Ethics and compliance



# Our strategic approach

## Considerations we make

### Operating context

- Issues that impact our strategy
- Material risks
- Availability, quality, and affordability of capital we deploy

### Material matters

We identify our material issues as those factors that exert an influence on our capacity to generate value across the short, medium, and long term

## as we execute

### Our strategy

Our strategy serves as a roadmap that outlines our vision and how we intend to achieve, measure, and report our progress. Our strategic priorities and strategic value drivers align our allocation of resources to our strategy.

### Our strategic priorities

- Foster industry development
- Promote regional growth
- Drive economic development

### Our strategic value drivers

- Client driven
- A professional team
- Commitment to our work
- Act with integrity
- Be a responsible corporate citizen

## and organize our business

### Our six capitals

The fundamental elements that drive value creation and preservation, as elaborated in our capital section:

- Financial - Manufactured
- Intellectual - Social and relationship
- Human - Natural

### Our delivery model

By identifying the key value-creation opportunities and unpacking the drivers of our performance, we are able to present an overview of how the tools and products we have deployed have benefited the reinsurance sector in the region.

## to create sustainable value

### Our stakeholders

- Government & regulators - Shareholders
- Clients- Employees
- Partners - COMESA Council of Ministers

### Value creation outcomes

- For governments & regulators
- For our clients
- For our partners
- For our shareholders
- For our employees
- For the COMESA Council of Ministers

## and impact

### Our impact areas

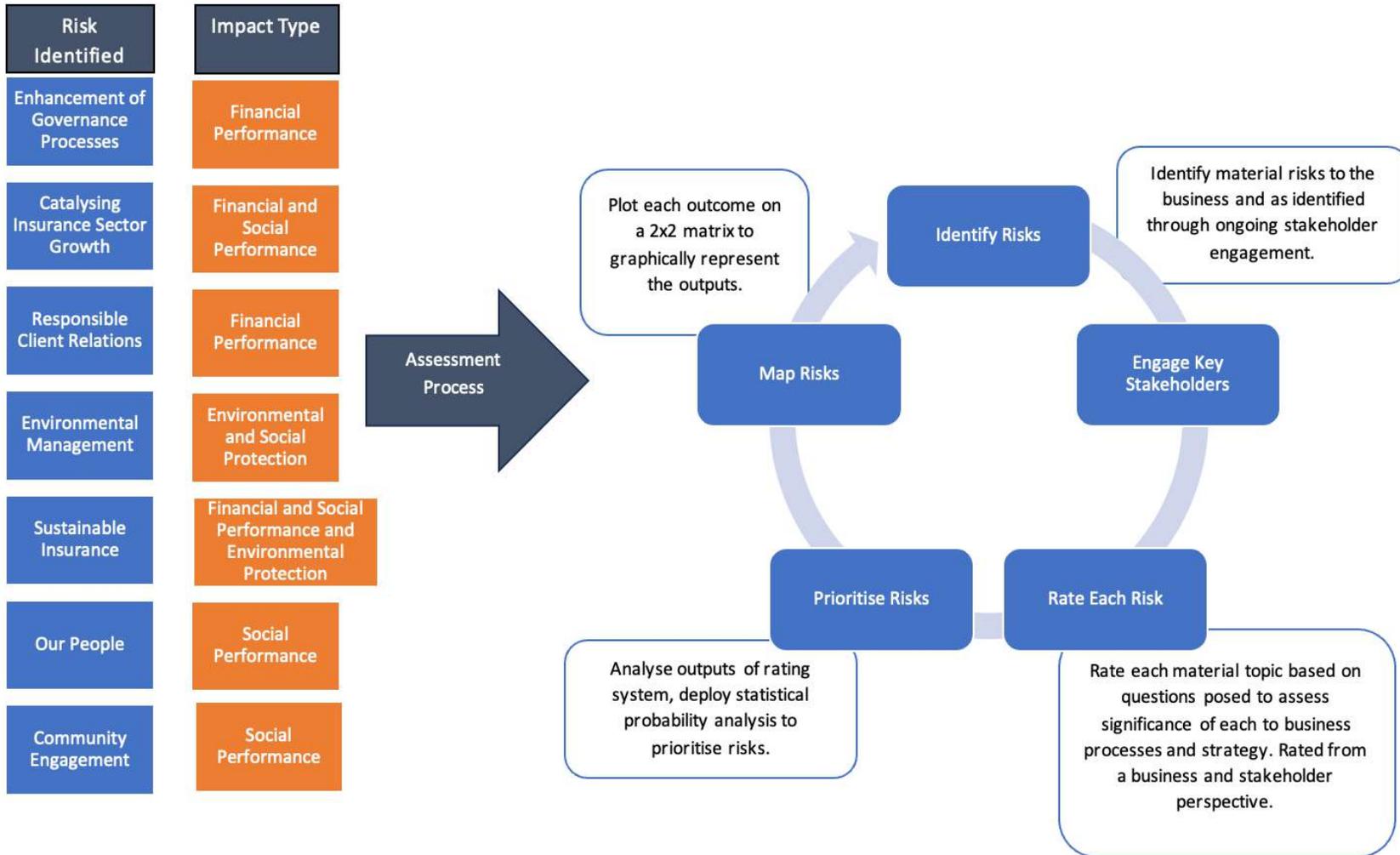
- Financial inclusion
- Capacity building
- Enhancing business resilience
- Facilitating regional growth and development
- Employee development
- Supporting communities

### Our SDGs



# Materiality Topics

Our approach to managing ESG risks during the year was informed by undertaking a double materiality assessment for the business. Material issues defined were informed through engagement with key internal stakeholders and reflect our approach to addressing risks that can impact on our financial performance as well as external stakeholders including the biophysical environment.



## Our Identified Risk Unpacked

	Enhancement of Governance Processes	Catalysing Insurance Sector Growth	Responsible Client Relations
Material Topic	Implementation of robust governance processes with a clear allocation of roles and responsibilities allowing for active tracking of set KPIs and Targets. Ongoing monitoring and assessment undertaken to ensure ongoing improvement and development of our ESG credentials.	Promotion of financial inclusion through provision of insurance products and services. Achieved through close collaboration with regional governments, strengthening capabilities, creating jobs, promoting gender equality and de-risking communities.	Providing a positive empowering experience, fostered through transparency of products and fair treatment. Increasing access through the deployment of streamlining claims processes, deployment of clearly defined risk management processes, and capacity building.
Benefit of Managing the Risk	<ul style="list-style-type: none"> <li>- Clearly defined policies and procedures.</li> <li>- Auditable processes.</li> <li>- Enhanced response times to address concerns.</li> <li>- Enhancing ability to identify key risks to business performance and which could negatively impact on key stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>- Growth of the insurance sector.</li> <li>- Fostering foreign direct investment.</li> <li>- Creating Jobs.</li> <li>- Stimulating economic activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Building a sustainable business.</li> <li>- Sustained growth.</li> <li>- Protecting the reputation of the brand.</li> <li>- Empowering key stakeholders.</li> </ul>

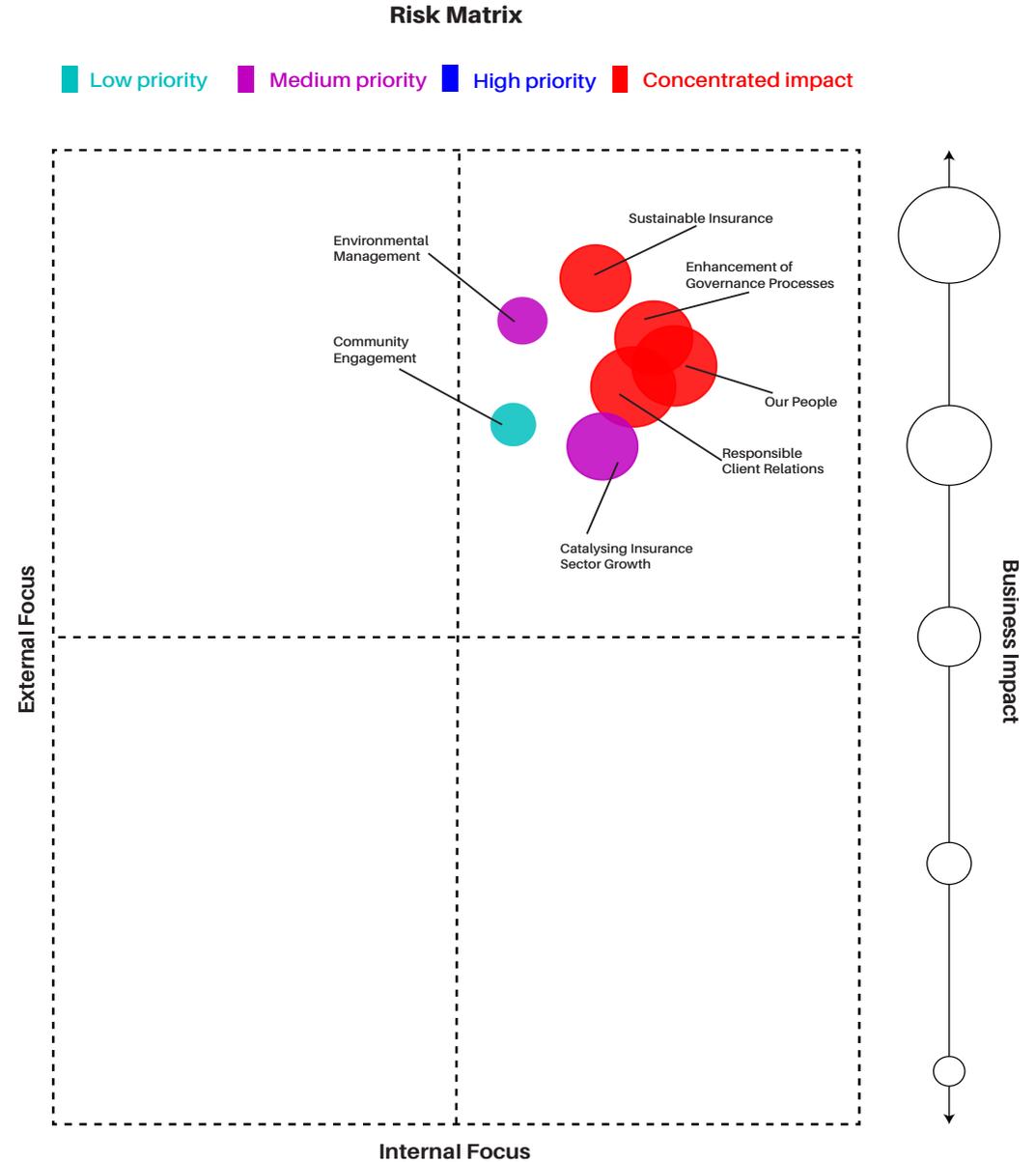
	Environmental Management	Sustainable Insurance	Our People	Community Engagement
Material Topic	Enhanced risk management and clearly defined risk mitigation strategies facilitates the development of new and innovative products and services aimed at protecting the environment, tailored to key stakeholder needs.	Pioneering innovative insurance products which generate a positive societal and environmental impact, opening new avenues for business expansion.	Providing a working environment that fosters equitable access to opportunities and career growth. A safe place to work, where employees feel heard and empowered.	Moving beyond our core business strategy and commitment to fostering economic development in our operational regions, by becoming deeply engaged in our local communities and actively participating in various initiatives and programs.
Benefit of Managing the Risk	<ul style="list-style-type: none"> <li>- Robustness of product development.</li> <li>- Ability to respond to needs in society.</li> <li>- Contribution to regional plans.</li> <li>- Helping to de-risk communities.</li> </ul>	<ul style="list-style-type: none"> <li>- Promotion of a just energy transition</li> <li>- Fostering agricultural resilience</li> <li>- Empowering pastoral economies</li> <li>- Facilitating equitable and affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>- Well capacitated staff.</li> <li>- Enhanced levels of staff retention.</li> <li>- A good working Environmental and work culture.</li> <li>- Robust grievance and redress processes.</li> </ul>	<ul style="list-style-type: none"> <li>- Raising awareness around insurance provision.</li> <li>- Ensuring insights are gained on key issues facing communities which need to be addressed through insurance provision.</li> </ul>

# Materiality Determination

Risk factors noted to have a concentrated impact (all stakeholders deem this aspect to be significant) on realisation of the business overall strategy were the enhancement of governance processes, our approach to responsible client relations, the management of our people's needs and our required focus on the identification of sustainable insurance products in the market.

Ongoing management of the Environment and catalysing insurance sector growth were also seen by stakeholders as important, being placed in the top right-hand quadrant of the matrix, however these risks are weighted as having medium priority (systems and processes need to be in place to track these, allowing for monitoring and measurement of impacts to take place).

Communities were rated as having a lower priority with respect to being able to realise our business strategy. Communities are however still placed in the top right-hand corner of the matrix, indicating that ongoing engagement and ensuring their needs are met is still important in realising the business overall strategic intent. Additionally, it is essential to take into account the requirements of these communities during the development and delivery of products and services to ensure successful market implementation.



# Highlights

In the evolving landscape of reinsurance, ESG considerations are swiftly gaining strategic prominence. ZEP-RE recognizes this shift and is committed to aligning its operations with principles and practices that promote sustainability and social responsibility.

ZEP-RE's ESG initiatives are being holistically and actively implemented in the Company. The organisation's commitment as a responsible corporate citizen ensures an advancement of goals around sustainable development and principles that are most important to our clients, investors, employees, communities, planet, and other stakeholders.

In 2022 and 2023, ZEP-RE intensified its focus on ESG matters, establishing our commitment to a more sustainable and responsible future in the reinsurance industry. This resulted in the achievement of seven (7) milestones.

<b>1</b>	<b>Integration of ESG into the ERM Framework with the development of an environmental social management system (ESMS)</b>	The management of ESG risks is embedded within ZEP-RE's ERM framework. This strategic move aligns our ESG efforts with our broader risk management strategy. Going forward, we will be able to systematically assess and address ESG risks.
<b>2</b>	<b>ESG Policy documented and approved by our Board</b>	The ESG policy outlines our commitment to integrating ESG considerations into our decision-making processes, risk management strategies and operational practices. The policy outlines our commitment to a sustainable future.
<b>3</b>	<b>The Board Governance and Human Resources Committee focus on sustainability oversight</b>	In 2023, the Board assigned the Governance and Human Resources Committee oversight of sustainability issues. The Committee will approve, review, and guide the implementation of sustainability-related policies and processes that promote long-term value for stakeholders.
<b>4</b>	<b>Designation of an ESG &amp; Impact function</b>	ZEP-RE has taken a significant step forward by appointing an ESG & Impact function to enhance the organisational capacity, foster sustainable practices, and monitor progress towards implementation of ESG measures.
<b>5</b>	<b>Underwriting guidelines adapted to account for ESG</b>	Our underwriters continue to work with our cedants, supporting renewable energy projects and creating a positive impact on vulnerable groups through our microinsurance services.
<b>6</b>	<b>Embedded positive screening in our investment processes to enhance our ESG position</b>	In a bid to be a catalyst for change, we actively seek to align our investments with our sustainability goals. This approach enables ZEP-RE to monitor, assess, and manage ESG risks and opportunities in our investment processes.
<b>7</b>	<b>Fostering an inclusive culture</b>	In 2023, we have continued to prioritise diversity in our hiring practices. We strive to ensure that every employee feels valued and respected and able to perform at their best. We are committed to increasing the representation of all employee groups in executive and senior management roles.

## Engaging with our stakeholders

The foundation to our sustainability strategy begins with the value we place on listening and responding to all our stakeholders.

ZEP-RE attaches great importance to stakeholder communication. We identify core stakeholders based on their level of interest in and influence on our operations. We have established efficient stakeholder communication feedback mechanisms to listen to the opinions and suggestions of stakeholders. We also carefully choose the most appropriate and accessible communication channels, so as to effectively respond to the needs and concerns of all parties.

Our Stakeholders	Major issues of concern	Communication and engagement platforms
 <p><b>Government &amp; regulators</b></p>	<ul style="list-style-type: none"> <li>- Market development</li> <li>- Compliant operations</li> </ul>	<ul style="list-style-type: none"> <li>- Participate in industry meetings</li> <li>- Regular reports</li> </ul>
 <p><b>Shareholders &amp; investors</b></p>	<ul style="list-style-type: none"> <li>- Good investment returns</li> <li>- Effective risk management</li> </ul>	<ul style="list-style-type: none"> <li>- Annual General Assembly</li> <li>- Regular reports</li> <li>- Performance announcements</li> <li>- Investor communication</li> </ul>
 <p><b>Clients</b></p>	<ul style="list-style-type: none"> <li>- Provision of comprehensive products and services</li> <li>- Timely response</li> <li>- Sustainable reinsurance security</li> </ul>	<ul style="list-style-type: none"> <li>- Trainings</li> <li>- Meetings</li> <li>- Ratings certificates</li> <li>- Reports</li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>- Remuneration and benefits</li> <li>- Career growth opportunities</li> <li>- Safe work environment</li> </ul>	<ul style="list-style-type: none"> <li>- Worker performance appraisals</li> <li>- Employee meetings and communication</li> <li>- Staff training</li> </ul>
 <p><b>Community</b></p>	<ul style="list-style-type: none"> <li>- Financial results</li> <li>- Social welfare</li> <li>- Community activities</li> <li>- Changes in capital structure</li> </ul>	<ul style="list-style-type: none"> <li>- Official website</li> <li>- Social media platforms</li> <li>- Environmental public welfare activities</li> </ul>
 <p><b>Partners</b></p>	<ul style="list-style-type: none"> <li>- Business reciprocation</li> <li>- Knowledge and skills transfer</li> <li>- Development of business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Regular communication meetings</li> <li>- Impact report</li> </ul>
 <p><b>COMESA Council of Ministers</b></p>	<ul style="list-style-type: none"> <li>- National development priorities</li> <li>- Investments</li> <li>- Driving mandate of promoting growth of reinsurance in the region</li> <li>- ESG performance</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Reports</li> </ul>

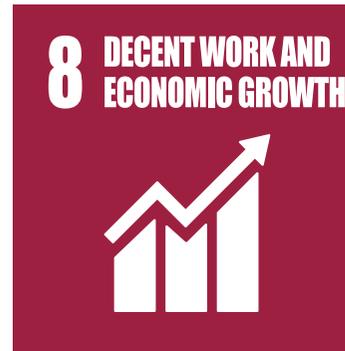
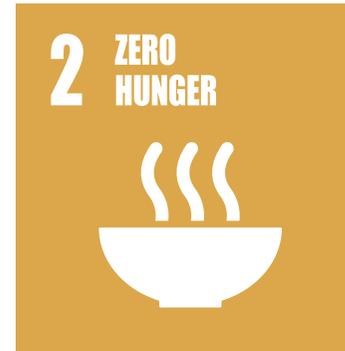
## Our Commitments to the United Nations

Our passion for and commitment to sustainability is reflected in our support of various voluntary frameworks, such as the United Nations and the United Nations Environmental Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance. These commitments demonstrate our willingness to promote and adhere to sustainable and socially responsible business practices.

Further, by integrating sustainability into our underwriting practices, investments, and operations, we actively support the United Nations Sustainable Development Goals (SDGs), a set of 17 global goals established by the United Nations in 2015 to address various social, economic, and environmental challenges and promote sustainable development globally.

To optimize our impact and support consistent strategic implementation, ZEP-RE has collectively selected 6 SDGs as a priority for our sustainability roadmap, leveraging on our core activities and strengths.

*For more details on the how the selected SDGs are aligned with our societal impact, please refer to page 11 – 12 of the ZEP-RE 2021/22 Impact Report.*



## Membership associations



United Nations Environmental Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance



THE NAIROBI DECLARATION ON SUSTAINABLE INSURANCE

The Nairobi Declaration on Sustainable Insurance

## Partnerships

**KFW** DEG



InsuResilience  
GlobalPartnership



THE WORLD BANK



**ALTRON**



WESTERWELLE  
STARTUP HAUS  
ARUSHA



**ATIDI**  
African Trade & Investment  
Development Insurance



**Swiss Re**



World Food  
Programme



**Africa Re**

PartnerRe



# Sustainable Insurance

ZEP-RE SUSTAINABILITY REPORT 2023





## Welcome to our 2023 Sustainability Report

“Our reinsurance offerings are designed to tackle pressing environmental and societal challenges. We are committed to enhancing financial inclusion, ensuring food security, supporting renewable energy initiatives, combating climate change, and leveraging digital innovations to make insurance more affordable and accessible to a broader audience.”

# Leadership Spotlight

**Jephita Gwatipedza**  
Chief Operating Officer

## Sustainable Insurance

ZEP-RE is at the forefront of creating cutting-edge insurance solutions tailored to mitigate ESG risks. Our strategic orientation not only empowers us to potentially generate a positive societal and environmental impact but also opens new avenues for business expansion. By integrating frameworks like the Sustainable Development Goals (SDGs), we are committed to evaluating and quantifying the effectiveness of our insurance offerings.

This section highlights instances where our (re)insurance solutions have facilitated a constructive impact.

### The De-risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa Project (DRIVE)

The De-Risking, Inclusion and Value Enhancement of Pastoral economies in the Horn of Africa Project (DRIVE), is a regional initiative currently underway in four countries, Djibouti, Ethiopia, Kenya, and Somalia, with potential expansion to other regions. The rationale for DRIVE is that drought shocks and weak market linkages have compounding negative effects on pastoral economies. DRIVE intends to address both challenges by (a) providing drought insurance that cushions pastoralists against severe shocks and promoting saving for moderate shocks and (b) supporting private sector investment in livestock value chains that will create reliable livestock markets. Regional collaboration is at the heart of the design as the project seeks to respond to global challenges such as drought and its resulting conflicts and pastoral movements; and address the competitiveness of a key regional value chain – livestock, whose exports to the Middle East sustain the livelihoods of 50 million pastoralists in the HoA. Yet pastoralists are at the bottom of this value chain and not getting much value.

**Component one**, risk finance, that provides subsidized drought index insurance that is delivered commercially. The delivery of the insurance product is through organized groups willing to commercialize their livestock production.

Pastoralists are provided with mobile accounts incentivized to save with a savings bonus. Zep-Re is the implementing agent for Component 1 of the project with a mandate to execute the Project on behalf of the participating governments to ensure that countries pool their risk, transfer it to the private insurance market and lower their operational and premium cost. Capacity Building is also a major mandate of implementing this component.

**Component two** aims to address the market failures in the livestock value chains and facilitate the regional trade. It strengthens quality infrastructure and trade infrastructure to increase the quality of livestock exported; and supports viable business ventures that guarantee sustainable markets for pastoralists, both domestic and exports. The project builds the capacity of pastoralists to become a reliable source of livestock that meet quality requirements by exporters and processors. This component is implemented by different Ministries, Departments and Agencies in the participating countries.



## ZEP-RE as an implementing agency

DRIVE is a regional project supporting pastoralists, currently implemented in four countries located in the Horn of Africa (HoA)



Current DRIVE Countries:



### Project Objective

To enhance pastoralists' access to **financial services** for drought risk mitigation, include them in the **value chains**, and facilitate the **livestock trade** in the Horn of Africa

### Project Financing

**\$360.5 million** total project cost  
**\$28 million** Component 1 GRiF grant



### Component Structure

1



#### Package of financial services for climate resilience (\$179 Million)

Support the provision of an integrated package of financial services to build climate resilience through parametric drought insurance, savings incentives, digital accounts & platform, financial literacy

implemented by:



2



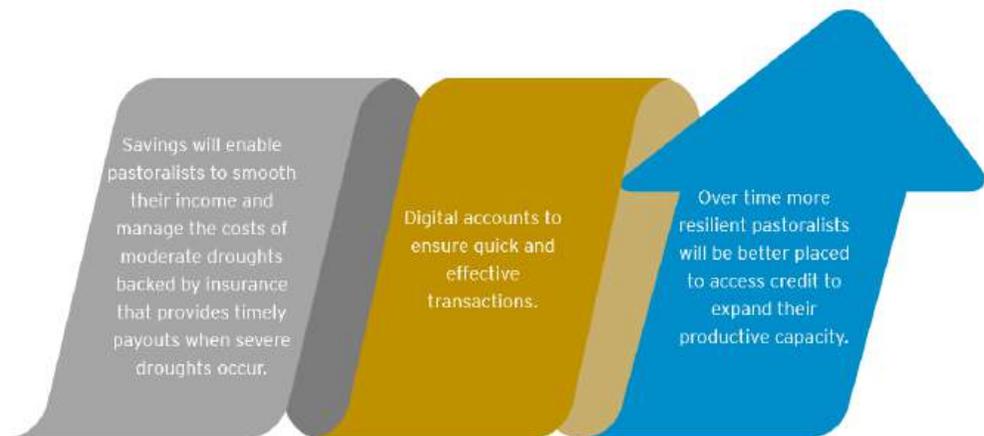
#### Livestock Value Chains and Trade Facilitation (\$181.5 Million)

Better include pastoralists in the livestock value chain and facilitate trade in the Horn of Africa

implemented by:

national agencies

The DRIVE project focuses on providing Index-Based Livestock Insurance (IBLI), a parametric reinsurance product designed to safeguard pastoralists against prolonged forage scarcity caused by climate change-induced droughts. What sets this product apart is its ability to facilitate rapid pay-outs, ensuring that pastoralists receive the support they need when it matters most. ZEP-RE's role in managing IBLI reflects our commitment to developing and delivering innovative solutions that directly address the challenges faced by vulnerable communities.



It is envisioned that by offering rapid cash disbursements during droughts, the project not only preserves core breeding stock but also empowers pastoralists to navigate the challenges posed by a changing climate.

Through component 2, the project facilitates direct linkages between pastoralists and livestock processors through market contracts. It also enhances quality standards and streamline livestock trade, enabling countries to transition from the existing live animal value chain to a more robust livestock product value chain.

<b>&gt;2 million</b>	<b>56%</b>	<b>32</b>	
<b>Number of total pastoral households reached in year 1 ahead of 3-year target</b>	<b>Percentage of female pastoralists</b>	<b>Private sector partners in the DRIVE project including Banks and insurance companies (18 Kenya, 7 Ethiopia &amp; Somalia)</b>	
<b>USD 6M</b>	<b>\$14,865,395</b>	<b>&gt;500,000</b>	<b>\$182,296,416</b>
<b>Claims paid.</b>	<b>Enrolment bonus paid to pastoralists with a minimum of 3 Tropical Livestock units. (TLU's)</b>	<b>Total Live-stock Units (TLU's) Insured</b>	<b>Private capital employed.</b>

The DRIVE Project has developed essential tools to ensure that partners, including banks and insurance companies, are fully aware, equipped and committed to mitigating Environmental and Social (E&S) impacts. These tools include a Statement of Compliance to National E&S Law and Policy, as well as a Commitment Statement to adhere to ZEP-RE's Environmental and Social Management System (ESMS) Guidance Note.

As part of our commitment to Environmental and Social (E&S) safeguards, ZEP-RE has established robust measures to ensure the timely implementation of all project activities, including E&S safeguards, at country level. In July 2023, ZEP-RE onboarded an E&S Expert to the team, collaborate closely with project and country leads to oversee the execution and documentation of E&S actions throughout the Project's duration.

## Key Environmental and Social safeguards achieved

- Onboarded an Environmental and Social Expert with over 20 years of experience in E&S in the region to provide support and clarification on E&S matters within the DRIVE project
- Conducted a training session focused on the E&S guidelines of the Project and Index-based Livestock Insurance (IBLI) product to enhance understanding among Zep-Re team members
- Reviewed and updated the ESMS Policy and Guidance Note to incorporate missing social and environmental impacts to ensure alignment with the banks and insurers partners
- Integrated E&S content into project training and outreach materials, including a Comic Book for pastoralist training, to accelerate awareness and competence.
- Conducted a training needs assessment and delivered E&S training to project staff, financial intermediaries, and the State Department of Livestock in Kenya and a similar training session for Somalia to deepen knowledge and awareness in the country.
- Conducted a comprehensive regional training for over 40 participants from Government and private sectors partners across Ethiopia, Kenya, and Somalia. This was an all-encompassing session that focused on and covered topics stemming from the Environmental and Social Action Plan (ESAP) as follows.



**4,380**

**Participants were trained through the DRIVE project in 2023.**



**2,298**

**Participants were certified through the DRIVE project in 2023.**

- Introduction to the DRIVE Project Understanding E&S Risks in the DRIVE Project
- E&S Risk Management in the DRIVE Project
- National and International Standards in E&S Safeguards
- ZEP-RE E&S Policy and the Project Environmental and Social System (ESMS).
- E&S Procedures in the DRIVE Project
- Stakeholder Engagement in the DRIVE Project
- Overview of National (Ethiopia, Kenya, and Somalia) Legal Frameworks relevant to the DRIVE Project.
- ESS 1: Assessment and Management of Environmental and Social Risks and Impacts
- ESS 2: Labour and Working Conditions
- ESS 3: Resource Efficiency and Pollution Prevention and Management.
- ESS 4: Community Health and Safety
- ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.
- ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources



## Improving access to insurance products in the agricultural sector

In 2020, ZEP-RE took a major step to enhance agricultural insurance for small-holder farmers throughout Africa by acquiring a majority stake in ACRE Africa. This strategic move has facilitated the creation of innovative climate risk insurance products, addressing the critical issues of credit accessibility and the growing risks that farmers face due to climate change. The collaboration leverages extensive expertise in agricultural value chains and advanced technology investments, bolstering the resilience and development of the agricultural sector.

Product offerings include:

- Livestock insurance cover
- Soil Moisture Index (SMI)
- Index based livestock insurance (ILBI)
- Picture-based insurance
- Micro-insurance Products
- Empowering women in farming
- Access to resources and services

## Countries of Operation



## Farmer Numbers

The Acre target is to insure 1 million farmers in a calendar year by 2024



250,000 Farmers



500,000 Farmers



1 Million Farmers

## ACRE Africa's role in the insurance value chain



ACRE Africa has developed insurance products specifically for financial institutions to mitigate risks associated with agricultural production and to improve loan portfolio performance.

## Agricultural loan cover

This cover protects credit institutions against widespread default from large scale severe weather events that directly affects farmers ability to repay loans and that cause a negative ripple effect in agricultural-value chains. By providing insurance against extreme weather events ACRE is able to assist in derisking lending to farmers and to expand the uptake of credit by farmers. Access to credit should then encourage the purchase of better-quality agricultural inputs by farmers, resulting in an enhancement to crop yields. This cover supports aggregator clients to insure over 200,000 farmers in Kenya, Rwanda, and Tanzania. The cover can be used to protect an individual farmer or a portfolio of loans to farmers.

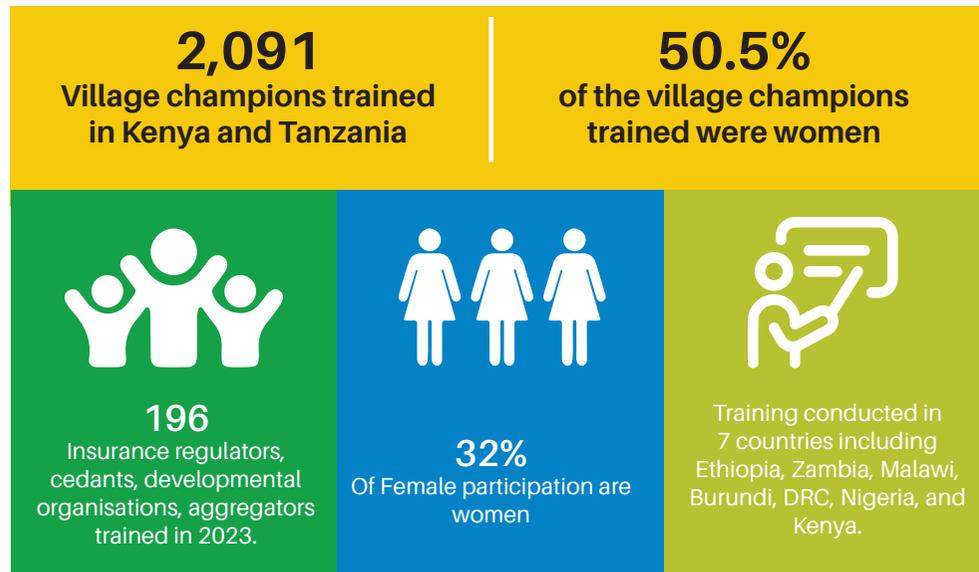
## Fostering Agricultural Resilience through ACRE Africa: Projects Spotlight

### Fostering Agricultural Resilience in Zambia

As climate change takes hold, increased erratic weather patterns are negatively impacting agricultural production and threatening livelihoods and food security in Zambia. The most vulnerable are the 1.5 million smallholder farming households who are predominately dependent on rain-fed agriculture.

ZEP-RE is leveraging its expertise to support government-led food security programs. This support extended beyond traditional reinsurance, encompassing comprehensive technical capacity development initiatives.

ZEP-RE has embarked on a transformative journey to support the agricultural sector in Zambia working closely with the Ministry of Agriculture, World Food Programme and ACRE Africa. At the heart of this ambition is weather index insurance, a pioneering approach that provides a safety net for smallholder farmers. This innovative insurance model relies on a predefined index, often linked to rainfall patterns, to trigger pay-outs in response to adverse weather events. These pay-outs, critical in times of need, enable smallholder farmers to recuperate their investment losses incurred due to climate-related factors.



## ACRE Africa Scales Picture Based Insurance Innovation to Cover Smallholder Banana Farmers in Uganda



**Project partners and Banana farmers during the project launch at BIRDC.**

ACRE Africa in partnership with the Banana Industrial Research Development Centre (BIRDC) and Agro Consortium, jointly unveiled a Hybrid Index Insurance Solution in Uganda, made possible through the Adaptation Fund Climate Innovation Accelerator with support from the United Nations Development Programme (UNDP). This one-year pilot initiative aims to enhance resilience and facilitate climate change adaptation for smallholder farmers in the Bushenyi and Sheema Districts.

The project launch took place at the BIRDC factory plant in Bushenyi, with the distinguished presence of the Resident District Commissioner (RDC) of Bushenyi, Robert Atuhaire, and RDC of Sheema, Muhindo Pulkeru, alongside various government officials. Additionally, leaders from the two piloting cooperatives and farmers from these cooperatives were actively engaged during the event.

Research shows that wind and hailstorms contribute to approximately 60% of losses for banana smallholders across Uganda. Existing Index Insurance products do not cater to these additional perils as they are strictly for drought and excessive rainfall. The seasonal unpredictability of these extreme climate events adversely impacts vulnerable farmer household income. The proposed Picture-Based Monitoring (PBM) product is specifically aimed at ensuring that banana smallholders can quickly and fully recover whenever these extreme climate-related events occur, avoiding catastrophic financial losses which affect livelihoods, and threaten food security.

The PBM is bundled with climate-smart practices to support farmers adapt to climate threats. The Perils covered include drought and excessive rainfall, wind, and hailstorms.

### The Innovation

Implementation costs for assessing damage to farmers is very costly making use of physical farm visits. However, through the innovative picture-based monitoring (PBM) tool reinsurers can reliably and rapidly predict weather-related yield losses at low cost. This is done by combining satellite data and cell phone imagery to document crop health, growth stages, and monitor farming practices. The aim is to speed up the loss verification process and reduce implementation costs. ACRE Africa has implemented the Picture Based Insurance (PBI) model in Kenya over a period of 3 years working with 40,000 smallholder farmers across 7 Counties.

By covering farmers for visible damage to their fields, the PBM products are reducing the disparity between insurance pay-outs and actual crop losses – reducing risks to smallholders. Automation of image analytics for over 65,000 crop images has been undertaken in Kenya, increasing the speed and accuracy of claim settlement processing; representing a crucial step towards achieving scalability and sustainability of the solution.





**PBI Innovation in use by a farmer in Kenya**

The PBM component can enhance the Weather Index Insurance product offered to farmers, further improving agroforestry practices that provide windbreaks and reduce surface run-off, nutrient leaching and soil erosion caused by heavy rains. This application is protecting banana plantations against the worst impacts of windstorms and floods driven by climate change. Findings suggest that providing Picture Based Monitoring improves farmer perceptions and increases demand for insurance by 12 percent relative to a Weather Based Index (WBI).

This innovative product is to be bundled with extension services on climate-smart agricultural practices like agro-forestry, water management, access to yield-increasing inputs and markets, and financial services training to access loans and insurance against losses. The insurance component is envisioned to incentivize access to finance. This innovation further allows extending coverage of risks to aspects related to pests and diseases.

Through this project, we look forward to improving perceptions and demand for PBM contracts compared to existing conventional alternatives in Uganda’s insurance markets, with a focus on gender inclusion. We also seek to promote the uptake of implementation findings through the consortium’s operations in Uganda, as well as through close engagement with policymakers and other stakeholders in the insurance value chain. This will allow us to offer training and capacity building related to the Picture Based Monitoring platform. The project shall be implemented in Sheema and Bushenyi Districts in Uganda where there have been incidences of windstorms causing severe production disruption and damage to plantations resulting in low or no production until plantations are fully restored after 2-4 seasons.

<p><b>Co-developing innovations for sustainable land management in West African smallholder farming systems - COINS project</b></p>	<p><b>Promoting improved crop varieties to enhance agricultural risk management</b></p>
<p><b>Partners in Germany:</b> 7 institutions from 6 universities and research centres</p>	<p><b>Budget:</b> USD 239,820</p> <p><b>Partners:</b> IFPRI, KALRO, WUR</p>
<p><b>Partners in Africa:</b> 8 partners from universities, non-profit organizations, enterprises, and the research centres WASCAL &amp; SASSCAL</p>	<p><b>Study Area:</b> Kenya, 7 counties</p>
<p><b>Target regions:</b> North Ghana and Senegal</p>	
<p><b>Budget:</b> USD 255,712</p>	

<b>Co-developing innovations for sustainable land management in West African smallholder farming systems - COINS project</b>	<b>Promoting improved crop varieties to enhance agricultural risk management</b>
<p>The overarching aim of COINS is to incentivize and enable sustainable farming and land use measures and associated governance mechanisms to improve livelihoods and food security while increasing natural capital by reversing land degradation and increasing resource use efficiencies. ACRE Africa is leading in tier-2 enabling, working together with farmers, market financial service providers to understand the constraints and develop solutions that allow farmers to implement Sustainable Insurance options and strategies.</p>	<p>ACRE Africa is working with International Food Policy Research Institute (IFPRI) on implementing improved tools for agricultural risk management, including picture-based insurance (PBI). Given that agricultural risk management can be further enhanced through the adoption of seeds of genetically improved varieties. The CGIAR Initiative on Market Intelligence and Product Profiling for Impactful Breeding (204005.003.300) will be testing alternative approaches for accelerating varietal turnover in Kenya.</p>

## Memorandum of Understanding (MOU) signed with INTERNATIONAL INSURANCE COMPANY - Sierra Leone

Through this partnership, ACRE Africa and IIC will ensure that there is an increase in the number of farmers accessing co-created, expertly developed, and customized packaged solutions that are scalable and sustainable to promote profit maximization and increased productivity in the Sierra Leone market.

<b>Leveraging digital technology to make crop insurance more accessible to women: the effects of flexible payout policy</b>	<b>Smallholder Safety Net Upscaling Programme</b>
<p><b>Funder:</b> Women’s Economic Empowerment and Digital Finance (WEE-DiFine)</p> <p><b>Budget:</b> USD 22,813 Partners: IFPRI, Wageningen University Research (WUR)</p> <p><b>Study Area:</b> Kenya, Nyeri, Elgeyo-Marakwet and Uasin Gishu Counties</p>	<p>ACRE Africa aims to expand its reach to smallholder farmers and provide crop insurance services to a larger number of households. The institution seeks to enhance its current model by exploring innovative solutions and expanding the range of services offered, including the development of customized insurance products tailored to smallholder farmers’ needs. The overall objective is to enhance the effectiveness and efficiency of ACRE Africa’s Village Champion model to improve the livelihoods of at least 50,000 households in Kenya, by enhancing resilience against climate change effects. This global objective will be achieved through three main objectives:</p> <ul style="list-style-type: none"> <li>• Enhancing the relevance of agricultural insurance to increase uptake.</li> <li>• -Leveraging technology to train and automate Village Champion management functions.</li> <li>• - mplementing a Picture-Based Loss Verification system.</li> </ul>

<b>Leveraging digital technology to make crop insurance more accessible to women: the effects of flexible payout policy</b>	<b>Smallholder Safety Net Upscaling Programme</b>
<p>The project aims to offer discounted crop insurance to 1,600 farmers across target regions, with either early standard payout window after harvest, or a flexy-pay window in which farmers can choose their preferred payout dates and instalment sizes from a set of options. The aim of the study is to test whether preference for the flexy-payout policy differs across genders.</p>	<p>ACRE Africa is working with International Food Policy Research Institute (IFPRI) on implementing improved tools for agricultural risk management, including picture-based insurance (PBI). Given that agricultural risk management can be further enhanced through the adoption of seeds of genetically improved varieties. The CGIAR Initiative on Market Intelligence and Product Profiling for Impactful Breeding (204005.003.300) will be testing alternative approaches for accelerating varietal turnover in Kenya.</p>

## Additional Partnerships in 2023/2024

- ACRE signed an MoU with CROWN Takaful in Nigeria.
- ACRE Africa signed new partnerships with Financial Institutions in Malawi and Zambia.
- To scale our innovations to Southern Africa, ACRE Africa signed a partnership with an Insurance Company in Zimbabwe.

## AFD and ZEP-RE partner to enhance insurance inclusion and strengthen regulatory frameworks.

ZEP-RE and Agence Française de Développement (AFD), sealed a €10 million agreement for an innovative financial instrument. This instrument is designed to strengthen ZEP-RE's efforts in deepening insurance penetration across the continent, particularly in the agricultural sector and areas affected by climate risks. The overarching goal is to amplify the developmental impact of both organizations.

In tandem with this financial collaboration, a €500k technical cooperation agreement has been established to support ZEP-RE in crafting inclusive insurance solutions and to provide pivotal assistance to insurance regulators within COMESA member states. This strategic alliance marks a significant milestone, empowering ZEP-RE to pioneer and broaden inclusive insurance offerings, thereby strengthening community resilience within COMESA nations. Furthermore, this partnership is set to enhance the proficiency of insurance sector regulators, fostering a resilient and progressive insurance environment throughout the region.

## Strengthening Financial Resilience for African SMEs, IFC and ZEP-RE

ZEP-RE embarked on a strategic partnership with the International Finance Corporation (IFC), marking a significant advancement in bolstering the financial resilience of Africa's small and medium-sized enterprises (SMEs). This alliance highlights the critical role of inclusive insurance in establishing a robust and enduring path for businesses, particularly those in regions vulnerable to climate change effects.

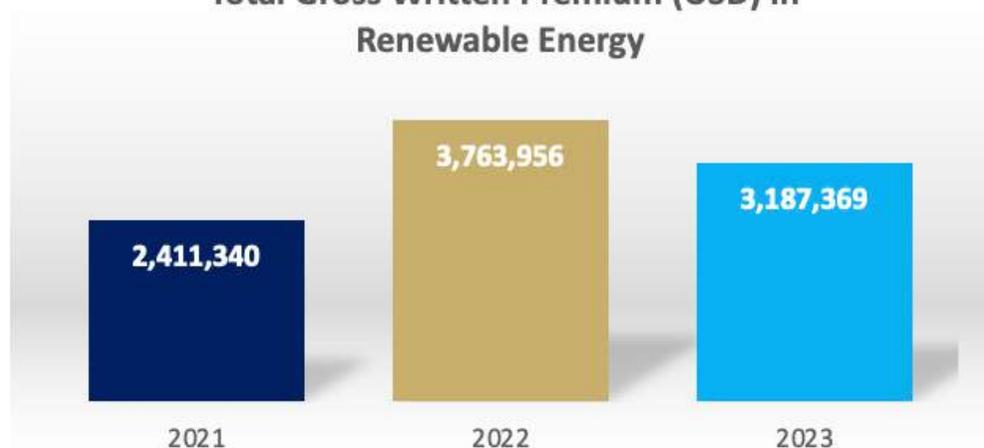
By developing insurance solutions designed to offset the economic repercussions of climate-related events, this venture aims to safeguard the financial health of SMEs, contributing to the broader goal of advancing financial inclusion. This partnership represents a united effort to bolster the resilience of enterprises that are the bedrock of the continent's economy.

## ESG in our Underwriting

### Advancing the energy transition

We are committed to supporting the development of eco-friendly renewable energy sectors such as solar, wind, and hydro power generation. As a premier reinsurer in the COMESA region, we continue to play a key role in promoting renewable energy initiatives by offering reinsurance coverage for the operators of a wide array of renewable energy businesses.

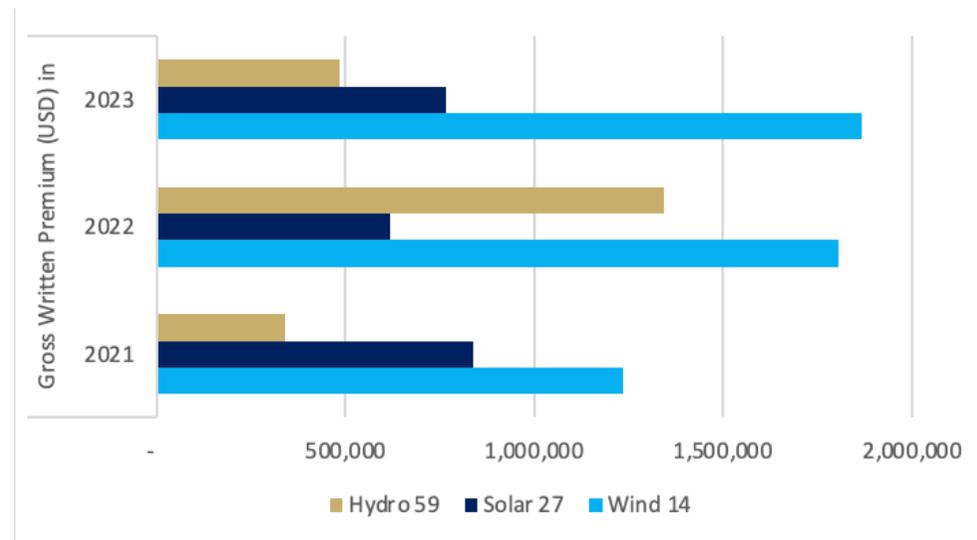
**Total Gross Written Premium (USD) in Renewable Energy**



Over the past three years, ZEP-RE has been actively involved in backing renewable energy initiatives spanning 12 African countries. Notably, Kenya has exhibited remarkable growth, emerging as the leader with the highest gross written premiums, followed by Uganda.

ZEP-RE has supported 100 projects in the renewables space - 59 hydro, 27 solar and 14 wind power projects since 2021.

Wind power projects have generated the highest GWP of USD 1,864,671 in 2023, followed by solar projects at USD 765,344 and lastly hydro at USD 482,430.



There is no doubt that eco-friendly renewable energy from sources like solar, hydro and wind power promises to provide a cleaner and more sustainable future. We will continue to work closely with primary insurers to offer a wide range of reinsurance solutions designed to help operators of renewable energy projects manage their risks and run their business stably.

### Facilitating equitable and affordable housing

The Collateral Replacement Indemnity (CRI) product is an innovative offering designed to support the government's objective in addressing a critical challenge in access to decent and affordable housing for lower to middle-income population. Borrowers in this segment often face barriers related to the required deposit, which traditional mortgage financing institutions demand. Recognising the capacity of these borrowers to pay the deposit over a selected period, the CRI product emerges as a transformative solution.

Our CRI product plays a pivotal role in enabling individuals to develop, construct, upgrade, or purchase homes. By removing the financial hurdle of the deposit, borrowers gain the financial flexibility to engage in housing-related opportunities. The CRI product empowers communities to secure housing solutions that enhance their quality of life, economic stability, and overall well-being.



# How HOUSING supports the SDGs

## INTEGRATED Part of goals



## DIRECT contribution to goals



## INDIRECT contribution to goals



The product is offered in **11 countries**



## Clear escalation processes

In 2023, ZEP-RE established robust procedures for monitoring and reporting on underwriting restrictions. These procedures are documented in our ESG Policy and incorporated within the Environmental and Social Management System (ESMS).

Our ESG & Impact function shall oversee these practices and guide the integration into our operations. The ESG reports will be submitted to the Governance & HR Committee, providing insights into ESG related issues. This reporting process is essential for maintaining a comprehensive understanding of the ESG risks associated with our underwriting activities.

## Underwriting restrictions

Our mandatory underwriting guidelines govern the handling of certain business categories in our facultative and insurance business.

While we have established a sector exclusion list as part of our ESMS, aligning it with the IFC Exclusion List, we acknowledge that our reporting on this matter is still in its infancy. The sector exclusion list will guide our business operations.

Moving forward, ZEP-RE will endeavour to integrate the implementation of these underwriting guidelines. We recognize the importance of continuous im-

provement and will work diligently to enhance our policies and practices in line with evolving best practices and international standards.

## Investing Responsibly

At ZEP-RE, we embrace our role as a responsible investor, leveraging our business model and investment capabilities to drive tangible, long-lasting, and positive change.

Our goal is to align our investments with entities that recognise opportunities to make significant contributions to the United Nations Sustainable Development Goals (UN SDGs) while operating within planetary boundaries.

As a premier reinsurance company with funds of US\$ 500 million as of December 31, 2023, we have a unique opportunity to create a profound and positive impact by directing our investments into responsible and sustainable funds.

## Responsible Investment Guidelines

As a responsible investor, ZEP-RE will aim to actively minimize the environmental impact of our investment portfolio.

Efforts to attain global net-zero emissions, as outlined in the Paris Agreement, demand swift and substantial reductions in worldwide greenhouse gas (GHG) emissions, alongside significant enhancements in removals. Looking ahead, we endeavour to align to our environmental goals within our investment portfolio.



## Asset Manager Selection

When we enlist the services of a third-party investment manager, we will consider the following key areas:

- ESG Strategy, oversight, integration, and engagement
- Oversight of climate change risk
- Commitment to Diversity, Equity, and Inclusion

## Case Example 1

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### Investing in sustainable student housing

In 2019, ZEP-RE invested USD 1 million in the Acorn Green Bond, offering a compelling 12.25% annual interest rate. The bond came with a 50% guarantee on principal and interest. The purpose was to fund purpose-built student accommodation (PBSA) in Nairobi, with capacity for 6,000 students.

The PBSA buildings achieved IFC EDGE certification, signifying eco-friendly construction practices. Our involvement created a ripple effect, benefiting both students and the local economy.

The impact is tangible, meeting a crucial housing need for students and young professionals, and enhancing their learning environments. Simultaneously, the project stimulated Nairobi's economy, generating jobs and fostering growth.

ZEP-RE's investment in the Acorn Green Bond is a demonstration of our commitment to community development. This investment showcased how responsible investments could provide eco-friendly housing, empower communities, and support local economies.

## Leveraging our expertise in investments

We strive to further deepen our understanding of how various sustainability factors influence different asset classes and sectors. We are expanding our knowledge of climate risk within our investment portfolio. Our ongoing analysis encompasses the performance, liquidity, and real-world implications of both current and potential future investments in:

- Ventures within the renewable energy, forestry, and infrastructure sectors.
- Evaluation of impact, transition, green, sustainable, and sustainability-linked bonds, adhering to globally recognised standards such as the Sustainability Bond principles set forth by the International Capital Markets Association (ICMA), Loans Market Association (LMA) and the Climate Bond Initiative.
- Exploration of other impact products that have the potential to accelerate the global transition towards sustainability.

In 2024, we will continue to empower our investment team with the necessary knowledge and skills to effectively integrate ESG factors into our decision-making process.



## Case Example 2

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### Contribution to Tanzania's Sustainable Rail Development

In 2021, ZEP-RE participated in a syndicated loan arranged by Standard Chartered Group. The Company invested USD 10 million at an attractive interest rate of 6 months SOFR + 5.47% per annum. The goal was clear: to fund the expansion of SGR lots 3 and 4, an ambitious project with a total cost of USD 2.5 billion.

This project, however, involved more than just the construction of rail lines. It was a lifeline for economic development in Tanzania and beyond. Lot 5, the extension of the SGR to Mwanza, will facilitate connections to Uganda through rail and waterways. This connectivity would foster the seamless movement of goods and services, stimulating regional trade and economic growth.

The decision to select electric locomotives over diesel ones was an environmentally conscious choice. This green initiative not only reduced carbon emissions but also contributed to Tanzania's efforts to protect its natural surroundings.

Our participation in the Tanzania SGR project has showcased how financial contributions contribute to sustainable development, economic prosperity, and environmental stewardship. As the SGR lines extend, so has the promise of a brighter and more sustainable future for Tanzania and its neighbouring nations.





# Environmental Management

ZEP-RE SUSTAINABILITY REPORT 2023

# Environmental Management

## Engaging with effects of climate change

The reinsurance industry has encountered significant shifts due to the escalating challenges posed by climate change and ESG risks. These transformative factors have necessitated fundamental changes in the way ZEP-RE approaches its reinsurance policies and risk management.

The changing climate has led to an increase in the frequency and severity of weather-related events, such as droughts, storms, and floods. As these events become more frequent and severe, the industry is experiencing a surge in claim pay-outs, exerting significant pressure on financial reserves.

To mitigate the growing risks associated with climate change, the reinsurance industry has been pressured to raise the costs of premiums for its clients. This has made insurance less affordable for individuals and businesses, potentially limiting access to essential coverage.

The heightened premiums, coupled with the increased frequency of extreme weather events, have led to a reduced demand for insurance products in some regions. Consumers and businesses may opt to forgo coverage due to the prohibitive costs, leaving them exposed to significant risks.

There is need to continuously engage regulators, industry peers and policyholders in order to provide suitable coverage to combat emerging risks, and to develop of solutions to address emerging risks.

ZEP-RE has taken measures to address these evolving challenges.

## Enhance Risk Assessment

We will bolster our risk assessment frameworks to account for the increased frequency and severity of climate-related events.

## Risk Mitigation Strategies

ZEP-RE will implement proactive risk mitigation strategies, including diversification of our portfolio and strengthened risk management practices.

## Innovation and Product Development

We will intensify our efforts to innovate and develop products that offer resilience against climate and ESG risks while maintaining affordability.

## Stakeholder Engagement

We will collaborate closely with regulators, industry peers, and policyholders to navigate the changing regulatory landscape and ensure alignment with evolving best practices.

## Our Own Emmissions

ZEP-RE is committed to addressing environmental concerns that may emerge from our business practices across all locations. Although the immediate ecological footprint of our operations is minimal due to our low energy and resource use, we remain dedicated to identifying and pursuing avenues to exert a beneficial influence on the environment.

We are committed to integrating environmental sustainability into the design, operation, and maintenance of our workplaces to enhance efficiency and progressively reduce our Scope 1 and Scope 2 emissions. Our facilities team at the Headquarters and other location offices actively seek opportunities to enhance use of renewable energy sources.



### ENVIRONMENTAL CONTAMINATION

ZEP-RE generated no ecological harm via direct or indirect environmental pollution. ZEP-RE does not conduct any industrial activity while it is in operation, and neither does it generate any industrial wastewater or waste gas. Office waste makes up the majority of ZEP-RE's non-hazardous waste and is disposed off in a safe manner.



### TECHNOLOGY AND INNOVATION

We leverage technology and innovative solutions to optimize our processes and reduce resource consumption, all while maintaining high-quality service delivery.



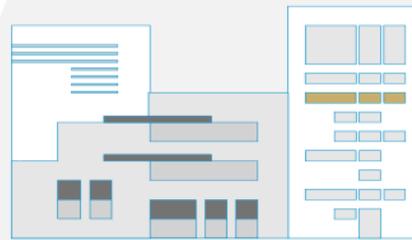
### ENERGY USAGE

Our primary energy usage categories include electricity for data centre operations, electricity for offices, fuel for generator and one company vehicle.



### FLIGHT EMISSIONS

Our Directors and employees frequently travel for work. We will endeavor to provide directors and staff with resources to better understand the carbon footprint associated with flights. Going forward, we will monitor and report our flight emissions and invest in projects that help mitigate emissions generated.



## 30th Anniversary Campaign - Tree Planting Initiative



In a steadfast pledge to environmental preservation, ZEP-RE has actively participated in the National Forestry and Land Restoration Acceleration program initiated by the Kenyan Government, contributing to the planting of 30,000 trees. This endeavour showcases our commitment, epitomized by the planting of 1,000 trees for every year of ZEP-RE's existence. Following the successful planting of 8,000 trees in Kenya in 2023, we are committed to extending this green initiative to all our operational markets.

Aligning with the Government's ambitious goal to cultivate 15 billion trees by 2034, we are confident that our joint endeavours will significantly mitigate the harsh impacts of the current drought, steering Kenya towards a greener, more robust future.



Environment, Climate Change and Forestry Cabinet Secretary **Hon. Soipan Tuya**



In celebration of our 30th anniversary, our company organised the ZEP-RE Anniversary Relay Run in Kenya, a dynamic sports event designed to support our tree planting campaign. This initiative was not just a fundraiser; it was a strategic move to elevate consciousness and involve key players in the vital cause of environmental preservation. Our commitment to community enrichment and ecological sustainability was demonstrated through this endeavour, as we strive to create a greener legacy for the forthcoming decades.



## Upper Hill Green Park Initiative

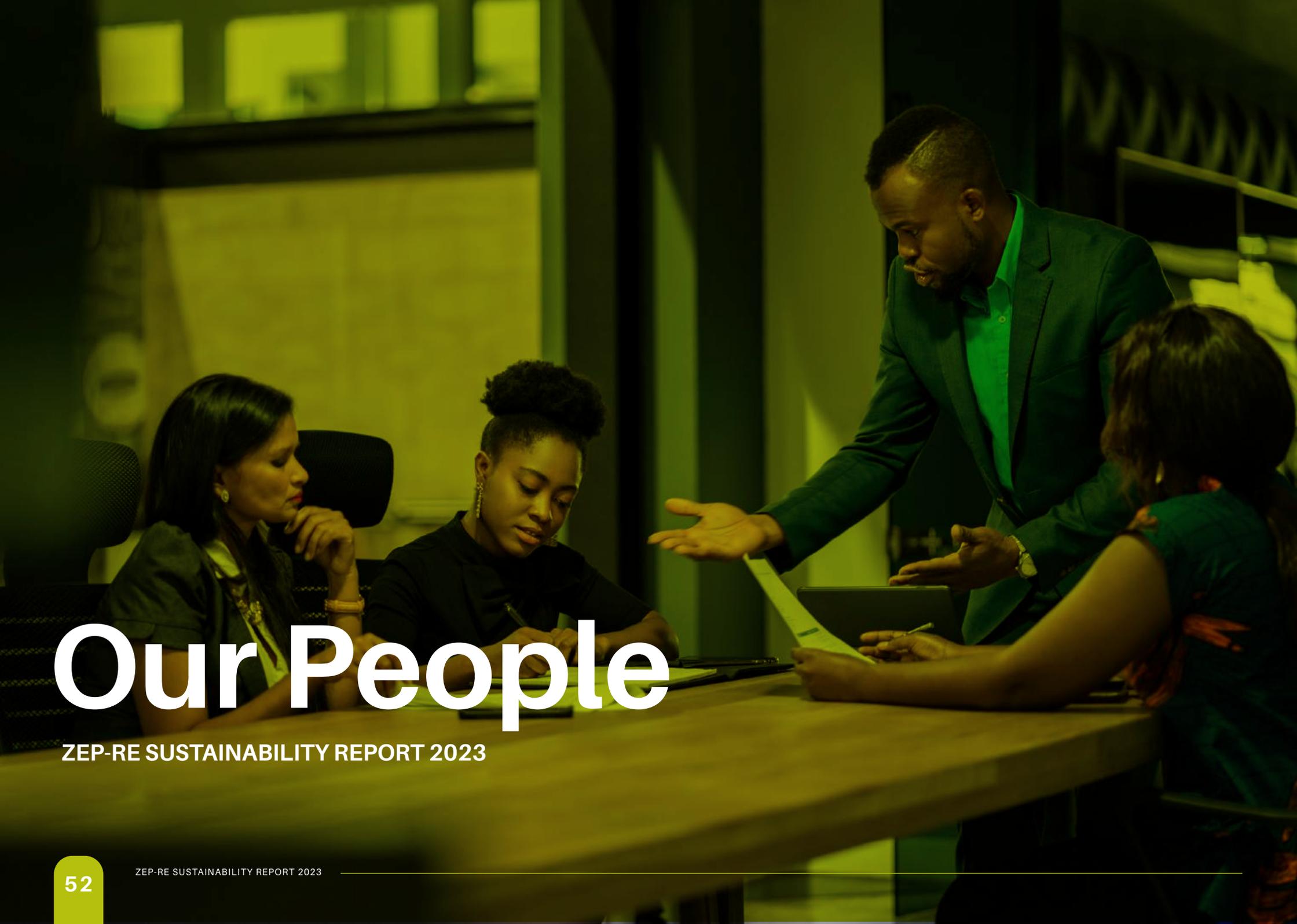
The Upper Hill Green Park Initiative by Upper Hill District Association and Nairobi City County reflects a positive stride towards urban sustainability and the enhancement of green spaces in Nairobi. This initiative, supported by ZEP-RE underscores the growing recognition of the importance of environmental stewardship in urban planning.



***Members of the ZEP-RE CSR committee representing ZEP-RE at the groundbreaking ceremony, demonstrating the commitment to achieving significant environmental milestones.***

The development of green spaces like the Upper Hill Green Park is key for the well-being of city residents, offering a respite from the hustle and bustle of city life and contributing to the ecological wellbeing of the area. Moreover, these spaces play a role in community building, providing a venue for social interaction and recreational activities. ZEP-RE supports community programs that focus on sustainability and align with global efforts to create more liveable and resilient cities.





# Our People

ZEP-RE SUSTAINABILITY REPORT 2023



## Leadership Spotlight

**Catherine Wahome**  
Chief of People & Culture

### Welcome to our 2023 Sustainability Report

“Our community is a tapestry of unique individuals, each contributing to the vibrant whole. We honour and value this diversity, nurturing a sense of belonging that extends an open invitation to all. It is our conviction that this inclusive ethos equips us to face the future with broadened perspectives and hopeful hearts.”



# Diversity, Equity, and Inclusion

Research has shown that companies fostering an inclusive culture and embracing diversity across all levels of the organisation tend to make more effective business decisions (Forbes 2022). A study by McKinsey & Company also found that diverse and inclusive companies are more likely to make better, bolder decisions.

Diverse, inclusive teams create cultures that promote an environment where everyone feels able to succeed, learn and grow. At ZEP-RE, this means consciously hiring, promoting, paying, and providing benefits to individuals from diverse backgrounds, at every level of the company. To succeed, we must nurture an inclusive culture where all employees feel valued and empowered to perform at their best.



ZEP-RE is dedicated to fostering a workplace culture that is inclusive, fair, and equitable for all employees.

## Equal Opportunity Statement

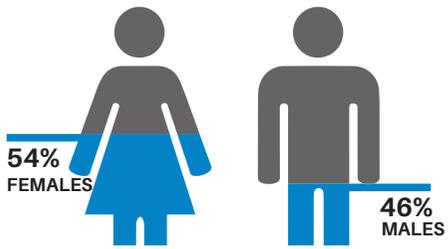
At ZEP-RE, we are committed to creating a workplace environment that champions diversity, equity, and inclusion across our organization. Our belief is rooted in providing every individual with an equitable chance to thrive in their career, regardless of their background. To achieve this, we actively work towards attracting, developing, and retaining a diverse workforce. We uphold a zero-tolerance stance against harassment and discrimination and take proactive measures to ensure that our employees are empowered to make meaningful contributions to our shared success.

## Employee Overview

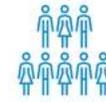
Our Human Resources strategy serves as a critical enabler for fostering the growth and development within the organization. We endeavour to take deliberate steps to:

- Ensure consistent employee engagement practices across all the countries in which we operate.
- Harness high employee retention through a competitive value proposition.
- Ensure pay parity across all levels of the organisation to guarantee employees are fairly compensated.
- Encourage diversity, equity, and inclusion throughout the company.
- Develop and maintain robust human resources information systems that facilitate easy access to vital information for our employees, safeguard their rights, foster active communication with management, and promote ongoing learning and development.

## Breakdown Of Senior Management



In 2023, the total employee base grew by 12%. The increase in employee numbers was due to the roll out of the DRIVE project in the Horn of Africa.

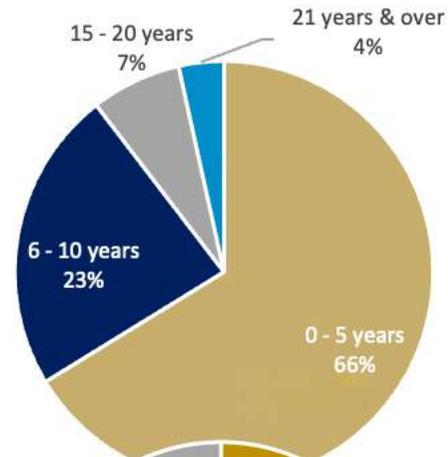


95 employees

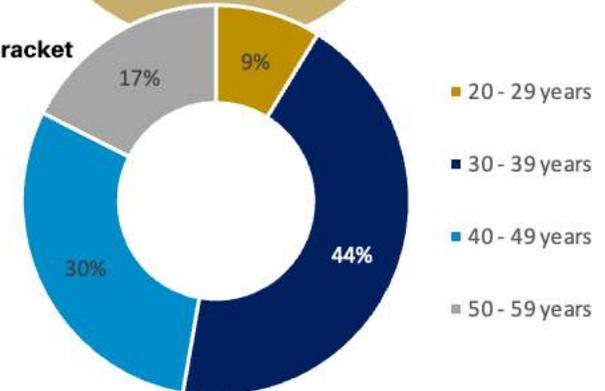


15 nationalities

### Period of employment



### Employee Age Bracket



	<b>2023</b>
Number of full-time permanent employees	95
Employee turnover	1.1%
Number of women who took parental leave	4
Number of men who took parental leave	3

*FTE indicative of headcount as at 31 December 2023*

There is a net gain in employees employed across ZEP-RE and our subsidiary, summarised as follows:

	<b>2023</b>
Number of new hires	15
Total number of people who left	6

*Period of which shifts in the headcount are provided is 1 January 2023 to 31 December 2023*

## Supporting employee health and wellbeing

At ZEP-RE, we firmly believe that the well-being of our employees is at the core of our success. We were acutely aware of the enduring effects of the COVID-19 pandemic on the work environment. In response, we are dedicated to building upon the positive changes that have emerged while proactively mitigating potential risks.

To address these challenges and promote well-being, we have taken deliberate steps to maintain the mental and physical health support measures that were initially implemented during the COVID-19 pandemic.

By doing so, we provide our employees with an expanded array of resources and avenues to enhance and sustain their overall well-being.

## Case Example 1

We understand that maintaining a healthy lifestyle can be challenging, especially in today's fast-paced world. To encourage our employees to prioritise their physical fitness, we offer a Gym Subscription Program as part of our comprehensive benefits package. This initiative provides employees with access to gym facilities and fitness classes, promoting regular exercise and a balanced lifestyle.

## Case Example 2

In today's demanding work environment, employees often face various stressors and challenges that can impact their mental health. To address these concerns, ZEP-RE has collaborated with a reputable counselling services provider. Through this partnership, our employees have access to confidential and professional mental health support.

## Promoting Fair Remuneration

We strive to employ and maintain the best talent at ZEP-RE and provide attractive employment benefits, in line with industry standards. We will continue to work diligently to ensure that pay parity remains a fundamental aspect of our compensation structure and that our employees are justly rewarded for their efforts and contributions.

## Talent and development

Our approach to performance management supports our objective of fostering a high-performance culture in which our team and individual goals are in line with the company's mission and business strategy. We want all employees to succeed in their careers and be fully supported in their work. ZEP-RE has taken proactive steps to define, communicate, and track performance targets. We provide a structured framework that empowers our employees to thrive in their roles, contribute to our company's growth, and fulfil their aspiration.

	Internal training Spend	Number of employees trained	Average training hours per employee
2023	USD 100,000	50 employees	40 hours

At ZEP-RE, our performance review process is thorough and fair, ensuring that every employee's yearly performance is evaluated transparently, aligned with their job level, and considered for annual bonuses. The performance review process consists of three stages: self-assessment with supervisors, peer review, and Talent Table Talks overseen by the Executive Committee. This approach encourages self-reflection, gathers diverse feedback, and ensures fair evaluation, fostering a culture of continuous improvement and rewarding excellence.

### Case Example 3

#### Young Professional Programme

The Young Professional Programme (YPP) is a transformative year-long internship initiative tailored to university students and recent graduates. YPP participants undergo a holistic journey that combines essential training with invaluable work experience. This programme is designed to bridge the gap between theoretical knowledge and real-world application.

During their internship, YPP participants have an opportunity to establish vital professional networks that can significantly impact their future careers. Successful completion of the YPP opens doors for potential employment opportunities, setting young professionals on a trajectory toward fulfilling and successful careers.

### Health and Safety

	Number of work-related injuries	Number of work-related ill health
2023	0	0

Our Business Continuity Plans includes a strong focus on continuous employee training and awareness programs regarding essential occupational health and safety practices. This strategy guarantees that our employees are thoroughly equipped to maintain health and safety as a top priority in their daily tasks.

In addition to our focus on workplace safety, ZEP-RE also provides comprehensive healthcare benefits to employees. These benefits include access to medical facilities, health insurance coverage, wellness programs, and preventative care services. We believe that offering these robust healthcare benefits fosters a supportive and caring work environment.

### Grievance Mechanisms

The Company has established grievance procedures to facilitate communication and reinforce the use of our whistleblowing policy. Management is committed to addressing and resolving all recorded grievances in compliance with established procedures.

	2023
Internal complaints lodged	8
% of internal complaints closed out successfully	100

### Employee Satisfaction

We regularly assess employee satisfaction through appraisal, feedback mechanisms and open channels of communication. This feedback informs our strategies for continuous improvement, ensuring employees feel heard, valued, and supported.



# Responsible Client Relations

ZEP-RE SUSTAINABILITY REPORT 2023

# Responsible Client Relations

We are committed to delivering the best possible service to our clients, which is why transparency and fair treatment are prioritized when building relationships with them. Streamlining the claims process has also enhanced levels of client satisfaction.

As a reinsurer with no direct connection to the primary party being insured, we can only process claims once all necessary documents are provided by the broker or cedant. Our team however ensures that Client Due Diligence's and Know Your Customer measures are in place and adhered to.

In adherence to reinsurance terms, the processing and approval of claims is typically completed within the shortest time possible. ZEP-RE has also recently automated internal systems to allow fast tracking of claims approvals.

We are dedicated to helping our clients grow by offering comprehensive re-insurance solutions. Our continued commitment to our clients is achieved through continuous innovations with a client-centric focus.



## Leveraging expansion to enhance quality service delivery in Uganda



**Finance Minister Hon. Matia Kasaija and Foreign Affairs State Minister Hon. Henry Oryem signed the host agreement on behalf of the Government of Uganda.**

ZEP-RE achieved a significant milestone by executing a host agreement with the Government of Uganda. This landmark Agreement signifies a pivotal step forward in our ongoing commitment to driving sustainable growth and resilience in the insurance and reinsurance sectors across the region.

Through this strategic partnership, we aim to provide vital support to various initiatives, with a particular emphasis in bolstering agricultural insurance, a critical component of the nation's economic development.

A key highlight of the Agreement is our commitment to offering technical capacity to Uganda. Leveraging our extensive expertise and experience in the insurance industry, we will provide specialised training, knowledge transfer, and strategic guidance to enhance Uganda's insurance and reinsurance capabilities. Our efforts seek to build resilience against financial shocks and contribute to the country's long-term economic stability.

With strategic partnerships and a robust network spanning nine capitals and 50 countries, we are well-equipped to meet Uganda's insurance and reinsurance needs expansively. This increased presence reaffirms our commitment to the region and reinforces our role as a key driver of sustainable development.

## ESG Client Screening

Our Environmental and Social Management System provides us with a structured framework for assessing the ESG risks associated with each client. In line with our commitment to responsible business practices, ZEP-RE will endeavour to identify and address potential ESG risks.

In the current implementation phase, ZEP-RE will initiate an ESG risk assessment for new clients. This initial assessment ensures that from the outset, we are aware of the ESG implications and challenges associated with each new client.

We will endeavour to conduct ESG surveys and update our understanding of the ESG landscape and make necessary adjustments to our engagement with our clients.

In our mission to engage responsibly, we conduct reputational risk surveys on our clients using publicly available resources. This analysis helps us stay informed about the reputation and conduct of our clients within their respective industries and markets. We are vigilant in monitoring any potential reputational risks that could impact our clients' ESG alignment.

## Transparency and trust are fundamental to our screening process.

Looking to the future, ZEP-RE will continue to enhance and refine our client screening procedures to further align with evolving ESG criteria and emerging global standards.

## Capacity Building through ZEP-RE Academy

Established in 2016, the ZEP-RE Academy delivers the founding mandate of training and technical skills development of insurance and re-insurance industry personnel in the sub-region. We strive to be thought leaders in the insurance industry and are strategically positioned to be the preferred continental training solutions provider to help translate insurance and reinsurance professionalism into reality.

This commitment to skills development and capacity building extends to our clients, employees, and the communities where we operate. Through various specialised programs, we aim to enhance the understanding and application of ESG and climate principles. To accomplish this goal, we have embraced innovative approaches to education and forged strategic collaborations to provide specialised courses, webinars, and workshops with an emphasis on expanding our outreach in terms of both audience and geographic reach. The Academy has partnered with insurance training colleges and institutes, as well as insurance associations in various countries to create training solutions that are best suited to each market's unique needs and challenges.

In response to COVID-19 in 2020, ZEP-RE re-strategized and leveraged technology to deliver online courses and training through webinars. This transition allowed us to maintain and expand our educational initiatives, ensuring uninterrupted learning and engagement.

The Academy offers a wide range of courses including Proficiency in Short Term Reinsurance Practice & Claims Management (PSTRP), Life and Medical training, Fire and Engineering training and Enterprise Risk Management training. In addition to these courses, the ZEP-RE Academy has taken a specialised approach by developing custom courses tailored to the unique requirements of insurance regulators and industry leaders.

## Specialized Programmes



**Marine Insurance Training**



**Insurance Regulators Proficiency in Reinsurance Training**



**Risk Survey Training**



**Bonds and Casualty Training**

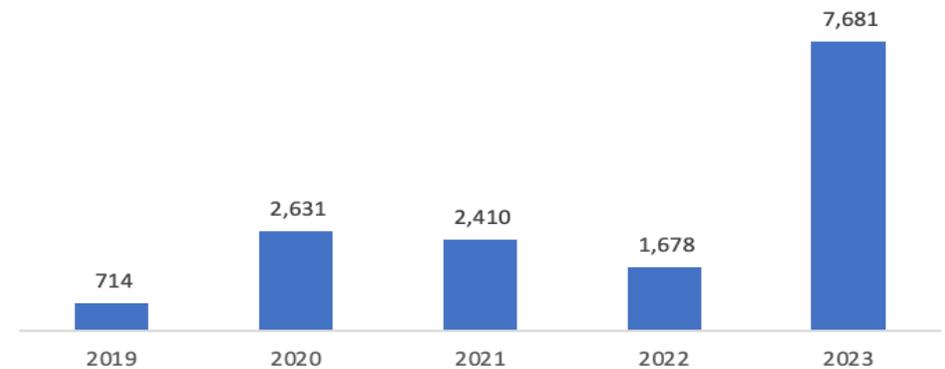


**Agriculture Insurance Training**

ZEP-RE continues to prioritise capacity building, significantly increasing the number of participants trained and certified. In 2023, a total of 7,681 participants were trained through the Academy, DRIVE and ACRE projects, marking an extraordinary surge from the 2022 number of 1,678 participants, reflecting a staggering growth of approximately 357%.

Looking ahead to 2024, ZEP-RE will continue to expand and customise training programs centred on ESG and climate. This commitment underscores our mandate of offering skills development that is both relevant and high impact and cascading our purpose for making a positive impact in society.

**Number of Participants Trained (2019 - 2023)**



**3,083**

Participants trained through Academy in 2023, with participants originating from 36 countries.

**1,521**

Participants trained through Academy were certified.





# Community Engagement

ZEP-RE SUSTAINABILITY REPORT 2023

# Community Engagement

Beyond our core business strategy and commitment to fostering economic development in our operational regions, ZEP-RE is engaged in its local communities and actively participates in community initiatives and programs.

In 2023, we continued to focus on initiatives aligned with our targeted Sustainable Development Goals (SDGs), demonstrating our dedication to creating positive change.

## Nurturing Farasi Lane Primary School in Kenya

ZEP-RE's journey of community impact began with the support of Farasi Lane Primary School in Kenya, a pivotal component of our Corporate Social Responsibility (CSR) efforts. Over the past eight years, we have undertaken a transformational approach to this co-educational council school, which was in dire need of assistance. Through our sustained efforts, the school has undergone a remarkable transformation:

### Fully Stocked Library

We established a new library that is now fully stocked with educational resources, enabling students to explore the world of knowledge.

### Greenhouse for Sustainability

Our contribution included setting up a greenhouse, which not only educates learners about sustainable agriculture but also provides fresh vegetables to the school community.

### Improved learning environment

We have provided new desks and chairs for the final-year class, enhancing the learning experience for these young students.

### Uniforms for All

To ensure that all learners have access to quality education, we distributed school uniforms, thus eliminating barriers to attendance.

## ZEP-RE Staff at the Faraja Run



Our primary objective was to establish an enriching and engaging learning environment for the students, many of whom come from underprivileged backgrounds. We have observed a significant improvement in the school's academic achievements, notably in the final national examinations.

## Partnering with the Kenya Community Development Foundation (KCDF)

Our collaboration with the Kenya Community Development Foundation (KCDF) has been a long-standing commitment to community development and support. Our partnership began with our involvement in the Global Give Back Circle program.

## i) Global Give Back Circle: Changing Lives, One Girl at a Time

The Global Give Back Circle program is designed to empower at-risk girls by helping them realise their leadership potential, equipping them with essential skills for securing employment, and breaking the cycle of poverty. Since 2012, ZEP-RE, in partnership with KCDF, has been a key sponsor of this program. Our support extends to funding the college education of at risk girls.

### Transforming Lives

Over the years, we have witnessed the transformative impact of our sponsorship on the families of these young women. The ripple effect of empowering these individuals has far-reaching positive consequences

### Employment Opportunities

5 scholars have been trained and absorbed into ZEP-RE's workforce, emphasizing the sustainable and lasting impact of this program.

## ii) ZEP-RE MenTenda program: Cultivating Future Leaders

In July 2022, we introduced the MenTenda program, which focuses on male mentorship. Driven by ZEP-RE's male mentors and coaches and supported by our partners and program managers at KCDF, this initiative aims to nurture the potential of young men.

### Cross-Border Impact

Our volunteer mentors and coaches come from various countries, including India, Kenya, Zambia, Zimbabwe, Uganda, and Tanzania. They work closely with 250 boys in form two over six months, offering an intensive and impactful program designed to transform them into exceptional young men

### Building Exceptional Leaders

Through MenTenda, we are empowering these young men to become future leaders who will contribute positively to their communities and society as a whole.





# Corporate Governance

ZEP-RE SUSTAINABILITY REPORT 2023



## Leadership Spotlight

**Miriam Magala**  
Company Secretary & Head of Legal

### Welcome to our 2023 Sustainability Report

“Our corporate culture at ZEP-RE is rooted in a commitment to accountability, ethical behaviour, and unwavering integrity. We uphold these principles through comprehensive frameworks and procedures that are designed to ensure compliance and responsible conduct across our business.”



## 2023 Highlights

The Board of Directors (BoD) and its committees have **explicit responsibilities related to sustainability**.

First-ever **ESG Board training conducted** on September 2023 to equip our BoD with the knowledge and tools necessary to effectively guide and oversee ZEP-RE's ESG initiatives.



As a regional reinsurer, we aim to embrace best governance practices to ensure an ethical, responsible and 100% accountable organisation that delivers regional growth. Sustainability considerations are integral to our decision-making processes, and they permeate all levels of our organization. Guided by our top governance bodies, ZEP-RE aims to ensure that all facets of its operations and activities are governed by best practices.

Our approach to corporate governance sustainability entails a robust governance structure that encompasses oversight, management, implementation, and coordination bodies. This structure is designed to address and understand sustainability-related risks, opportunities, and impacts, with a particular focus on climate-related issues. In the following sections, we will provide insights into the roles and activities of our supervisory bodies in managing sustainability.



## Board of Directors' Oversight of Sustainability-Related Issues

ZEP-RE's highest governance body, the Board of Directors (BoD), is responsible for overseeing the development and adoption of the Company's sustainability strategy and related policies. The Board currently consists of twelve (12) directors, one of whom is independent.

The role of the Managing Director & Chief Executive Officer (CEO) is separate from that of the Chairperson of the Board. The role of the Chairperson is filled by a non-executive director.

In line with the Agreement establishing ZEP-RE and the Board Charter, the Board determines the strategic direction of the Company and is mandated to provide strategic and financial leadership, oversight on the implementation of the strategy and oversight on ZEP-RE's impact, sustainability, and social responsibility programs. The Board Charter is reviewed every two years and may be amended by the Directors or by recommendation of the Governance and Human Resources Committee.

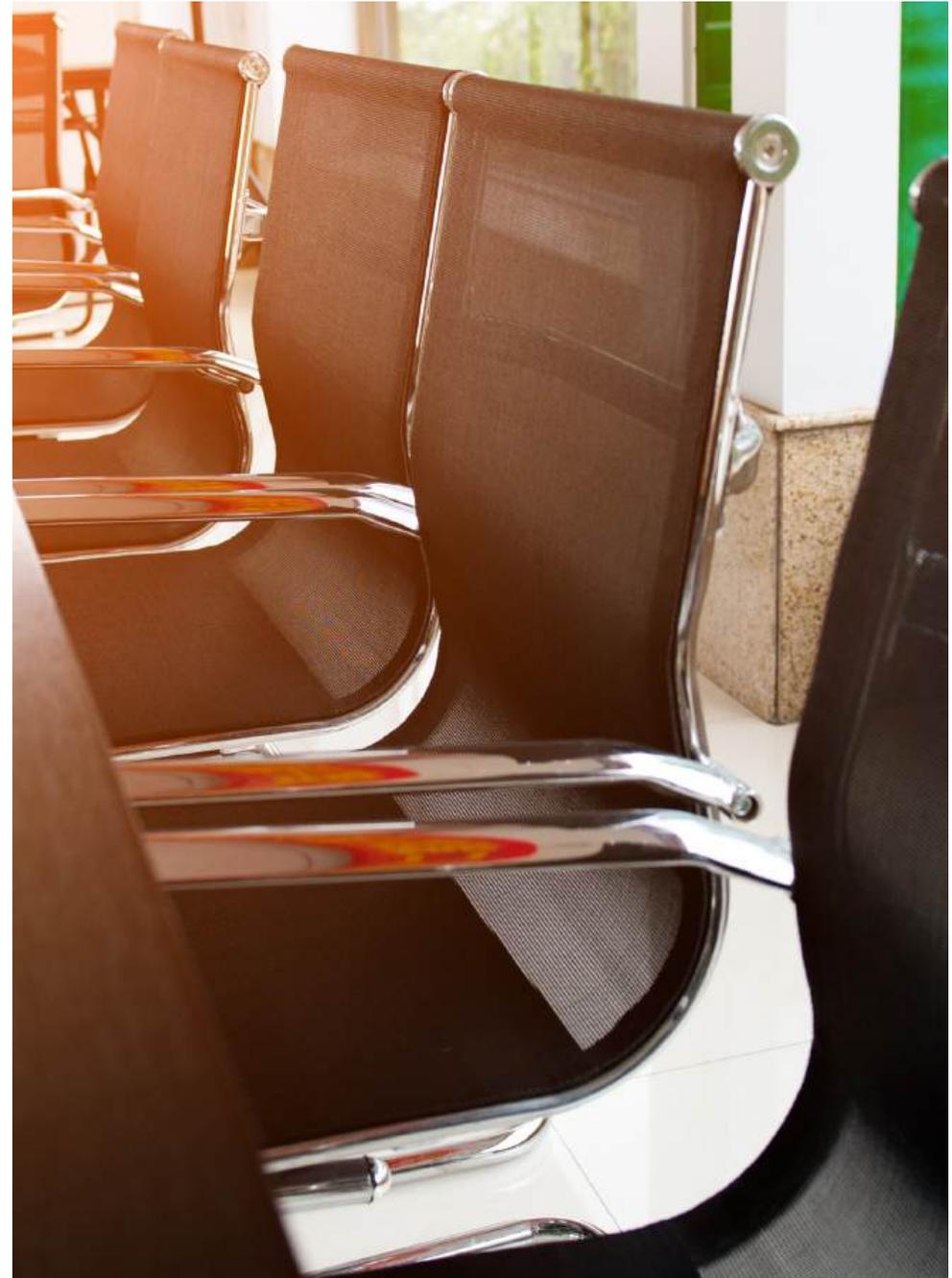
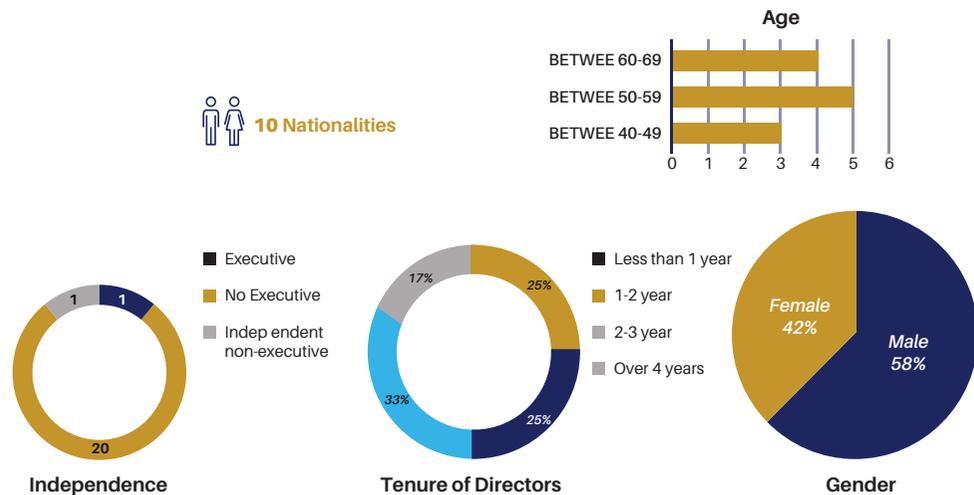
Directors are required to disclose any real or potential conflict of interest and act in the best interest of the Company. Any director with such conflicts shall not participate in any discussion of any such topic or vote on it. On an annual basis, the Company Secretary is required to keep updated records of other directorships or similar positions held by the directors. The Board ensures that any conflict-of-interest concerns are appropriately addressed in line with the company policies.

The process of nominating candidates for the positions of Director and Alternate Director is a crucial aspect of our corporate structure. Each Member of the Company holds the right to nominate or participate in this process, ensuring a fair and inclusive approach to board appointments. Directors hold office for a term of three years or such lower terms as the General Assembly may deem fit. Effective from 2025, a Director shall serve on the Board of ZEP-RE for a maximum of nine years. At each General Meeting, at least one-third of the longest-serving Directors shall retire by rotation, following the guidelines outlined in the Board Rotation Plan. Directors who have served for a period of nine years, beginning in 2015, shall be the first to retire from the Board.

The Board holds regular scheduled meetings and possesses flexibility to convene special meetings. Sustainability is a key topic of discussion for the Board. The Board has accordingly mandated the Governance and Human Resources Committee to oversee the implementation of ESG.

## Board Diversity

Board diversity is key to ZEP-RE's sustainability ambition. Our diverse board members contribute a wide range of perspectives and experiences, enriching our discussions and decision-making processes. We place a strong emphasis on promoting diversity and inclusivity across our organization, with a particular focus on our board composition. We recognize that a diverse board is essential for effective decision-making, fostering innovation, managing risks, and engaging with our stakeholders. A diverse board ensures that ZEP-RE addresses the concerns of all stakeholders, including our employees, clients, investors, and the communities in which we operate.





### Expertise Represented on the Board



Directors are selected based on the fit & proper criteria in the company Rules of Elections to the Board and a Board skills matrix. At present, the Board's experience and knowledge ranges from leadership, strategy, the reinsurance business, regional and international development affairs and in general, financial services sector knowledge.

The directors' evaluation process serves as a valuable tool for enhancing Board alignment on critical matters. It offers fresh insights into both Board and management functions and reinforces the efficiency of our procedures and practices and helps identify potential gaps in our composition, skills mix and training needs.

We place great importance on these corporate governance practices, and as part of our commitment to continuous improvement, ZEP-RE's directors conduct an annual evaluation of the Board's performance. An external consultant may be used to guide and provide an independent viewpoint of the evaluation process. The results are deliberated by the Board together with the consultant, with a view to continuous improvement, and inculcation of best practice.

The Board is required to review and approve the annual sustainability report, maintain, and approve the ESG and Impact Policy framework and make any necessary amendments to the policy documents, as required.

In September 2023, the Board held its first ESG training session. Directors were apprised on the critical significance of ESG integration into the Company's long-term strategy. This training enabled the directors to gain a better understanding of their ESG linked responsibilities.

The Board has established three Board Committees as follows which will assist to varying degrees in managing ESG across the business:

- The Board Strategy and Investment Committee
- The Board Risk and Audit Committee
- The Board Governance and Human Resources Committee

*For more information on the main activities of the board committees, please refer to pages 38 – 39 of ZEP-RE's Annual Report and Financial Statements 2022.*

Detailed sustainability-related tasks have been assigned to these three BoD committees.

## The Board Strategy and Investment Committee

The Strategy and Investment Committee consists of at least three members drawn from the non-executive Directors and the Managing Director. The Board designates the Chairperson of the committee.

The purpose of the Strategy and Investment Committee is to (i) implement and or revise all Company strategy initiatives, (ii) provide guidance and oversight on the investment policy and strategy of the Company and all major investment transactions, and (iii) monitor the effectiveness of strategic plans and investment policies.

In alignment with ZEP-RE's commitment to sustainability and responsible business conduct, the Strategy and Investments Committee is responsible for ensuring that ESG considerations are integrated into the Company's strategy, vision, mission, and goals.

## The Board Risk and Audit Committee

The Risk and Audit Committee oversees ZEP-RE's risk management activities. The Committee's main role involves centralized supervision, establishing policies, collecting information, and reporting to the Board on the company's principal risks and the procedures for managing them.

The Risk and Audit Committee consists of two non-executive Directors, with the stipulation that at least one member must possess expertise in audit and financial matters. The Committee's Chairperson is appointed by the Board of Directors. The Committee also comprises of the Company Legal Secretary, with the Managing Director, Chief Operations Officer, Chief Finance Officer, Director of Public Sector and Inclusive Solutions, and Chief Technology Officer also expected to participate in these meetings by invitation. The Chief Risk Officer serves as the secretary to this Committee.

The Risk and Audit Committee will (i) identify potential ESG risks that could impact the Company's operations and performance, (ii) assess these potential ESG risks in terms of their impact on operations and performance and, (iii) continuously monitor potential risks that may affect ZEP-RE's operations and performance.

Also in place is the Risk Management Steering Committee which facilitates a robust and effective risk culture, supports the Executive Committee and Board's oversight of risk-related issues, and serves as a resource by overseeing ZEP-RE's major risks across the company.

The Risk Management Steering Committee is a management-level risk committee that is chaired by the Chief Risk Officer and meets at least on a quarterly basis.

The Chief Risk Officer is required to report outcomes of the committee meetings to the Executive Committee, which consists of the Managing Director, and respective Heads of Department.

## The Board Governance and Human Resources Committee

The Governance and Human Resources Committee is tasked with several key responsibilities including (i) continuous review of the company's corporate governance standards and ensuring adherence to the company's corporate governance standards and best practice, including, examining and review of the selection, appointment of directors, appraisal standards, remuneration incentive proposals, and trainings, (ii) examining and reviewing the selection and appointment of staff, remuneration and incentive models, performance appraisal standards of senior management, (iii) monitoring, evaluating, advising, and making recommendations to the Board with regard to staff working conditions, and (iv) oversight of the activities of the Development Impact Fund.

The committee is composed of at least three members drawn from the non-executive directors with the chairperson of the committee appointed by the Board.

The Human Resources & Administration Manager serves as the secretary to the committee.

## Board of Directors' Delegation of Sustainability-related Responsibilities

The Board Governance and Human Resources Committee has been designated by the Board to lead ESG oversight. It is accordingly responsible for championing responsible business practices that reduce risks and promote long-term value for our stakeholders. The Committee is tasked with developing ethical and sustainability policies that provide a framework for ZEP-RE's operations and oversee the implementation of these policies, ensuring that they are integrated into every facet of the Company.

## Management role in managing ESG responsibilities

The incorporation of ESG principles in the roles and responsibilities of ZEP-RE's senior management with a view of integrating ESMS into company processes is ongoing:

ESG roles and responsibilities are defined as follows:

- **Chief Executive Officer** oversees our entire operations and guides the executive team, emphasising the importance of ESG.
- **The Director of Partnerships** – to ensure the ESG considerations are approved by the Board align with the Company's strategic and investment policies.
- **The Chief Operating Officer** - manage our underwriting business, ensuring that our services are in line with our ESG undertakings.
- **The Chief of People & Culture** - oversee our workforce and day-to-day operations of the business ensuring that all activities that effect employees are in line with best practice labour standards.
- **The Chief Finance Officer**- create an optimal operating model for the finance team to ensure it is effectively and efficiently driving ESG in the organisation.
- **The Company Secretary and Head of Legal and Regulatory Affairs** - support the Board and hold directors and management accountable to achieving of our ESG objectives.
- **The Director of Public Sector and Inclusive Solutions**-responsible for establishing and nurturing strategic partnerships in line with our ESG commitments and aspirations.
- **The Chief Risk Officer** - oversee the integration of ESG considerations into the company's risk management framework and compliance of internal and external audits of the ESG management system.
- **The Head of Investments** - develop and implement sustainable investment strategies within the organization.

- **The Chief Technology Officer** – to focus on facilitating the implementation and efficiency of the ESG management system, capacity building of the digital tools allowing for the tracking of the company's ESG performance.
- **Country Managers** -support the implementation and localisation of the company wide ESG strategy.

## Driving Sustainability Governance

### Code of Conduct and Ethics

Our Code of Conduct and Ethics sets out the high standards of behaviour and strong ethical foundation on which ZEP-RE is built, underpinned by the company values of being professional, client driven, acting with integrity, committed to work, and ensuring the Company is a responsible corporate citizen.

The Code applies to the Company, all directors, officers, other employees, and agents connected to ZEP-RE.

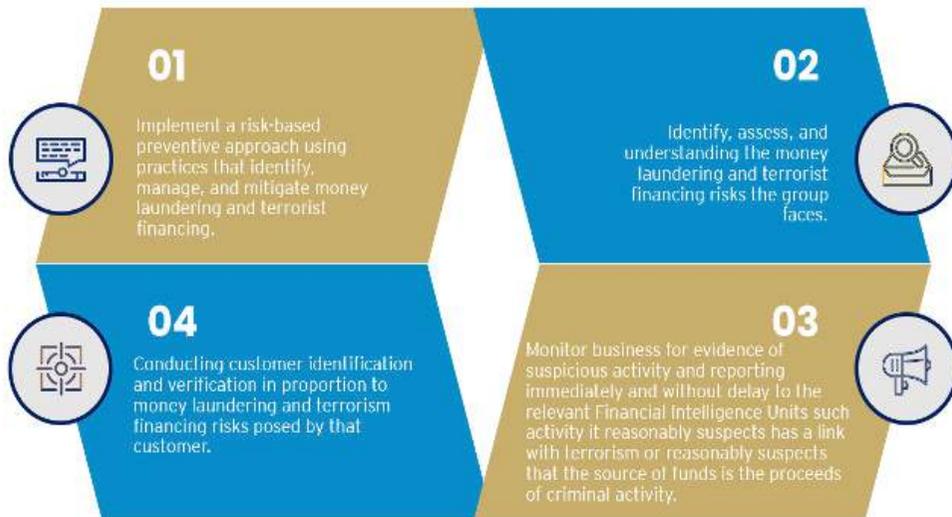
Directors and employees are required to accept the Code and the underlying policies and guidelines that provide more specific instructions on the application of the values and practices championed by the Code annually.

The Code is designed to provide a high-level overview of these core values in practice. It is supplemented by the following additional policies, guidelines and procedures that fully explain the application of these values and underpin the Code.

### Anti-Money Laundering and Sanctions

ZEP-RE is committed to preventing money laundering and the financing of terrorism. ZEP-RE is committed to adhering to the Financial Action Task Force standards (FATF 40 recommendations), on which its internal policies are premised

Our risk-based approach is summarised as follows:



## Anti-Bribery and Corruption

ZEP-RE is committed to fighting all forms of corruption. The Company and employees must not accept or offer bribes, gifts, or other forms of compensation. All reported acts of bribery, fraud, corruption, and money-laundering will be investigated following ZEP-RE's disciplinary hearing process, and disciplinary action will be taken commensurate with the severity of the allegation. No incidences of corruption were reported during the reporting period.

## Conflict of Interest

ZEP-RE is committed to an environment free from conflict of interest. Our policy statement provides the Board, employees, and independent contractors with guidance on all decisions regarding the Company's interests that must not improperly be influenced by personal interests. It also ensures that there is no room for any form of unethical financial, professional, or political gain on the part of individuals.

We firmly believe that such diligence in managing conflicts of interest not only strengthens our reputation but also reinforces our dedication to responsible and sustainable business practices.

## Whistleblowing Policy

ZEP-RE requires all employees and external parties who have serious concerns about any aspect of ZEP-RE's dealings to come forward and voice those concerns, without fear of reprisal, harassment, or victimization.

The whistleblowing policy describes the process that governs how stakeholders may openly, anonymously, or confidentially report an actual or potential violation without fear of retaliation. Employees are duty bound to disclose any actions of fraud or corruption that come to their attention no later than 7 days after becoming aware of the violation. ZEP-RE has an established 24-hour hotline and website link which supports the early detection of allegations and complaints by providing a platform for employees and external parties who might not feel comfortable disclosing their identity.

Complaints can also be raised directly through the Internal Auditor, Managing Director or Chair of the Risk and Audit Committee of the Board.

## Modern Slavery

ZEP-RE has a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implement and enforce effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or our supply chain. We expect the same high standards and transparency from all our contractors, suppliers, and other business partners. Our approach to Modern Slavery and Human Rights is guided by:

- The UN Guiding Principles on Business and Human Rights
- The International Bill of Human Rights
- The ILO Declaration on Fundamental Principles and Rights at Work

## Human Rights

We recognise the important responsibility that we must respect human rights across our business. It is an essential part of our vision and values, and fundamental to our ability to build a principles-based, values-led organisation. Our commitment is outline in our Human Rights Policy Statement and is based on the following guiding principles:

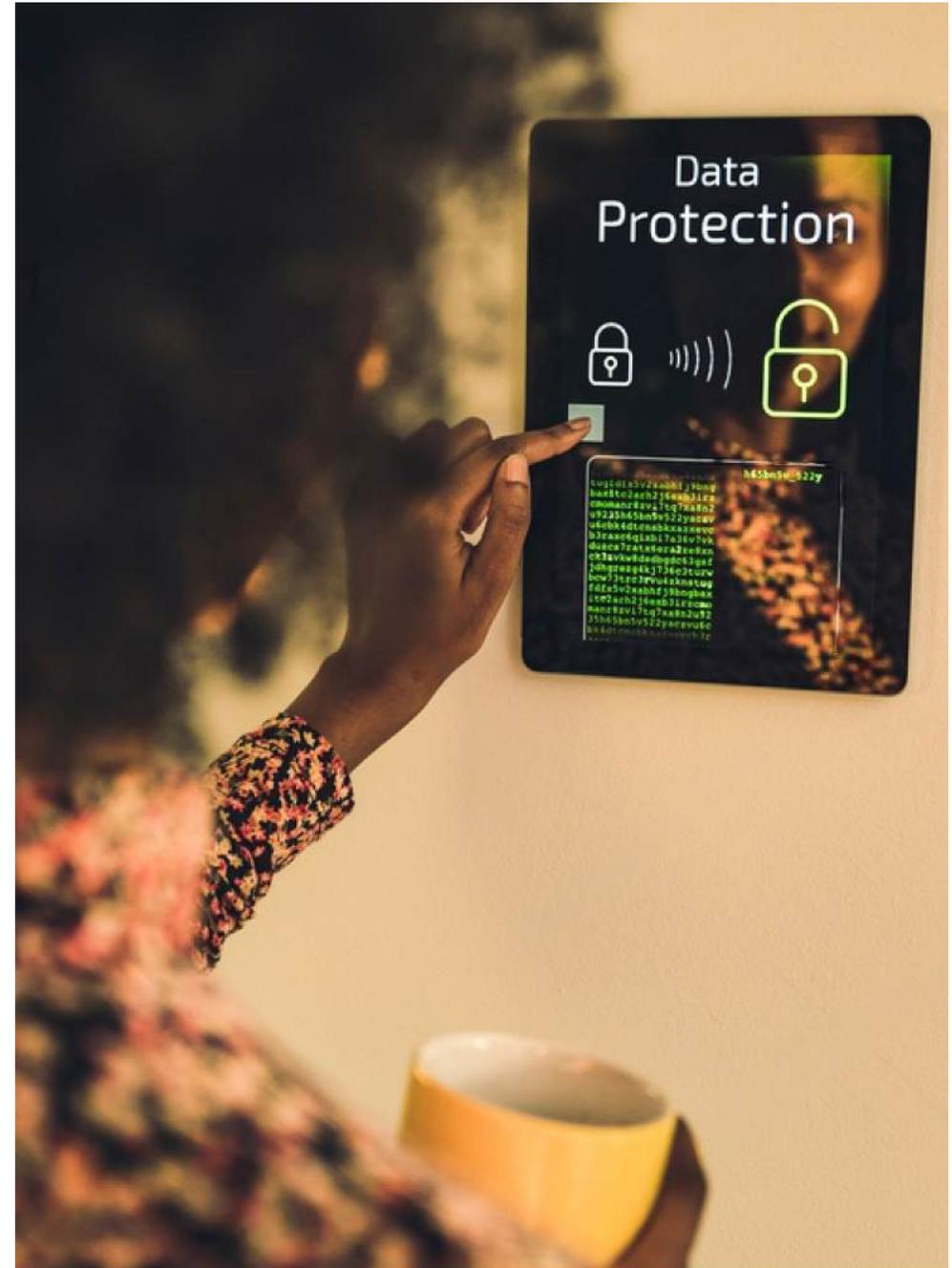
<p><b>General labour practices</b></p> <p>We strive to comply with relevant labour laws and industry standards in relation to wages, working hours, benefits and overtime.</p>	<p><b>Non-discrimination</b></p> <p>We do not accept any form of discrimination against people based on race, colour, gender, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, age, disability, thinking style or neurodiversity, or other distinguishing characteristics.</p>	<p><b>Forced or compulsory labour</b></p> <p>We do not use or tolerate any form of forced labour, including bonded labour, indentured labour, slave labour, or human trafficking in our business.</p>	<p><b>Child labour</b></p> <p>We do not condone the hiring of children under any circumstances. We refrain from hiring workers under the age of 18 years for positions where hazardous work is performed.</p>
<p><b>Health and safety</b></p> <p>We strive to provide a safe and healthy working environment in accordance with the national requirements of the countries in which we are located and with international standards.</p>	<p><b>Harassment</b></p> <p>We strive to protect workers from any acts of physical, verbal, sexual or psychological harassment, abuse, bullying, or threats in the workplace.</p>	<p><b>Privacy and data Protection</b></p> <p>We respect the privacy and confidentiality of personal information and data and comply with all applicable laws and regulations regarding privacy and data protection.</p>	

## Client Protection

We endeavour to uphold the highest level of care when dealing with our clients and have put a fair treatment of clients' policy in place. This includes, ensuring fair treatment is embedded in our corporate culture, our products are tailored to their needs, we ensure open and clear communication of processes and activities undertaken on behalf of a client, we provide suitable and appropriate advice, we provide products and services as advertised and to an acceptable standard and our clients can associate with other firms providing similar or the same services.

## Data Protection

As a company that handles personal data, ZEP-RE is committed to ensuring the privacy, confidentiality, integrity, and security of personal data in compliance with applicable data protection laws and regulations. We maintain transparent



practices regarding the collection, processing, and sharing of information. No cybersecurity incidents and data breaches were reported in 2023. Our approach to data protection follows the following 6 principles:



## Training

Ongoing training and education of directors and employees is an important component of strong governance. During the year training sessions have been run and made available to both employees and directors. The following training has been conducted:

- ESG awareness
- ZEP-RE Code of Conduct and Whistleblowing

- Cyber security and data protection

ZEP-RE will continue to carry out employee sensitization sessions on data protection, human rights, modern slavery, and client protection policies as per the ESMS.

## Non-compliance

There were no instances of non-compliance during the period under review.

	2023	2022	2021
Total incidents of non-compliance with laws and regulations (Nos.)	0	0	0
Total number of non-monetary sanctions (Nos.)	0	0	0
Total amount of legal and statutory fines and settlements	0	0	0

## Outlook for 2024

Building on our strong foundation of fostering the development of the insurance and reinsurance sectors within the region, our focus for 2024 is to further promote the growth of national and regional underwriting and retention capacity. We aim to facilitate greater access to insurance products, playing an even more active role in driving economic development across the diverse markets we serve.

A core part of our strategy centres on continuous training and capacity building, enabling industry professionals and regulators to navigate the intricate landscape of ESG and climate risk. We believe that this empowerment is key to nurturing a more resilient and inclusive insurance sector.

Our Environmental and Social Management System, complemented by our sector exclusion list, equips us with a robust framework for addressing and managing ESG risks. Looking ahead, we are fully committed to increasing our investments in initiatives that have a positive impact on nature and to reducing our portfolio's carbon footprint, working towards a net-zero target by 2050. This ambition demonstrates our commitment to mitigating our environmental impact and contributing to a more sustainable future.

In parallel, we will continue to explore innovative strategies for responsible

investment, further bolstering our goal to nurture sustainable insurance practices that benefit both our clients and the world we collectively inhabit. Our resolve to align insurance products with ESG values is not only about safeguarding our clients against unforeseen challenges but also about actively contributing to a more sustainable and equitable world.

We remain steadfast in our drive to nurturing meaningful partnerships, investing in digital innovation, fostering talent development, and diligently managing ESG risks. We understand the profound importance of business and community sustainability, particularly in the face of recent global challenges. The economic uncertainties and imminent threats of climate change further reinforce our perspective on the role we play as a responsible corporate citizen. Our primary focus continues to be fulfilling our purpose and maintaining financial stability to ensure we can provide unwavering support to our clients and the communities we serve.

## GRI Content Index

**Statement of use:** ZEP-RE 2023/24

**GRI 1 used:** GRI 1: Foundation 2021 Not applicable indicating this is not a material consideration for the business, and not reported indicating data is currently not available to report on for this period.



	General disclosures Title	Disclosure Reference
GRI 2: General Disclosure 2021	<b>The organisation and its reporting practices</b>	
	2-1 Organisational details	Page 5, 9-12
	2-2 Entities included in the organisation's sustainability reporting	Page 5
	2-3 Reporting period, frequency and contact point	Page 5
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Not applicable
	<b>Activities and workers</b>	
	2-6 Activities, value chain and other business relationships	Page 30 - 37
	2-7 Employees	Page 55-57
	2-8 Workers who are not employees	Not applicable
	<b>Governance</b>	
	2-9 Governance structure and composition	Page 69, 72
	2-10 Nomination and selection of the highest governance body	Page 70
	2-11 Chair of the highest governance body	Page 70
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 70
	2-13 Delegation of responsibility for managing impacts	Page 72 - 74
	2-14 Role of the highest governance body in sustainability reporting	Page 72 - 74
	2-15 Conflicts of interest	Page 70
	2-16 Communication of critical concerns	Page 25, 55, 58
	2-17 Collective knowledge of the highest governance body	Page 72
	2-18 Evaluation of the performance of the highest governance body	Page 72
	2-19 Remuneration policies	Page 73
	2-20 Process to determine remuneration	Page 73
	2-21 Annual total compensation ratio	Not reported
	<b>Strategy, policies and practices</b>	
	2-22 Statement on sustainable development strategy	Page 10, 15, 17 - 22
	2-23 Policy commitments	Page 24, 33, 42, 72
	2-24 Embedding policy commitments	Page 73 - 78
	2-25 Processes to remediate negative impacts	Page 73 - 78
	2-26 Mechanisms for seeking advice and raising concerns	Page 58
	2-27 Compliance with laws and regulations	Page 77
	2-28 Membership associations	Page 5, 26, 27
	<b>Stakeholder engagement</b>	
2-29 Approach to stakeholder engagement	Page 25	
2-30 Collective bargaining agreements	Not applicable	

	General disclosures Title	Disclosure Reference
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 21
	3-2 List of material topics	Page 21-23
	3-3 Management of material topics	Page 22
GRI 201: Economic Performance	Disclosure 201-1 Direct economic value generated and distributed	Page 13 – 14, 30 - 32
	Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	Page 47
	Disclosure 201-3 Defined benefit plan obligations and other retirement plans	Not reported
	Disclosure 201-4 Financial assistance received from government	Not applicable
GRI 202: Market Presence	Disclosure 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not reported
	Disclosure 202-2 Proportion of senior management hired from the local community	Not reported
GRI 203: Indirect Economic Impacts	Disclosure 203-1 Infrastructure investments and services supported	Page 29-45
	Disclosure 203-2 Significant indirect economic impacts	See Impact Report
GRI 204: Procurement Practices	Disclosure 204-1 Proportion of spending on local suppliers	Not reported
GRI 205: Anti-corruption	Disclosure 205-1 Operations assessed for risks related to corruption	Page 74
	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	Page 74
	Disclosure 205-3 Confirmed incidents of corruption and actions taken	Page 74
GRI 206: Anti-competitive Behaviour	Disclosure 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not applicable
GRI 207: Tax 2019	207-1 Approach to tax	Page 12
	207-2 Tax governance, control, and risk management	Page 12
	207-3 Stakeholder engagement and management of concerns related to tax	Not reported
	207-4 Country by country reporting	Not applicable
GRI 301: Materials	Disclosure 301-1 Materials used by weight or volume	Not applicable
	Disclosure 301-2 Recycled input materials used	Not applicable
	Disclosure 301-3 Reclaimed products and their packaging materials	Not applicable
GRI 302: Energy	Disclosure 302-1 Energy consumption within the organization	Page 48
	Disclosure 302-2 Energy consumption outside of the organization	Not reported
	Disclosure 302-3 Energy intensity	Not reported
	Disclosure 302-4 Reduction of energy consumption	Not reported
	Disclosure 302-5 Reductions in energy requirements of products and services	Not reported
GRI 303: Water and Effluents	Disclosure 303-1 Interactions with water as a shared resource	Not applicable
	Disclosure 303-2 Management of water discharge-related impacts	Not applicable
	Disclosure 303-3 Water withdrawal	Not applicable
	Disclosure 303-4 Water discharge	Not applicable
	Disclosure 303-5 Water consumption	Not applicable

	General disclosures Title	Disclosure Reference
GRI 304: Biodiversity	Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
	Disclosure 304-2 Significant impacts of activities, products, and services on biodiversity	Not applicable
	Disclosure 304-3 Habitats protected or restored	Page 49-50
	Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: Emissions	Disclosure 305-1 Direct (Scope 1) GHG emissions	Not reported
	Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Not reported
	Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Not reported
	Disclosure 305-4 GHG emissions intensity	Not reported
	Disclosure 305-5 Reduction of GHG emissions	Not reported
	Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
	Disclosure 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not applicable
GRI 306: Waste 2020	Disclosure 306-1 Waste generation and significant waste-related impacts	Not reported
	Disclosure 306-2 Management of significant waste-related impacts	Not reported
	Disclosure 306-3 Waste generated	Not reported
	Disclosure 306-4 Waste diverted from disposal	Not reported
	Disclosure 306-5 Waste directed to disposal	Not reported
GRI 307: Environmental Compliance	Disclosure 307-1 Non-compliance with environmental laws and regulations	Not applicable
GRI 308: Supplier Environmental Assessment	Disclosure 308-1 New suppliers that were screened using environmental criteria	Not reported
	Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	Not reported
GRI 401: Employment	Disclosure 401-1 New employee hires and employee turnover	Page 57
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not reported
	Disclosure 401-3 Parental leave	Page 57
GRI 402: Labour/Management Relations	Disclosure 402-1 Minimum notice periods regarding operational changes	Not applicable
GRI 403: Occupational Health and Safety	Disclosure 403-1 Occupational health and safety management system	Page 58
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	Not applicable
	Disclosure 403-3 Occupational health services	Not applicable
	Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	Not applicable
	Disclosure 403-5 Worker training on occupational health and safety	Not applicable
	Disclosure 403-6 Promotion of worker health	Page 57
	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable
	Disclosure 403-8 Workers covered by an occupational health and safety management system	Not applicable
	Disclosure 403-9 Work-related injuries	Page 58
	Disclosure 403-10 Work-related ill health	Page 58

	General disclosures Title	Disclosure Reference
GRI 404: Training and Education	Disclosure 404-1 Average hours of training per year per employee	Page 58
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	Page 58
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	Page 57-58
GRI 405: Diversity and Equal Opportunity	Disclosure 405-1 Diversity of governance bodies and employees	Page 55- 56, 70, 72
	Disclosure 405-2 Ratio of basic salary and remuneration of women to men	Not reported
GRI 406: Non-discrimination	Disclosure 406-1 Incidents of discrimination and corrective actions taken	Page 55
GRI 407: Freedom of Association and Collective Bargaining	Disclosure 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 75
GRI 408: Child Labour	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labour	Page 75
GRI 409: Forced or Compulsory Labour	Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 75
GRI 410: Security Practices	Disclosure 410-1 Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples	Disclosure 411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 412: Human Rights Assessment	Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments	Page 75
	Disclosure 412-2 Employee training on human rights policies or procedures	Page 75
	Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not reported
GRI 413: Local Communities	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	Page 29-45
	Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	Not applicable
GRI 414: Supplier Social Assessment	Disclosure 414-1 New suppliers that were screened using social criteria	Not reported
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	Not reported
GRI 415: Public Policy	Disclosure 415-1 Political contributions	Not reported
GRI 416: Client Health and Safety	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	Not applicable
	Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable
GRI 417: Marketing and Labelling	Disclosure 417-1 Requirements for product and service information and labelling	Not applicable
	Disclosure 417-2 Incidents of non-compliance concerning product and service information and labelling	Not applicable
	Disclosure 417-3 Incidents of non-compliance concerning marketing communications	Not applicable
GRI 418: Client Privacy	Disclosure 418-1 Substantiated complaints concerning breaches of client privacy and losses of client data	Page 76
GRI 419: Socioeconomic Compliance	Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area	Not reported



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