

## UNEP-PSI 2013 Social and Environmental, Social and Governance (“ESG”) Disclosure

Peak Re recognises that its commitment to profitable and sustainable growth needs to take into account the broader social and environmental impact of its actions. Therefore, we have established a series of strategies to fulfil our contribution to ESG development. This report sets our commitment as a responsible company and describes how we have put this commitment into practice.

### Terms of Reference for ESG Responsibility

Based on ESG responsibility framework, Peak Re has established its own ESG policies within the first year of the company being licensed. The implementation of these Terms of Reference were supported by the senior management team and approved by the board of directors. The policies will be reviewed and updated annually to address any ESG performance or emerging issues, if needed.

### E-learning Course

Every permanent staff is required to pass an E-learning course on “Managing Environmental and Social Performance”. As of 18 January 2014 all permanent staff have passed the course and received the certificate of completion. It is embedded in the Peak Re company’s orientation that all new joiners are required to pass the course within 2 weeks after joining the company.

### ESG Exclusion List

Peak Re has developed an Exclusion List in the Underwriting Guidelines to ensure that we do not support any business in violation with ESG standards when providing reinsurance capacity. Typical exclusions include exposure in weapons and munitions, radioactive materials, human rights and child labour, and forestry and logging, etc. Peak Re had also closely monitored our investment portfolio to ensure Peak Re’s investments are in compliance with the ESG Exclusion List as well.

### Screening and Tracking Guideline

In 2013, Peak Re successfully established guidelines and procedures for screening and tracking of the ESG Exclusions on both underwriting and investments.

Based on the criteria laid down in our ESG framework, we have carefully reviewed each and every treaty business that we would like to write. In year 2013 five treaties were rejected due to non-compliance of the ESG requirements. Among 145 treaties that are accepted only 5 were deemed as being sensitive business. If an underwriter mis-codes business as non-sensitive then they are liable for a fine to be paid to a charity designated by Peak Re. For all the investment choices made, including 18



bonds and 19 equities, all are defined as acceptable business under the ESG constraints.

### Dissemination of ESG Principles by Peak Re

Peak Re believes that the insurance industry has the obligation to develop integrated risk management and risk transfer solutions that further ESG understanding in the industry. Peak Re works with industry associations, academia and the scientific community to disseminate information on ESG through presentations and publications in trade journals.

### Go Green! Recycle

Peak Re has a recycling program inside the office. Staff are encouraged to conserve valuable resources by separating recyclables and putting them in the labelled containers including: Plastic, paper, glass, and metal.



### CUHK MBA CSR Conference 2014

Peak Re sent the secondary contact for PSI communication and Corporate Communications team to participate in the 8<sup>th</sup> Corporate Social Responsibility Conference organised by CUHK MBA on 28 May 2014, to help Peak Re learn more about CSR trends and best practices.