SUSTAINABILITY REPORT 2024



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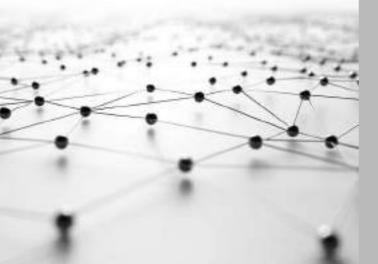


06 GRUPO AUSTRAL

11 OUR GOVERNANCE

19 ESG JOURNEY





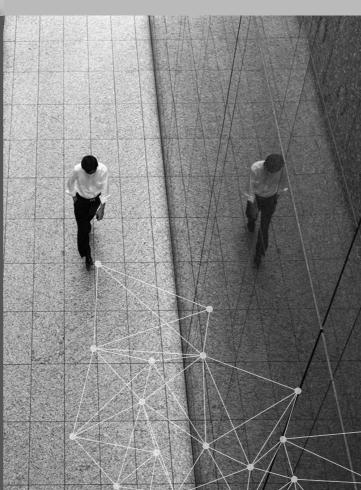
56 OUR BUSINESS

59 INDICATORS ANNEX

229 PRODUCT RISK MANAGEMENT AND BUSINESS MODEL ADAPTATION

33 RESPONSIBILITY IN RELATIONSHIPS WITH STAKEHOLDERS

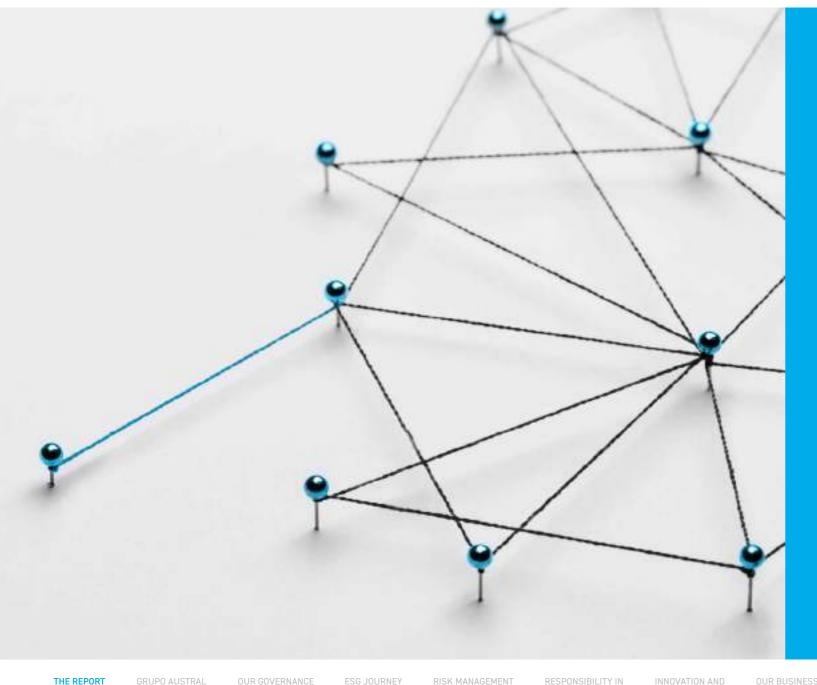
52 INNOVATION AND DATA SECURITY





64 SUSEP TABLES

72 GRI AND SASB CONTENT INDEX



THE REPORT

[GRI 2-2, 2-3, 2-14]

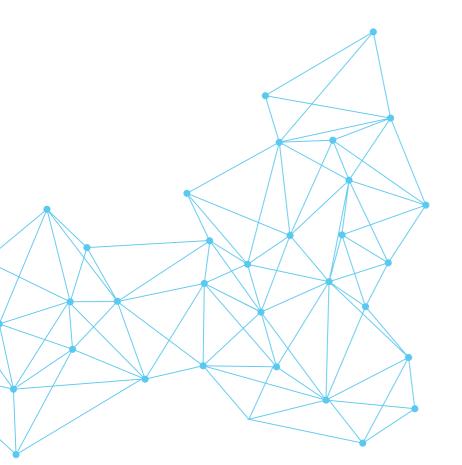
This is the first sustainability report by Grupo Austral, produced in accordance with GRI and SASB standards, as well as with Susep Circular Notice No. 666/22.

ESG JOURNEY IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND DATA SECURITY

INDICATORS ANNEX

GRI AND SASB CONTENT INDEX



The Grupo Austral Sustainability Report presents the main ESG (environment, social and governance) initiatives developed by the company, including the activities of Austral Seguradora and Austral Resseguradora. The present information is consolidated, except for those related to products and services, which are specific to each operation.

The content follows the material topics defined for the company, approved by the Board of Directors. The Report was produced based on the Global Reporting Initiative (GRI) standards and responds to the indicators of the Sustainability Accounting Standards Board (SASB).

The Board of Directors took part in the preparation of the report, which was also evaluated by the Sustainability Executive Committee and its working groups. After approval by Directors, the content was submitted to the Risk Committee, the Audit Committee and the Board of Directors.

This is the first edition of the document, covering the period from January 1 to December 31, 2024. Both the financial report and the sustainability report are published annually, until April 30. In addition to Austral Seguradora and Austral Resseguradora, companies registered at Brazil's Private Insurance Superintendence (Susep), the financial information includes Austral Participações, which consolidates the results of both operations.

This report meets the requirements of Susep Circular Notice No. 666/22. For more information, please see the Susep Tables chapter.

Questions, requests for information or comments can be sent to <u>sustentabilidade@australholding.com</u>

GRUPO AUSTRAL

JUR GOVERNANCE ESG JOUF

RESPONSIBILITY IN RELATIONSHIPS

IN PRODUCTS

INNOVATION AND C

OUR BUSINESS IN

SUSEP TABLES GRI AND S

MESSAGE FROM THE LEADERSHIP

[GRI 2-22]



BRUNO FREIRE CEO, Austral Resseguradora



CARLOS FREDERICO FERREIRA CEO, Austral Seguradora

We live in a scenario of global transformations and challenges that require companies to increasingly commit to a more sustainable future. Aware of its prominent role in the Brazilian and Latin American insurance industry and its responsibility towards ESG issues, Grupo Austral presents its first Sustainability Report. This document reflects the evolution of the company's practices, consolidating efforts to integrate sustainability into strategic decisions.

In 2022, Grupo Austral started its ESG Journey, aiming to strengthen business resilience and generate a positive impact on the market. The project was developed in three stages: diagnosis, implementation, and reporting, ensuring the inclusion of sustainability in the risk management structure and internal control systems. The company's material topics definition was based on detailed analyses and stakeholder consultation, allowing for more precise targeting of actions. Regarding the risk management model, Grupo Austral follows a structured framework, which relates material topics to the main risks and opportunities mapped by the company.

The year 2024 was positive for Grupo Austral, marked by the consolidation of the ESG Journey, in addition to strategic progress. We were able to collaborate with sustainable growth in Brazil, based on the viability of important products for the economy, and to offer support in times of extreme need.

After the tragic flood in May 2024 in Rio Grande do Sul, Austral Resseguradora showed its resilience by maintaining a good result, while at the same time playing a fundamental role in mitigating the impacts on the affected people. This event reinforces the importance of the market working to increase the implementation of insurance, guaranteeing the fulfillment of its social mission.

In 2024, 28% of the insurer's traditional surety portfolio equivalent to BRL 56 million in premiums - was directed to projects aligned with sustainability, such as clean energy generation and infrastructure. At the same time, we maintained our leadership in the oil and gas segment. We believe that the transition to a low-carbon economy is one of the greatest challenges of our time and, as a leader in the segment, we reaffirm our commitment to support our clients in building a more sustainable future, as insurance is an essential tool to surety the viability of this transition.

We maintain a relationship of integrity with all our stakeholders, guided by our Code of Ethics and Conduct. From the perspective of our internal audience, 2024 was a year to reinforce the pillars of our culture: purpose, essence and people. We held the Australidade (Australity) event, which gathered employees from Brazil and Colombia to foster engagement and collaboration.

We also developed several socialresponsibility actions, impacting more than 37,000 people through incentivized projects, donations and corporate volunteering.

This report is the result of the collective commitment of everyone who was part of our journey in 2024. We thank all the people who contributed to our results and invite you to know more about the developments and challenges of Grupo Austral.

Enjoy your reading!

THE REPORT

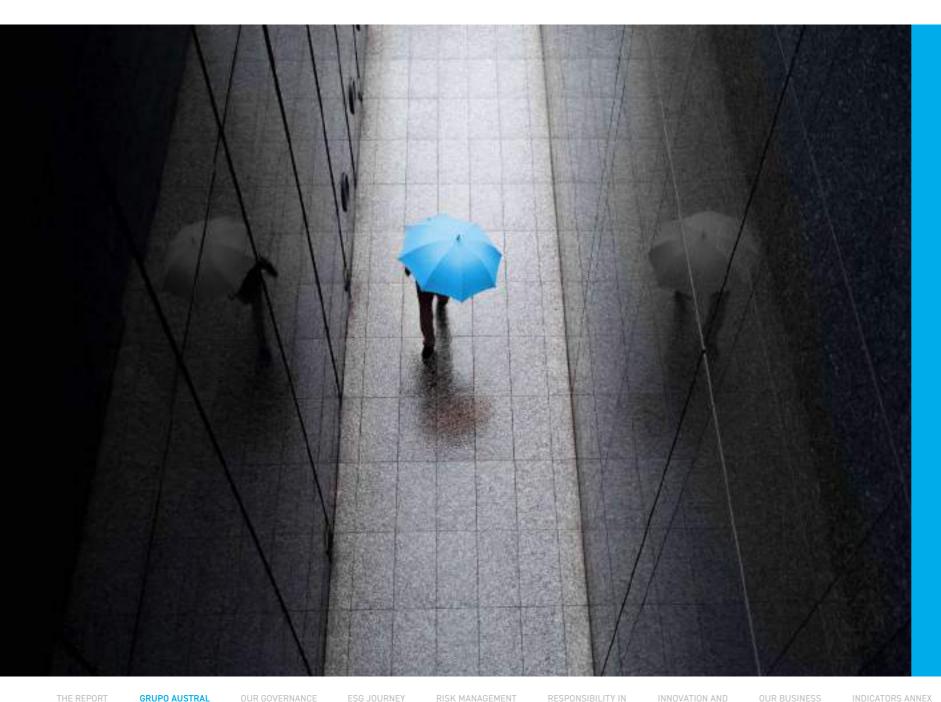
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IRAL OUR GOVERNA

E ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR DATA SECURITY

INDICATORS ANN

TABLES GRI AND SASB CONTENT INDEX



IN PRODUCTS

GRUPO AUSTRAL

[GRI 2-1, 2-6, 2-28]

8

Composed by Austral Seguradora and Austral Resseguradora, it is part of Susep's S1 segment, which includes Brazil's major companies in the industry.

GRUPO AUSTRAL

ESG JOURNEY

RESPONSIBILITY IN RELATIONSHIPS

DATA SECURITY

INDICATORS ANNEX

GRI AND SASB CONTENT INDEX

GRUPO AUSTRAL aims to combine expertise, innovation and agility to offer intelligent and long-term solutions in the insurance and reinsurance market. The company stands out for creating products focused on customer needs, promoting security and sustainable growth.



Specialized in agile, customized solutions for Corporate Risks.

BUSINESS LINES

- Surety insurance
- Oil risks
- Directors & Officers
- Professional CR
- General CR

READ MORE ON THE COMPANIES' WEBSITES: **Grupo Austral** Austral Seguradora Austral Resseguradora

AUSTRAL/Re

Reinsurance solutions for all kinds of customer challenges in Brazil and Latin America.

BUSINESS LINES

- Property
- Liabilities
- Various risks
- Auto and FRC
- Structured solutions
- Life
- Marine & energy
- Aeronautical
- Warranty

Austral Seguradora, with headquarters in Rio de Janeiro (RJ) and a branch in São Paulo (SP), operates in the Brazilian Insurance market, from conception to development, marketing and aftersales of its products.

Austral Resseguradora, with headquarters in Rio de Janeiro (RJ), a branch in São Paulo and a representation office in Bogota, Colombia, operates in Brazil and Latin America and has insurance companies as clients and reinsurers.

Austral's value chain is composed of intermediaries of insurance and reinsurance, reinsurance agents, and brokers. The final client is the insured person or company, or, in case of reinsurance, the transferor company. After-sales management is made by the Grupo Austral team, and for claims the company relies on specialized service providers, such as those who calculate compensation. The main suppliers of both companies are for technology, which makes possible the different systems and

tools that surety the operation. The company can count on specialized service providers, such as claims regulators. They also are part of the supply chain of consultancy in areas such as strategy, marketing, finance and sustainability, for example.

Austral Seguradora and Austral Resseguradora companies are part of Susep's S1 category, which brings together the biggest and more relevant companies in the insurance market. Grupo Austral is an active member of several sectorial associations, including the National Confederation of Insurance Companies (CNSeg), the National Federation of General Insurance (FenSeg) – where its CEO, Carlos Frederico, is the chairman -, the National Federation of Reinsurance Companies (FENABER) and the National Association of Reinsurers (ANRE) – where its CEO. Bruno Freire, is the chairman.

In this way, the company seeks to actively collaborate to strengthen the insurance industry.

GRUPO AUSTRAL

RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS

DATA SECURITY

GRI AND SASB CONTENT INDEX

Number of contracts in force, by product line (Austral Resseguradora) [SASB FN-IN-000.A]

33	43
80	87
85	113
134	146
726	784
231	260
87	114
	80 85 134 726 231

The opening by segment is not relevant within Grupo Austral's business profile.

GRUPO AUSTRAL

OUR GOVERNANCE

ESG JOURNEY

RISK MANAGEMENT

IN PRODUCTS

THE REPORT

Number of policies in force, by product line (Austral Seguradora) [SASB FN-IN-000.A]

	2023	2024
Energy	73	84
Property	20	7
Surety	35.043	44.807
Marine	105	33
₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽₽	569	568
E&0	461	448
Transports	378	0
CR	378	477

RESPONSIBILITY IN

RELATIONSHIPS

INNOVATION AND

DATA SECURITY





IN PRODUCTS

2024 HIGHLIGHTS

[AUSTRAL SEGURADORA]

from the Traditional Surety portfolio allocated to projects such as clean energy generation, sanitation, mobility, and road and rail infrastructure.

[AUSTRAL RESSEGURADORA]

18%

of the Optional Reinsurance portfolio correspond to premiums subscribed for energy efficiency and low-carbon technology insurance.

[GRUPO AUSTRAL] Almost 70,000 people benefited by social responsibility

by social responsibility projects supported by the company.

3rd year

in a row with the Great Place to Work seal.

Australidade

event gathers all collaborators around the culture of Grupo Austral.

[GRUPO AUSTRAL]

ESG Journey consolidation, with the preparation of the **first Grupo Austral** Sustainability Report. **94%** customer retention at Austral Resseguradora and

78% at the Seguradora.

Reformulation of the data infrastructure to enhance investments in technology.

17,7% of return on the net assets in 2024.

OUR GOVERNANCE

ESG JOURNEY RISK

ISBILITY IN INN INGHIPS DAT

INNOVATION AND OUR BUS

INDICATORS ANNEX

NEX SUSEP TABLES

OUR GOVERNANCE

[GRI 2-1, 2-9, 2-10, 2-12, 2-13, 2-18]

8

A robust structure provides security and supports business development. It also ensures the connection of sustainability with operations.

HE REPORT GRUPO

RAL OUR GOVERNANCE

CE ESG JOURNEY

RISK MANAGEMENT

IN PRODUCTS

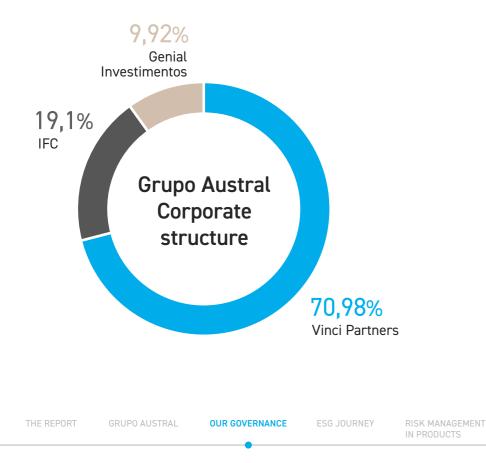
RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND OUR E DATA SECURITY INDICATORS A

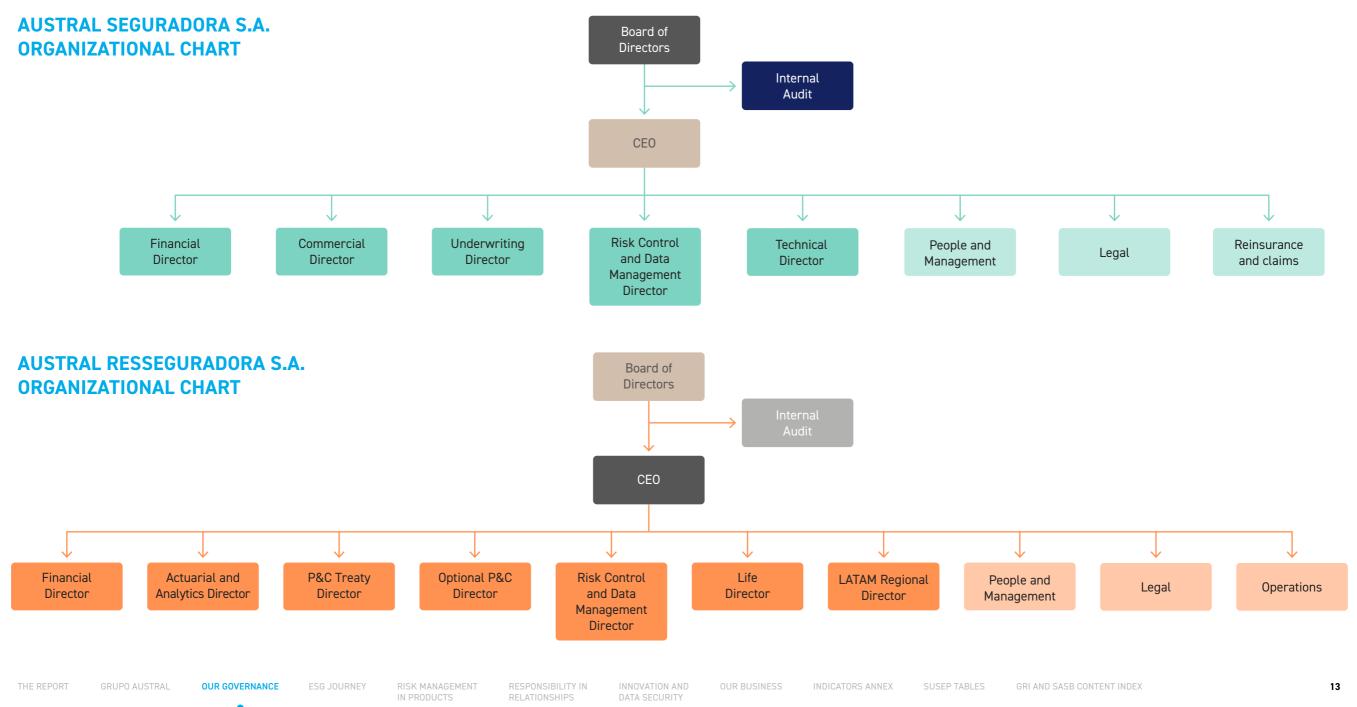
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ENT INDEX

Grupo Austral's operations are carried out by Austral Seguradora S.A. and Austral Resseguradora S.A., both whollyowned subsidiaries of Austral Participações S.A. and supervised by Susep (Private Insurance Superintendence). The corporate governance structure of each company that compose Grupo Austral is formed by the General Assembly, the Board of Directors, the Executive Board, and by Advisory Committees to the Board of Directors. Learn about the functions of each of these bodies, including their participation in risk management, internal controls and corporate sustainability.







GENERAL ASSEMBLY

Within the scope of Austral Seguradora S.A. and Austral Resseguradora S.A., the General Assembly shall meet ordinarily until March 31 of each year. Within the scope of Austral Participações S.A., the assembly is held in the four months following the end of the previous fiscal year. Its function is to discuss the matters provided for in Brazilian Corporation Law (Law 6,404/76), article 132. It can also be called on an extraordinary basis whenever there are social interests in this regard. Unless otherwise provided, the General Assembly's resolutions shall be adopted by a simple majority of present votes.

BOARD OF DIRECTORS

The Board of Austral Participações S.A. is composed of a minimum of seven and a maximum of nine members, elected by the General Assembly for a unified term of one year, with reelection permitted. In turn, the Boards of Directors of Austral Seguradora S.A. and Austral Resseguradora S.A. are composed by a minimum of three and a maximum of five members, elected by the General Assembly for a three-year term, with reelection being allowed. The respective Boards are responsible for the matters provided for in article 142 of Law 6.404/76. in addition to others provided for in the norms of the regulatory body, in its bylaws and internal regulations.

Among the duties of the Boards of Directors of Austral Seguradora S.A. and Austral Resseguradora S.A., as provided for in CNSP Resolution No. 416/2021, are the adequacy and surety of the effectiveness of the Risk Management Structure and the Internal Control System, promoting the dissemination of risk and control cultures and the alignment of the companies' operations with the Compliance Policy, risk appetite and the Risk Management Policy. In addition, in line with Susep Circular Notice No. 666/2022, the Boards of Directors of Austral Seguradora S.A. and Austral Resseguradora S.A., as the highest management bodies of the supervised companies, are responsible for approving the Sustainability Policy and, together with the other management bodies, must ensure that the business, the performance evaluation and the compensation structure adopted are compatible with the guidelines of this Policy. They are also responsible for disseminating sustainability practices among employees and other stakeholders and ensuring the alignment of the Sustainability Policy with the companies' strategies and with other corporate policies, especially the Risk Management Policy and complementary documents.

Currently, there are no diversity or independence criteria defined for the appointment of Board members and procedures to evaluate the performance of this corporate governance body.

The chairmen of Grupo Austral Boards of Directors do not perform executive functions in Grupo Austral companies. [GRI 2-11]

Profile of Austral Participações S.A. Board of Directors in 2024

FUNCTION	GENDER	TRAINING	TIME IN THE POSITION (YEARS)
Chairman	Ŷ	Economics B.A.	13
Member	Ŷ	Engineering B.S.	4
Member	ŝ	Accountant	4
Independent Member	ŝ	Insurance tech	6
Member	Ŷ	Engineering B.S.	4
Member	ĥ	Economics B.A.	2
Member	Ŷ	Economics B.A.	4

THE REPORT

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND OUR BUSII DATA SECURITY INDICATORS ANNEX

Profile of Austral Seguradora S.A. and Austral Resseguradora Boards of Directors in 2024

FUNCTION	GENDER	TRAINING	TIME IN THE POSITION (YEARS)
Chairman	ĥ	Economics B.A.	13
Member	ĥ	Engineering B.S.	4
Member	Ĥ	Engineering B.S.	4

Note: The term of office of Austral Seguradora S.A. Board is scheduled to end in March 2027. In turn, the term of office of Austral Resseguradora S.A. Board is expected to last until November 2025.

- The Boards of Directors are supported by advisory committees listed below, which assist with technical and advisory functions, and whose members are elected by the respective Board of Directors.
- Audit Committee: a statutory Committee constituted within the scope of Austral Participações S.A. The term of office of its members is three years, and reelection is allowed up to a maximum term of five years, as provided for in

RISK MANAGEMENT

IN PRODUCTS

article 127 of CNSP Resolution No. 432/2021, and all its members are independent. The Audit Committee is responsible for the duties provided for in article 131 of CNSP Resolution No. 432/2021. The current composition is of three members, being two men and one woman.

Risk Committee: constituted within the scope of Austral Seguradora S.A., as the leading company supervised by Prudential Group, of which Austral Ressequradora S.A. is also part. The term of office of the Risk Committee members is a maximum of five years, as provided for in article 21, paragraph 4, item II, line h of CNSP Resolution No. 416/2021. The Risk Committee assists in processes such as assessing and monitoring risk appetite, in addition to analyzing and monitoring the risk management structure, policies, procedures, and measurement methodologies, among other duties provided for in CNSP Resolution No. 416/2021. It also assists in strategic decision-making procedures related to risk management, as

well as evaluates management tools' risk adequacy and assists in the inspection of impacts related to environmental, social and governance issues, observing the guidelines set forth in the Risk Management Policy. The current composition is of three men.

- Ethics and Conduct Committee: constituted within the scope of Austral Participações S.A. The current composition, of three men, was elected for a one-year term, with reelection allowed. In general, the Ethics and Conduct Committee is responsible for examining and deliberating on occurrences related to violations of the Code of Ethics and Conduct.
- Investment Committee: é
 constituted within the scope of
 Austral Participações S.A. The
 current composition, of four men,
 was elected for a one-year term,
 with reelection allowed. The
 Investment Committee aims to
 analyze investment operations,
 recommend resource allocation,
 analyze the effectiveness of the

investment management strategy, analyze results obtained in the face of macroeconomic and financial scenarios, as well as recommend improvements in resource management, observing the guidelines set forth in the Investment Policy.

• Personnel and Compensation

Committee: constituted within the scope of Austral Participações S.A. The current composition, of two men and one woman, was elected for a one-year term, with reelection allowed. In general terms, the Personnel and Compensation Committee assists the Board of Directors in matters related to personnel management, in compliance with the Compensation Policy guidelines.

THE REPORT

O AUSTRAL OUR GOVERNANCE

NCE ESG JOURNEY

RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR DATA SECURITY

INDICATORS ANNEX

EXECUTIVE BOARD

At Austral Seguradora S.A. and Austral Resseguradora S.A., the Executive Board is composed of a minimum of three and a maximum of five members, elected by their respective Boards of Directors. Its main function, in addition to the others provided for in the respective Bylaws, is to implement strategic planning, besides guiding, supervising and ensuring the effectiveness of risk management and internal controls associated with the activities under its responsibility. The director in charge of Internal Controls, among others provided for in CNSP Resolution No. 416/2021, is responsible for guiding and supervising the implementation and operationalization of the Internal Control System and the Risk Management Structure. Within the scope of Austral Participações S.A., the executive board is composed of a minimum of two and a maximum of five members, elected by its Board of Directors. Their main function is the management of the company's business and the practice of all required or convenient acts, except for those that, by law, by the respective Bylaws and the company's policies, are ascribed to the General Assembly or the Board of Directors.

Austral Participações Executive Board in 2024¹

Chief Executive Officer
Chief Executive Officer
Chief Financial Officer
Chief Risk and Compliance Officer

Note: all directors of Austral Participações are statutory.

Austral Seguradora Executive Board in 2024¹

Carlos Frederico da Costa Leite Ferreira	Chief Executive Officer
André Machado Caldeira	Chief Financial Officer
Rodolfo Arashiro Rodriguez	Internal controls Officer
Claudia Novello Ribeiro	Technical Officer
Rodrigo Ferreira de Campos	Underwriting Officer
Rafael Gama	Commercial Officer

Austral Resseguradora Executive Board in 2024¹

Bruno de Abreu Freire	Chief Executive Officer
André Machado Caldeira	Chief Financial Officer
Rodolfo Arashiro Rodriguez	Internal Controls Director
Brenda Cantisano	Actuarial and Analytics Director
Alessandra Monteiro	Life Underwriting Director
Elias Silva	Optional Underwriting Director
Hernan Moreno	Latam Underwriting Director
Maria Victoria Barbará	P&C Brazil Underwriting Director

1. Note: 100% of the executive board is hired in the local community. Local is defined as the geographic area where the company operates directly and has a physical presence. This includes locations with offices, facilities, and employees. Important operating units are those that play a role in executing corporate strategies and generating value.

[GRI 202-2]

CE ESG JOURNEY RISK MANAGE IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND OU DATA SECURITY BUSINESS INDICAT

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The Executive Board members are evaluated annually based on goals and criteria aligned with the People and Compensation Committee for that period. In 2024, direct goals related to sustainability were not considered, but the topic is addressed indirectly within the aspect of risk management.

The entire Executive Board must incorporate sustainability risk into its activities. Some of the directors participate in the Executive Sustainability Committee, which monitors the impacts and results related to the topic, in addition to supervising activities of working groups focused on each of Grupo Austral's ESG pillars. The evolution of discussions is reported to the Risk Committee, which, in turn, reports to the Board.

Sustainability-related impacts are monitored by the Board of Directors and other governance bodies through reports from the Risk Management area. If the need is verified, the Risk Committee, as an advisory committee to the Board of Directors, may also bring to the Board issues it deems relevant at any time.

Executive Sustainability Committee

CEO Austral Seguradora + CEO Austral Resseguradora + Risk and Compliance Director



WG Innovation and data security Information Technology

(Infrastructure and systems) + IT Architecture + Products + Project Management Office (PMO) Areas

FISCAL COUNCIL

The Fiscal Councils of companies that compose the Austral Group are not currently installed. Within the scope of Austral Participações S.A., if installed, it will operate on a nonpermanent basis and, when installed, will be composed of at least three and at most five effective members. and an equal number of substitutes, elected and dismissed at any time by the General Assembly for a one-year term, with reelection being allowed. Its attributions are provided by law. The Fiscal Council of the respective company shall be composed, installed and remunerated in accordance with the legislation in force and the Bylaws. The Fiscal Councils of Austral Resseguradora S.A. and Austral Seguradora S.A., if installed, shall operate on a non-permanent basis and, when installed, shall be composed of three sitting members and an equal number of substitutes each, elected and dismissed at any time by the respective General

Assembly, which shall also set the compensation of its members.

In addition to the corporate governance bodies described above, the following are also involved in risk management activities:

- **Business areas,** act as risk owners and are primarily responsible for identification and controls, perform their functions in accordance with the Sustainability Policy.
- Internal Audit, provides assessments, advice, and objective knowledge based on an annual plan.
- Governance, Risk and Compliance Department, provides assistance and advice related to various procedures, including sustainability risk management, a topic coordinated by the department.

*Both Austral Seguradora and Austral Resseguradora have their own WGs for managing social and environmental risks in their products and business models. The other WGs mentioned in the image are from the Group.

THE REPORT

STRAL OUR GOVERNANCE

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND OUR DATA SECURITY

SS INDICATORS ANNE

SUSEP TABLES GRI AND SASB CONTENT INDEX



Number of people in the organization's governance bodies by diversity categories [GRI 405-1]

18% Women	82% _{Men}	35% 30 to 50 years old	65% Over 50 years old	TOTAL: 100%
TOTAL: 3	total: 14	TOTAL: 6	total: 11	TOTAL: 17

Note: the governance bodies include the Board of Directors and the Committees. All the figures of the GRI 405-1 indicator are in accordance with those registered at the end of the reporting period, December 2024.

THE REPORT G

GRUPO AUSTRAL

OUR GOVERNANCE ESG JOURNEY

RISK MANAGEMENT

IN PRODUCTS

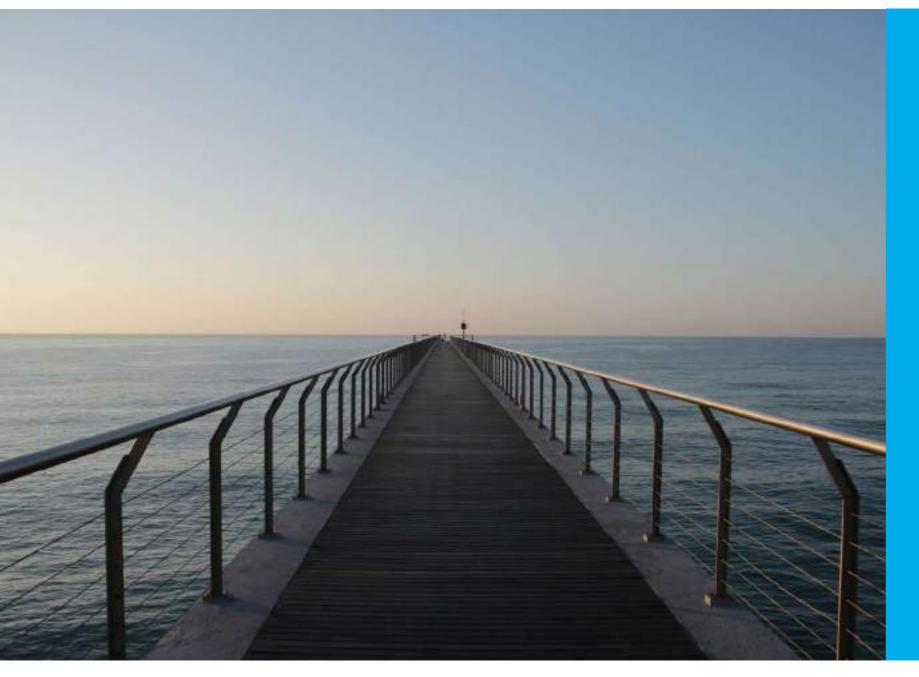
RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND OUR BUSINESS DATA SECURITY

S INDICATORS ANNEX

SUSEP TABLES GRI AND SASB CONTENT INDEX

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ESG JOURNEY

Advances in sustainability management enabled a structured process for monitoring and managing ESG risks and opportunities in 2024.

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS

RESPONSIBILITY IN RELATIONSHIPS

DATA SECURITY

INDICATORS ANNEX

GRI AND SASB CONTENT INDEX

STRATEGY AND MATERIALITY

[GRI 3-1, 3-2, 2-29]

Good environmental, social and governance practices are integrated into the business of Grupo Austral, which understands the importance of the insurance sector in building a more sustainable world. In 2022, aiming to expand the company's sustainability strategy and meeting the regulatory requirements of Susep Circular Notice No. 666, the

PHASE 1 Identification of the company's main environmental, social and governance risks and opportunities. This phase gave rise to materiality, the Sustainability Policy and the strategic implementation roadmap.



strategy defined in the first phase, ensuring the insertion of sustainability risk in the Risk Management Structure (EGR) and in the Internal Control System (ICS). Creation of the Executive Sustainability Committee and working groups. ESG Journey project was launched, divided into three phases: diagnosis, execution, and reporting.



Preparation of Grupo Austral's Sustainability Report, with explanations on the progress on each of the ESG fronts through qualitative information and quantitative indicators. With the support of a specialized consultancy, a materiality study was carried out, which served as the basis for the construction of the ESG Strategy. Twenty initial topics were selected from the analysis of the company's internal documents, frameworks used by the market and benchmarks with other companies in the sector. The topics were subsequently prioritized in consultations with stakeholders:

- interviews with directors and managers of Grupo Austral
- interviews with representatives of Grupo Austral investors
- online survey with all employees

In the end, the project gave rise to a list of nine priority topics, using the concept of double materiality. In other words, the process pointed out the topics with potential to impact Grupo Austral's business, in addition to those related to the company's impact on society and the environment. They were divided into three pillars, which give their names to chapters in this report.

A presentation was also made to the Board of Directors and the Risk Committee on the main concepts related to sustainability, including risks, frameworks, regulatory demands and best market practices. The meeting aimed to align the knowledge of the highest levels of governance with the development of the ESG Journey. [GRI 2-17]

OUR GOVERNANCE ES

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND C DATA SECURITY INESS INDICATOR

PILLAR	MATERIAL TOPIC	RELATED IMPACTS [GRI 3-3]	GENERAL GOALS OF THE TOPIC	SDG
Social and environmental	Incorporation of social and environmental risks in underwriting	Reduced claims and better risk management Climate risk mitigation and protection of insurance portfolios	Manage the impact of social and climate risks on portfolios to avoid high claims. Align underwriting guidelines to correctly assess risks. Develop new products and coverage that meet the market needs. Adapt strategy in the face of relevant changes in the macroeconomic scenario.	3 metrican -///
risks management in products and business models	Energy transition	Supporting the transition to a low-carbon economy Supporting sectors that depend on scarce natural resources	Ensure leadership in the energy sector. Maintain the company's expertise in a new low-carbon economy market. Be a strategic partner of the main customers impacted by this challenge. Adapt the strategy in the face of relevant changes in the macroeconomic scenario.	
	Attraction and retention	Promote a healthy work environment and better quality of life	Attract, maintain and train experts in the market to ensure the company's excellence. Create competitive advantage through a qualified and engaged team. Increase employee productivity and engagement.	
Responsibility in the relationship with stakeholders	Diversity and inclusion	Promote an inclusive and innovative work environment	Promote a plural environment that stimulates innovation and expands management visions, ensuring better decision-making. Create a healthy and elcoming organizational culture. Increase employee productivity and engagement.	
	Social responsibility	Contribute to a better society and to reduce claims in the long term	Attract and engage employees in a company that operates with purpose. Strengthen the company's positioning and purpose in the market as an organization aware of its impact on society. Contribute to the mitigation of long-term events that may impact the insurance industry.	

THE REPORT GRUPO AUSTRAL OUR GOVERNANCE

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS

DATA SECURITY

PILLAR	MATERIAL TOPIC	RELATED IMPACTS [GRI 3-3]	GENERAL GOALS OF THE TOPIC	SDG
	Transparency, integrity and ethics in stakeholder relationships	Strengthen trust and build long-term partnerships	Establish solid relationships with customers, investors and other stakeholders, developing long-term partnerships – strengthening positioning. Use transparency, integrity and ethics as a competitive advantage. Attract investors and ensure greater availability of resources in the market.	
Data innovation	Technological innovation and digitalization	Improve operational efficiency and new product development. Better data control, generating valuable analytical information for risk management, including sustainability and decision-making.	Use technological innovation as a competitive advantage. Improve operational efficiency and resource management for cost reduction. Adapt to market demands and customer needs. Develop new products and means of market reach.	8 mar vers att some and a financial solution financial solution financ
and security	ation and decision-making.	Manage cyber risk and business disruptions while remaining compliant. Ensure the continuity of the company. Generate a safer environment for our customers and investors, maintaining strong and lasting relationships.	17 utratit	

Note: this is Austral's first materiality, so there are no changes to be reported.

GRUPO AUSTRAL OUR GOVERNANCE

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR BUSINESS DATA SECURITY

INESS INDICATORS ANNEX

RISK MANAGEMENT

[SASB FN-IN-450a.3]

Grupo Austral adopts structured risk management practices and fosters an internal culture focused on identifying threats and opportunities. The COSO ERM model (2017) serves as a reference, being adapted into five concepts that guide the company's performance.

Control environment:

it is where risk management is developed. To this end, clear roles and responsibilities are defined, in addition to the alignment of risk appetite with strategic objectives. Moreover, actions are promoted to develop an organizational culture that values the identification, mitigation, and risk management.

2

Risk assessment:

involves identifying, analyzing, and evaluating threats and opportunities that may impact the company's objectives. To identify risks, several methods are used, including monitoring the adequacy of controls by the compliance area, periodic internal audits, and communications made by employees. In addition, alerts issued by monitoring systems, customer feedback on products and services, complaints received via external channel, and continuous analysis of scenario changes are considered. The monitoring of risk indicators is also part of this process.

5

Control activities:

aimed at defining the best approach to deal with each identified risk. This analysis considers the company's entire strategic framework and establishes appropriate responses to mitigate negative impacts. In the case of sustainability risk, a roadmap that defines general actions for the internal management of material topics was structured, in addition to specific measures for the development and mitigation of each of them.

Monitorina:

ensures continuous monitoring of risks and the measures adopted to mitigate them. This process allows for constant review of the risk assessment results. identifying deficient points and possible emerging risks that had not been previously observed. The definition and monitoring of risk indicators. as well as the execution of action plans, are carried out by the Working Groups (WGs) and the Executive Sustainability Committee.

Information and communication:

the results of risk analyses and measurements must be continuously evaluated and communicated to the company's main employees. To this end, structured reporting processes are established, ensuring that information is shared according to the responsibilities of each person involved in risk management, guaranteeing transparency and effectiveness in information dissemination.

JSTRAL OUR GOVERNANCE

ESG JOURNEY RISK MANAGE IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS

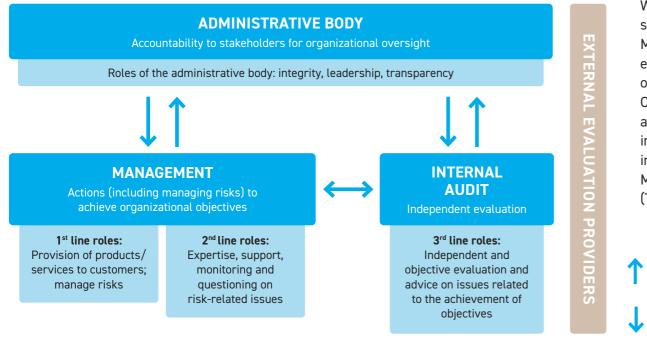
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It is worth mentioning that Austral also has an internal capital model, a statistical tool that seeks to quantify the different risk categories for managing its capital. In 2025, Austral is working on the implementation of ORSA (own risk and solvency assessment), which will raise the maturity of its risk management structure.

To ensure the efficiency of risk management, we adopt clarity in the definition of the structure, processes, strategies and risk appetite. The structure includes:

- the Board of Directors, which acts on the strategic level, defining the guidelines and risk appetite. It has the assistance of the Risk Committee to carry out these definitions and monitor the structure adopted;
- the Executive Board, which is responsible for ensuring the conduct of business in line with definitions of the risk management strategy;
- the **Chief Risk and Compliance Officer**, who, in addition to the responsibilities

Three-line Model



defined above, assists other officers in defining risk management criteria and procedures; and

 the business areas, which act as risk owners of the process, being the first ones to identify and control risks associated with processes and operations.

We also have an Internal Audit and a Governance, Risk and Compliance Department. For more information on Grupo Austral's governance structure, see the <u>Our Governance</u> chapter.

We seek to disseminate knowledge on the subject to the entire company. The Risk Management Policy is forwarded to incoming employees accompanied by other documents of interest, such as the Code of Ethics and Conduct. Managers and directors, in turn, are trained annually in risk management and internal controls. The assignment of roles in risk management follows the Three-line Model of The Institute of Internal Auditors (The IIA).

Accountability, reporting Delegate, guide, resources, supervision

INVESTMENT POLICY AND LIQUIDITY POLICY

[SASB FN-IN-550a.3]

Investment decision-making is carried out with the help of the Investment Committee, considering the need for cash, the alignment between assets and liabilities and the future investment goals. This committee also evaluates the performance of the strategy and the investments made.

The main tool for analyzing, measuring and determining the risk level used by Austral is the Value at Risk (VaR), calculated daily. The company uses the service of an asset manager with respect to its investment portfolio and, therefore, the information of this metric is characterized by an independent measurement process.

In addition, the analysis of short, medium and longterm scenarios of the main risk factors to which the company is exposed is made, such as, for example, the displacement of the local yield curve, among other variables that may impact the decision-making about the portfolio investment.

Austral has an assets portfolio – monitored daily – mostly in Brazilian government securities, which in addition to being considered risk-free assets have high liquidity and can be used in times of need for large payments. In addition, the redemption stress scenarios present in the portfolio's daily reports are executed, as well as quarterly sensitivity analyses of some of the risk factors associated with mark-to-market government securities.

THE REPORT GR

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND CONTRACT OF CONTRACT.

INDICATORS AN

BLES GRI AND SASB CONTENT INDEX

RISKS AND OPPORTUNITIES RELATED TO SUSTAINABILITY

During the ESG Journey project, Grupo Austral identified how material sustainability topics relate to the risks mapped by the company. Risks were also classified according to their probability, impact and residual after the control actions. The table below shows, in general, the main types of risks linked to the topics.

TODIO		RELATED RISKS	
TOPIC	WHY IS THIS TOPIC RELEVANT TO GRUPO AUSTRAL?	CHALLENGES	OPPORTUNITIES
Attraction and retention	We understand that a company is made of People. We want to maintain and train experts in the market.	Loss or inadequacy of human resources required for the proper functioning/continuity of the company	 Attraction of new talents and market specialists Development of internal talents Increased productivity and engagement Strengthening of Austral's purpose of action and reinforcement of positioning
Technological innovation and digitalization	This point is a competitive differential that allows us to improve operational efficiency, resulting in cost reduction, better allocation of resources and opportunities to enter new segments or develop new products. These advances can directly impact the company's strategic planning and its results.	 Absence or inadequacy of alignment with the disruptive process of digital transformation Technological environment in disagreement with the company's needs Market share variance 	 Advancement in innovation and efficiency Positive market share variance and performance in new areas (building solid relationships) Development of new products/coverage in view of market needs Better control of data and management information
Transparency, integrity and ethics in stakeholder relationships	This topic is one of Austral's strategic pillars. We understand this point as a competitive advantage when establishing relationships with customers, investors and other stakeholders.	 Unethical conduct or improper behavior on the part of the company Inadequacy or need to change the company's strategy Market share variance 	 Positive market share variance Development of long-term partnerships with stakeholders Greater availability of resources in the market (attraction of investors)

THE REPORT

GRUPO AUSTRAL OUR GOVERNANCE

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR BUSINESS DATA SECURITY

SS INDICATORS ANNEX

TODIC		RELATED RISKS		
TOPIC	WHY IS THIS TOPIC RELEVANT TO GRUPO AUSTRAL?	CHALLENGES	OPPORTUNITIES	
Incorporation of sustainability risks into underwriting	Knowing and managing the impact of these topics within our portfolios is essential to avoid losses above our appetite.	 Variation in the expected claims of the portfolio beyond that estimated by the company Variation in results in view of the company's goals, planning and/or strategies Exposure to the accumulation of unknown risks Market share variance Inadequacy or need to change the company's strategy Changes in current legislation that impact the business environment 	 Development of new products/coverages in view of market needs Operations in new markets Positive market share variance Strategy changes because of relevant shifts in the macroeconomic scenario 	
Energy transition	To ensure leadership in the energy sector with our customers and to maintain the company's expertise in this area, even in the face of major transformations. Our goal is to be a strategic partner for our key clients, enabling this transition and supporting them in facing this challenge.	 Variation in the expected claim of the portfolio beyond that estimated by the company Variation in results in view of the company's goals, planning and/or strategies Market share variance Inadequacy or need to change the company's strategy Changes in current legislation that impact the business environment 	 Development of new products/coverages in view of market needs Operations in new markets Positive market share variance Change in strategy in the face of relevant changes in the macroeconomic scenario Development of long-term partnerships with stakeholders Greater availability of resources in the market (attraction of investors) 	
Diversity and inclusion	We believe that a plural environment promotes innovation and expands the company's management visions. Moreover, a healthy and welcoming organizational culture strengthens the well-being of employees, increasing safety, satisfaction and, consequently, productivity and results. Working to reduce inequality generates long-term impacts for the insurance sector, expanding its penetration and mitigating socioeconomic risks that influence claims.	 Loss or inadequacy of the human resources required for the proper functioning/continuity of the company Unethical conduct or improper behavior on the part of the company Inadequacy or need to change the company's strategy Impact on the company's reputation Variation in the expectation of a claim in the portfolio beyond the company's estimate 	 Enhancement in innovation and efficiency Improved decision-making Increased productivity and engagement 	

8

THE REPORT

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS

DATA SECURITY

RESPONSIBILITY IN INNOVATION AND OUR BUSINESS INDICATORS ANNEX SUSEP TABLES GRI AND SASB CONTENT INDEX

ТОРІС	WHY IS THIS TOPIC RELEVANT TO GRUPO AUSTRAL?	RELATED RISKS		
		CHALLENGES	OPPORTUNITIES	
Social responsibility	Insurance, in its essence, plays a fundamental social role. As an insurance group, it is our responsibility to contribute to a more stable society, helping to mitigate long-term events that can impact both the loss ratio and the reputation of the industry as a whole. In addition, we want to engage our employees to be part of a company that acts with purpose. Being aware of the impact we have on society and identifying where we can amplify this positive impact reinforces our identity and our commitment to a more sustainable future.	 Loss or inadequacy of the human resources required for the proper functioning/continuity of the company Unethical conduct or improper behavior on the part of the company Impact on the company's reputation Variation in the expectation of a claim in the portfolio beyond what is estimated by the company 	 Strengthening of Austral's purpose of action and reinforcement of positioning Greater sense of belonging and engagement of employees Greater availability of resources in the market (attraction of investors) 	
Information security and business continuity	Managing cyber risk and the possibility of business interruptions, challenges that are increasingly present in today's market, is essential to ensure the company's continuity. In addition, the responsible and transparent handling of personal data reinforces our commitment to ethics and reliability.	 Loss, leakage or manipulation of company data Unavailability of IT services, systems or infrastructure Failed or non-updated information security procedures Management fails in protecting personal data 	 Improve operational efficiency Generate a safer environment for our customers developing long-term partnerships 	

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS

DATA SECURITY

The company also has a survey of specific climatic risk factors and opportunities that have the potential to generate substantial changes in operations, revenues or expenses. Measures are adopted for management and mitigation. [GRI 201-2]

RISK OR OPPORTUNITY	NATURE	DESCRIPTION	IMPACT	FINANCIAL IMPLICATIONS	MANAGEMENT METHODS
RISK	Physical	Growing occurrence of catastrophic events derived from climate change	 Increase in claims and impact on the company's results Exposure to the accumulation of unknown risks Decrease in market share 	Decline in the company's results	 Incorporation of climate risks in underwriting Management of the impact of these topics within portfolios, avoiding high claims
OPPORTUNITY	Physical	Development of new products/coverages in view of market needs	 Operations in new markets 	Increase in the company's results	 Incorporation of climate risks in underwriting Management of impact within portfolios, following market trends
RISK	Regulatory	Changes in laws and regulations related to greenhouse gas (GHG) emissions	 Inadequacy or need to change the company's strategy Changes in current legislation that impact the business environment 	Increase in regulatory costs	Strategic partnerships with the biggest clients, which today are the most impacted by this challenge, ensuring the company's leadership in the energy sector and expertise in the subject
OPPORTUNITY	Regulatory	Changes in laws and regulations related to GHG emissions	 New products/coverages in view of market needs Development of long-term partnerships with stakeholders Greater availability of resources in the market (attraction of investors) 	 Increase in the company's results Increase in the capital level 	Strategic partnerships with the biggest clients, which today are the most impacted by this challenge, ensuring the company's leadership in the energy sector and expertise in the subject

Note: management costs were not measured.

THE REPORT GRUPO AUSTRAL

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS

OUR GOVERNANCE

RESPONSIBILITY IN INNOVATION AND RELATIONSHIPS DATA SECURITY

INNOVATION AND OUR BUSINESS DATA SECURITY

SS INDICATORS ANNEX

GRI AND SASB CONTENT INDEX

SUSEP TABLES



PRODUCT RISK MANAGEMENT **AND BUSINESS** MODEL ADAPTATION

Underwriting attentive to environmental, social and climate impacts and acting in line with the energy transition.

RISK MANAGEMEN IN PRODUCTS



INCORPORATION OF SUSTAINABILITY RISKS INTO UNDERWRITING

[GRI 3-3, 201-2, SASB FN-IN-450a.3]

The insurance industry plays an important role for the economy by collaborating with business operations through financial protection and risk mitigation, so contributing to business continuity. Grupo Austral seeks to enable the operations of companies that integrate sustainability into their strategy and have a social commitment. Austral Seguradora estimates that 28% of its traditional portfolio, or the equivalent of BRL 56 million in premium, is allocated to projects such as clean energy generation, sanitation, mobility, and road and rail infrastructure. Through sustainability reports and other public sources, the clients' responsibility in relation to the environment and the audiences they impact are evaluated. [GRI 203-1]

In accordance with Article 5 of Susep Circular Notice No. 666, the company has developed a specific methodology to integrate sustainability risks into the underwriting process. This methodology is based on three main sources: a list of restrictions and reputational risks already adopted by the company, based on the IFC principles; the Principles for Sustainability in Insurance (PSI); and MSCI ESG (GICS – Global Industry Classification Standard) research. Based on these materials, the sustainability risk factors evaluated by both the reinsurer and the insurer are defined, as applicable to the lines of business and specificities of each operation.

These factors are classified into three levels: high, low, or prohibitive, according to the company's list of restrictions. The underwriter must consider the impact on their portfolio and, according to the classification, adopt specific procedures. If the risk is considered high, it will be evaluated by the competent authority. At this stage, additional information, adjustments to conditions or continuous monitoring of the business can be requested.

GRUPO AUSTRAL OUR GOVERNANCE

RNEY RISK MANA

RESPONSIBILITY IN RELATIONSHIPS NOVATION AND OU

USINESS INDIC

ANNEX SUSEP TABLES

BLES GRI AND SASB CONTENT INDEX

CATEGORY OF RISKS ASSESSED IN UNDERWRITING

Climate Change - Physical Risks

Climate Change - Transition Risks

Environmental Degradation

Unsustainable Practices

Animal Welfare

Human Rights

Unethical Conduct

In turn, in the reinsurer's automatic contracts, in which risks are automatically accepted without the need for an individual assessment of each risk underwritten by the insurer, the detailed sustainability analysis is not directly applicable. In this context, the direct client is the insurer, which must consider the principles and risk factors during underwriting. To support this process, Austral Resseguradora implements a rigorous 'know your client' methodology, which includes the assessment of sustainability aspects.

The Life & Health portfolio, operated by Austral Resseguradora, requires an in-depth analysis of specific sustainability factors, with different impacts in relation to the topics listed above. The Managing Environmental, Social and Governance Risks in Life & Health Insurance Business material, from Principles for Sustainable Insurance (PSI), served as a reference to map the relationship between these factors and the risks involved. Based on this, qualitative analysis is carried out for all subscribed business, constantly seeking to improve accuracy in risk measurement. Within this line, the company develops the automated underwriting system (LUA), which allows for greater sophistication and flexibility, such as the creation of models to detail geographic aspects, predictive analysis and other improvements.

LIMITS AND RESTRICTIONS OF OPERATIONS

Grupo Austral has defined some restrictions and limits for its operations, including sectors such as production and trade of guns and ammunition; production or trade of tobacco and alcoholic beverages; gambling companies; among others with prohibitive risk factors.

Products from both the Insurer and the Reinsurer have exclusion clauses that restrict exposure to each one's specific social and environmental risks. Catastrophic risks are limited in the Reinsurer's portfolio by PML (Probable Maximum Loss) studies, always aligned with the contracted retrocession protection. With a modeling tool, the company improved the underwriting of these risks, considering their complexity and impact. Based on those analyses and monitoring, the Reinsurer decided to discontinue its exposure to agribusiness, since it is above its appetite for climate risk. Climate risk, being a determining factor, is measured annually by hurricane models, ensuring constant updating of exposure.

For Austral Seguradora, after the calculation of the PML, the climate risk was considered too low to define limits or other applicable controls.

THE REPORT GRU

GRUPO AUSTRAL OUR GOVERNANC

G JOURNEY RISK MANAGEMEN

RESPONSIBILITY IN INNOVATION AN RELATIONSHIPS DATA SECURITY

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INESS INDICATOR

ABLES GRI AND SASB CONTENT INDE

ENERGY TRANSITION

[GRI 3-3]



Grupo Austral is committed to supporting its customers in the energy transition towards a lowcarbon economy. Austral Seguradora, as a leader in the oil and gas segment, understands that the global climate crisis significantly impacts the energy sector, pushing companies for efforts to reduce greenhouse gas emissions. Austral Seguradora believes that the transition to a carbon-neutral model does not mean the end of oil, but rather a more efficient and sustainable use of this source, organized by collaboration between companies, industries, government, researchers and insurers. This will provide a fairer transition process, minimizing the social impacts generated by this change, such as increased inequality and unemployment.

In this context, Grupo Austral closely follows the movements of its customers, many of whom have already set carbon neutrality targets for 2050 or are analyzing renewable energy projects, such as offshore wind and green hydrogen. Research and Development (R&D) initiatives are an important tool in creating projects and new business models that benefit both the industry and the environment. The insurance sector, together with the oil industry, needs to walk side by side in making these innovations viable, ensuring that new risks are mapped and properly managed.

The company continues to monitor customer actions, acquiring knowledge and experience to offer long-term support. On the other hand, it monitors the operations of global insurance companies, using lessons learned in other markets as benchmarks. Austral Resseguradora includes in its portfolio clean energy projects, which help diversify the portfolio through sustainable initiatives: 18% of the facultative reinsurance portfolio corresponds to premiums underwritten for energy efficiency insurance and low-cost technologies. [SASB FN-IN-410b.1]

GRUPO AUSTRAL OUR GOVERNANCE

JOURNEY RISK MANAGEMEN IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND DATA SECURITY SINESS INDICATO

SEP TABLES GRI AND SASB CONTENT I

ENTINDEX



RESPONSIBILITY IN RELATIONSHIPS WITH STAKEHOLDERS

Sustainability is present in Austral's relationship with its employees, clients, suppliers and communities.

HE REPORT GRUP

GRUPO AUSTRAL OUR GOVER

IN PRODUCTS

RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND DATA SECURITY UR BUSINESS

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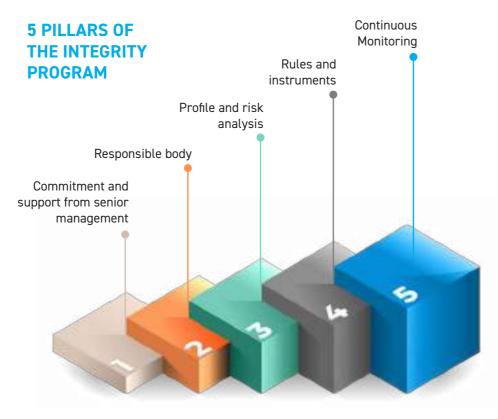
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ENT INDEX

TRANSPARENCY, INTEGRITY AND ETHICS IN RELATIONSHIPS WITH STAKEHOLDERS

[GRI 3-3, 2-29]

Grupo Austral has an Integrity Program structured to ensure that all its operations comply with ethical and regulatory standards, considering the nature and complexity of the business and the company's risk profile. Based on the five pillars established by the Office of the Comptroller General of the Union (CGU), the program seeks to prevent, detect and correct inappropriate practices, promoting a culture of integrity throughout the organization.



Source: Integrity Program - Guidelines for Private Companies - CGU.

The Integrity Program main tools are:

- Compliance Policy;
- · Code of Ethics and Conduct;
- · Ethics Committee;
- Whistleblowing Channel;
- monitoring of regulatory changes;
- good practices of due diligence applied to third parties and partners;
- policies for the prevention of money laundering and terrorist financing, fraud, and anti-corruption, as well as other policies related to the governance topic;
- <u>Sustainability Policy;</u>
- periodic training for all company employees; and
- Policy of Jurisdictions and Expenses.



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RISK MANAGEMENT

RESPONSIBILITY IN INNOVATION AN RELATIONSHIPS DATA SECURITY

TION AND OUR BU

INDICATORS ANNEX

CODE OF ETHICS AND CONDUCT

[GRI 2-23, 2-24, 205-2]



LEARN MORE

Access the <u>Sustainability Policy</u> and the <u>Code of Ethics and Conduct</u> of Grupo Austral.

Read more about how Grupo Austral implements its sustainability and ethics commitments in its relationship with stakeholders in the chapters <u>Sustainable Criteria for Supplier Selection;</u> <u>Transparency in Customer Relationships; Attraction</u> <u>and Retention; and Diversity and Inclusion</u>. The Code of Ethics and Conduct of Grupo Austral is a document that defines the principles and values that guide the actions and behaviors of all employees, regardless of hierarchical level, as well as service providers, partners and committee members. It aims to promote an organizational culture guided by ethics, integrity, and transparency, in addition to ensuring that all the company's activities are conducted in accordance with legal and regulatory standards. Grupo Austral promotes periodic training so that employees understand and follow the document's guidelines.

Among the main recommendations of the Code are:

 Compliance with ethical standards: all employees must follow the principles of honesty, respect, integrity and impartiality. The work environment should be based on trust and transparency, with no tolerance for moral or sexual harassment.

- It is the responsibility of all Grupo Austral employees to report any unethical or illegal conduct that they are aware of or suspect, whether by another employee or third parties with any connection with the company.
- Grupo Austral values the maintenance of a safe and healthy work environment, which favors individual performance and employee satisfaction, where respect and transparency in relationships are fundamental.
- Relationship with public servants: it is forbidden to offer gifts, favors or any form of payment to obtain advantages, and all interactions with public officials must be accompanied by another employee of the company, ensuring transparency.
- The receipt or offering of gifts and courtesies must comply with the provisions of Grupo Austral's Code of Ethics and Conduct and may

not represent an inappropriate relationship, conflict of interest or generate potential damage to the company's image.

- Relationship with the press and the media, including social media: only the chief executive officers and authorized persons may speak on behalf of the company.
- Relationship with competitors: competitiveness must be exercised within the principles of free competition, without derogatory comments or agreements that may unduly influence the market.
- It is the responsibility of all Austral Group employees to protect and maintain confidentiality about relevant or privileged information not yet disclosed to the market, as well as not to use it for their own benefit or that of third parties.

GRUPO AUSTRAL OUR GOVERNANCE

JRNEY RISK MANAGEMENT IN PRODUCTS

13

RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUF

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In addition to the Code of Ethics, the commitments to responsible action are described in the Sustainability Policy and other documents that make up the Risk Management Structure. The policies, the Code and the structure were approved by the Board of Directors.

A due diligence procedure of all stakeholders (suppliers, customers and other partners) is foreseen in the Anti-Money Laundering Policy. This process aims to ensure the alignment of stakeholders with the company's values. In the underwriting, there is an exclusion list of activities that go against the sustainability pillars and the level of business risk.

With regard to human rights, Grupo Austral's commitment is described in its Code of Ethics, Sustainability Policy and in the material topic Responsibility in the Relationship with Stakeholders. The company bases its actions on the Universal Declaration of Human Rights, the UN Sustainable Development Goals and the Statute of Children and Adolescents. Discrimination and any type of violation of human rights are not tolerated. If they happen, the company establishes fair and timely reparation actions, as well as measures to prevent their recurrence. The commitment extends to all stakeholders.

Due diligence procedures for stakeholder assessment are formalized in policies approved by the Board of Directors, including the Sustainability Policy, which is reviewed annually. The Board verifies the adherence of the management tools used and may request adjustments. [GRI 2-12] The policies that define the commitments are widely disseminated and communicated to all employees. Managers and employees who are members of working groups undergo workshops on sustainability, with specificities of their areas of expertise. In 2024, the training benefited 31 employees (20% of the total), who represent 100% of the leaders. The initial focus was on this group, due to its ability to promote the topic

internally and engage the teams. By 2025, the company aims to train 100% of the staff based on this report.

Regarding the topic of corruption, 41% (seven) of the members of the Board and Committees were trained and communicated in 2024. All employees were also informed, while the rate of training reached 87.12% in Brazil and 66.67% in Colombia. Materials related to anti-corruption, antimoney laundering and anti-fraud are available on Grupo Austral's website for all partners to access. However, the company did not conduct training aimed at the external public and did not quantify communications on the subject. Contracts signed with suppliers, in turn, have clauses related to the fight against corruption, which contractors must be aware of and comply with. [GRI 205-2]

Total number of employees who received anti-corruption communication and training, broken down by functional category and region [GRI 205-2]

REGION	FUNCTIONAL CATEGORY	NUMBER OF EMPLOYEES	NUMBER OF COMMUNICATIONS	NUMBER OF TRAINED
Brazil	Director	9	9	7
Colombia	Director	1	1	0
Brazil	Managar	23	23	19
Colombia	Manager	1	1	0
Brazil	Coordinator	14	14	12
Brazil	Specialist	16	16	15
Colombia	Specialist	1	1	1
Brazil	Analyst	80	80	69
Colombia	Analyst	1	1	1
Brazil	Assistant	7	7	7
Colombia	ASSISTANT	5	5	4
Brazil	Trainee	14	14	13

Percentage of employees who received anti-corruption communication or training, broken down by functional category [GRI 205-2]

FUNCTIONAL CATEGORY	COMMUNICATIONS (IN %)	TRAINED (IN %)
Director	100	70
Manager	100	79.17
Coordinator	100	85.71
Specialist	100	94.12
Analyst	100	86.42
Assistant	100	91.67
Trainee	100	92.86

THE REPORT

GRUPO AUSTRAL OUR GOVERI

JOURNEY RISK MANAGE IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR BUSI DATA SECURITY S INDICATORS ANNE

CONFLICT OF INTEREST

[GRI 2-15]

Grupo Austral's Code of Ethics and Conduct defines conflicts of interest as situations in which the employee uses his or her position in the company to obtain an undue advantage or act guided by personal reasons that conflict with the company. The Ethics and Conduct Committee is responsible for evaluating and making decisions about possible conflicts, ensuring that employees' actions are always aligned with the interests of the company. Among the guidelines of the Code:

- Resources, goods and services must be used exclusively for the interests of the company, without personal advantage for the employee.
- 2. Employees may perform external professional activities as long as those do not interfere with the company's activities. For positions of trust, exclusive dedication is required.
- 3. The hiring of first-degree relatives is prohibited, apart from exceptional situations, which must be evaluated by the Ethics and Conduct Committee.

- Any negotiation with individuals or legal entities with which the employee is related or close must be taken to the Ethics and Conduct Committee for evaluation.
- Employees who wish to act as members of the boards of directors of other companies must inform the Ethics and Conduct Committee. For members of the committee itself, the evaluation is made by the Board of Directors.

Transactions with related parties are carried out in line with normal market conditions and are reported in the company's financial statements. For contracts with new suppliers, partners, employees and customers, a due diligence procedure is carried out, which can identify possible conflicts in those relationships. In this case, it will be taken to the Ethics Committee for consideration. In 2024, there were no cases of conflict of interest which demanded investigation.

WHISTLEBLOWING CHANNEL

[GRI 2-16, 2-25, 2-26]

Grupo Austral's Whistleblowing Channel is available 24 hours a day, 7 days a week to employees, customers and partners, allowing the reporting of any violation of the Code of Ethics and Conduct anonymously and securely. The channel is managed by an external service provider, which avoids any conflict of interest. Complaints can be made through the company's website or by phone. Any form of retaliation against employees who report an activity that they believe to be a violation is prohibited.

The Ethics Committee is

responsible for conducting impartial investigations of reports and ensuring that violations are handled in accordance with the company policies. The Committee, which is also composed of Board members, conducts information among its members in order to avoid conflicts of interest. When necessary, the records are forwarded to certain members of the committee previously mapped according to the level of sensitivity, maintaining the impartiality of those involved.

The Whistleblowing Channel is widely open to all stakeholders, especially employees, through internal communications and actions. The Channel can also be used to indications of improvements and feedback. In addition, the company has an internal channel of the Ethics Committee to resolve any doubts, suggestions, complaints or criticisms about the Integrity Program.

Communication on critical concerns

Critical concerns, including potential and actual negative impacts of the organization on its stakeholders, are communicated to the highest level of governance through the Risk Committee and the Audit Committee. These committees have the prerogative to report relevant matters to the Board of Directors, ensuring that critical issues are properly addressed and considered in strategic decision-making. In 2024, the Council was informed of concerns about the impact of the climate catastrophe in Rio Grande do Sul. More information on the implications of this topic for the company can be read in Financial impact of extreme weather events in Rio Grande do Sul. During the year, no negative impacts were identified that required remediation by the company.

CONTACTS OF THE WHISTLEBLOWING CHANNEL: Website: www.contatoseguro.com.br/austral Phone: 0800 800 8404

GRUPO AUSTRAL OUR GOVERNA

SG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR DATA SECURITY



SUSTAINABLE CRITERIA FOR SELECTION OF SUPPLIERS [GRI 2-24]

Grupo Austral has defined a process to assess sustainability risks when contracting suppliers, according to Article 7 of Susep Circular Notice No. 666. Based on the Sustainable Risk Rating report, by the United Nations Global Marketplace (UNGM), which classifies the sectors in which companies operate into ESG risk categories, if the supplier has a result above an internally defined tolerance percentage, it is considered of high socio-environmental risk and must answer some questions from the Governance, Risks and Compliance area about how it manages these risks. The final decision on whether or not to proceed with the hiring is made by the Chief Risk Officer. There are levels of risk that can be accepted, through monitoring, or not accepted.

In addition, all suppliers undergo an analysis to identify possible risks, such as money laundering, fraud, or other practices contrary to the company's ethical principles. This procedure is done at the beginning of the relationship and is constantly monitored through a specialized tool. All relevant contracts with suppliers have a clause for the prevention of money laundering, anti-corruption and anti-fraud and, when applicable, compliance with the General Data Protection Law.

The Supplier Policy provides that contracting must be based on technical and ethical criteria, following processes that ensure transparency and fair competition. Suppliers and business partners must follow the principles of the Code of Ethics and current laws.

The company does not have a significant risk of child labor or slave labor among its suppliers, since the number of partners is small and mostly correspond to technology companies, a sector considered of lower risk. Frequent diligences are carried out to verify complaints, which make it impossible to establish commercial relationships. In addition, the contracts have clauses that guarantee full compliance with labor legislation. [GRI 408-1, 409-1]



TRANSPARENCY IN CUSTOMER RELATIONSHIPS

[GRI 2-24]

The Code of Ethics and Conduct reinforces Grupo Austral's commitment to customer satisfaction and respect for their rights. The company seeks to serve in a thoughtful and efficient way, offering accurate and transparent information. In addition, the code prohibits any form of discrimination or preferential treatment and encourages employees to align insurance with the client's needs, acting in good faith and with transparency about the products' risks and limitations.

We are part of Susep's S1 segment, which represents the highest level of requirement in relation to the prudential regulation of insurance companies in Brazil. Those included in S1 are large and have the potential to generate a significant impact on the market and the economy. For this reason, they are subject to stricter governance, capital and transparency standards, aiming to ensure their solvency and financial stability.

Customer retention rate Austral Resseguradora [SASB FN-IN-270a.3]



NUMBER OF CLIENTS AT THE END OF THE PERIOD



2024





2023

Reinsurer retention rate: 94%

Customer retention rate Austral Seguradora [SASB FN-IN-270a.3]



NUMBER OF CLIENTS AT THE END OF THE PERIOD

1,558 1,540 2024

2023



NUMBER OF NEW CLIENTS IN THE YEAR

423

2024

Insurer retention rate: 78%



IN PRODUCTS

RESPONSIBILITY RELATION

DATA SECURITY

APPROACH TO INFORMING CLIENTS ABOUT PRODUCTS [SASB FN-IN-270a.4]

Austral Seguradora adopts a structured communication strategy to ensure transparency and education about its products and services. The marketing team developed an editorial line based on different channels and content formats with the aim of reaching and engaging customers in a clear and accessible way.

we share detailed content about our products, coverages, and differentials. We maintain a frequency of 3 to 4 weekly posts to ensure a continuous flow of information.

content: we publish articles and releases in the press and on the company's blog, covering technical topics and industry trends.

- Monthly newsletters: we send a summary of the month's main content, providing a recurring update for our customers.
- Materials: we provide e-books, infographics and booklets with in-depth information on relevant topics in the industry.

Because we deal with insurance for large risks, some information, such as cost structure, coverage terms, exclusions, and claims payment processes are not publicly disclosed, being discussed individually with each client. However, to improve transparency, we developed a new

policy model for specialty category products (oil and marine), which includes a claim payment stream. This model uses concepts of visual law and legal design, making the policy clearer and more accessible, highlighting the most relevant information for customers.

Two areas exclusively dedicated to the claims process were also structured on the company's website: direct contact with the claims team - a special section with the contacts for opening a claim; and an online form for opening a claim – a tool that gathers the necessary information to speed up the procedure.

Note: Due to the nature of Austral Resseguradora's business, in which customers are other insurers and services are established by specific contracts between parties, the SASB FN-IN-270a.4 indicator does not apply.

GRI AND SASB CONTENT INDEX SUSEP TABLES



ATTRACTION AND RETENTION

[GRI 3-3]

Austral is made up of people, and always seeks to promote a collaborative environment, with career prospects for its employees, mutual teaching and learning, always reinforcing horizontality.

In 2024, the People & Management area implemented the business partner model, which indicates a way to meet the demands of other areas of the company. The model prioritizes proximity to teams in order to anticipate challenges, understand needs, and foster professional development.

Another highlight of the year was the **Australidade** event [Australity], which brought together all Grupo Austral employees, including those allocated in Colombia, in a face-toface format. The meeting reinforced the cultural pillars – **people, essence, and purpose** – and emphasized the

company's social impact, reaching more than 70,000 people through incentivized projects. The event combined presentations of results, lectures, integration dynamics and a retrospective of Austral's trajectory. With the participation of leaders and teams, the initiative highlighted the importance of each employee in the impact generated in society, promoting alignment, recognition, and connection between teams. At the meeting, the first award of the InovAustral program took place, an initiative that began in 2024 with the aim of strengthening and supporting new ideas and continuous improvement projects.

The company encourages employees to share the corporate culture with the market. Through the Creators project, they became micro influencers, informing about events, recognitions, projects and campaigns of the company on social networks. Austral has a scoring system that quantifies the content shared and offers prizes to the most engaged employees.

Regarding internal satisfaction, Grupo Austral conducts the Great Place To Work climate survey regularly. In 2024, we won for the third consecutive year the seal of one of the best companies to work for. In addition, Austral promotes conversation circles on specific topics in order to collect information and perceptions from employees, which can later be incorporated into management.

HE REPORT

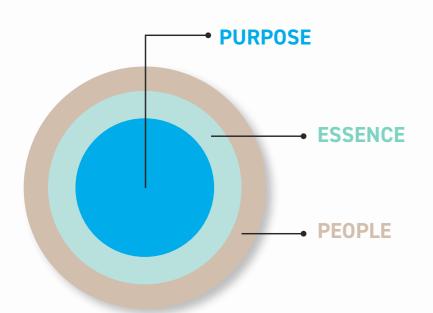
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ESG JOURNEY RISK MANAGE IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS DATA SECURITY

ESS INDICATORS

P TABLES GRI AND SASB CONTENT INDE

THE AUSTRALITY CULTURE



PURPOSE

We learn from our mistakes, we seek excellence without losing humility. We want to be recognized as preferred partners for our swiftness and ability to understand our customers' needs, always acting with discipline and flexibility.

We will use the best information, data and analytical tools to assist us in decision-making.

We will be a source of information and technical reference for our customers and the market.

We seek transparent and accurate communication in order to maintain direction and consistency in our strategic decisions.

ESSENCE

We are an informally corporate underwriting company. Feeling of ownership, quality in deliveries and focus on results guide our existence.

We generate value for customers and shareholders through operational efficiency, responsibility in risk management and market knowledge.

We are recognized for our collaborative and horizontal environment, providing direct communication among all levels.

PEOPLE

We believe that what makes the difference at Austral are our employees, and we encourage and value different opinions.

We appreciate people's effort, creativity and proactivity. We ensure a healthy environment without any type of prejudice.

Total number of new hires, broken down by age group, gender, and region [GRI 401-1]

	GENI	DER	AGE GROUP				
Operation	Women	Men	Up to 30 years old	30 to 50 years old	Above 50 years old		
Total number	of hires						
Brazil	31	23	38	16	0		
Colombia	1	1	2	0	0		
TOTAL	32	24	40	16	0		
Total number of layoffs							
Brazil	25	18	21	20	2		
Colombia	0	0	0	0	0		
TOTAL	25	18	21	20	2		
Total number	of employees						
Brazil	83	82	75	88	2		
Colombia	4	2	3	2	1		
TOTAL	87	84	78	90	3		
Turnover by o	diversity categ	ory in each o	peration				
Brazil	33.73	25	39.33	20.45	50		
Colombia	12.5	25	33.33	0	0		
TOTAL AUSTRAL	32.76	25	39.10	20	33.33		

DEVELOPMENT AND TRAINING PRACTICES

[GRI 404-1, 404-2, 404-3]

Austral adopts an annual performance review cycle that integrates employee self-assessment with assessments by managers, peers and interfaces. The results influence decisions about bonuses, promotions, and training. In 2024, the company also carried out a 90-degree evaluation (only between leaders and employees) at the end of the first half of the year to gather insights and plan actions for the rest of the year.

In line with its commitment to training talent, the company continuously invests in the development of its employees, promoting language courses, tools such as PowerBI and behavioral skills. In 2024, a development map was prepared covering all areas and defining the skills and knowledge required for its operation.

The individual development plan (IDP) is built together with the employee and the direct manager, and is monitored by the human resources area. Courses are offered based on eligibility criteria described in the Human Resources Policy, available on Grupo Austral website. Some courses offered in 2024 include topics such as Excel, social media, public speaking, tax reform, leadership, and idioms, among others.



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RESPONSIBILITY IN RELATIONSHIPS

Total

turnover:

28.95

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Average hours of training per year per employee [GRI 404-1]

FUNCTIONAL CATEGORY	HOURS WOMEN	HOURS MEN	TOTAL HOURS	AVERAGE HOURS WOMEN	AVERAGE HOURS MEN	TOTAL AVERAGE
Director	0	0	0	0	0	0
Manager	68	56	124	6.8	4	5.17
Coordinator	169	96	265	18.78	19.2	18.93
Specialist	192	192	384	24	21.33	22.59
Analyst	69	76	145	1.5	2.17	1.79
Assistant	16	13	29	3.2	1.86	2.42
Trainee	74	9	83	12.33	1.13	5.93

[GRI 404-3]

All employees, from all functional categories, were evaluated.

GRUPO AUSTRAL

RISK MANAGEMENT IN PRODUCTS

RESPONSIBILITY IN RELATIONSHIPS

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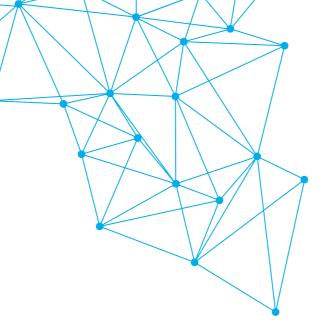
INDICATORS ANNEX

BENEFITS

[GRI 2-19, 2-20, 401-2, 401-3]

The fixed compensation of Grupo Austral employees is defined based on market research, considering the scope and responsibility of each position, in addition to the professional's competence, reputation and experience. There is no involvement of external consultants in the wage determination process. Variable compensation, in turn, is applied according to the Compensation Policy available on the company's portal, subject to the achievement of short, medium and long-term goals. Evaluation is based on the company's results, the area of operation, and individual performance.

With regard to senior leadership, the Board of Directors receives fixed compensation proportional to the duties and the dedicated time, according to market standards. It may also have variable stock-based compensation, according to plans approved at the General Assembly. The salary paid to Board members is determined by the market average, with internal studies to ensure balance and competitiveness. The composition of the variable compensation of this instance is defined by the Board of Directors and



structured to align the interests of the executive officers with Austral's long-term objectives, which may include a Profit Sharing Program, bonuses, awards or stock.

In addition, Grupo Austral offers a comprehensive set of benefits aimed at employee well-being, development and recognition. The practices are described in the People & Management Policy. The company does not have temporary employees or differentiation between operating units, so the same benefits are available to everyone.

Collective benefits

The company provides meal vouchers and food vouchers, readjusted annually according to the Collective Bargaining Agreement (CBA), with the option of conversion between them. Life insurance covers up to 18 times the employee's salary, at no additional cost, including funeral assistance and birth basket. In addition, employees receive a 13th annual food basket in vouchers and have access to daycare or nanny assistance, reimbursable for children up to 71 months old, upon proof of expenses. Austral also joined the Empresa Cidadã program, which extends maternity leave for another 60 days and paternity leave for another 15 days, in addition to offering additional home office for mothers and fathers.

Differentiated or optional benefits

The health plan is available in different modalities by position. Other benefits include transport vouchers, incentives for access to gyms and anti-flu vaccination, offered annually.



Flexibility benefits

With a hybrid work model, employees have flexibility and get time off on their birthdays.



Incentive to training

Grupo Austral works to encourage education with financing for technical training, postgraduate courses and language courses. In-company training is also carried out, such as PowerBI.

The Group does not provide for the payment of hiring bonuses or recruitment incentives. Upon termination, the severance payments provided for by law are paid and, in case of dismissal by the employer, the employee can remain in the health plan for three months.

The incentive structure is aligned with the risk limits established by the Board of Directors and aims to generate sustainable value in the long term. Direct goals related to sustainability are not considered in the framework. However, the risk limits to which the goals are linked are connected to material issues.

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Maternity/paternity leaves [GRI 401-3]

License type	People entitled	People who took it	People who returned	People who should return
Maternity	87	2	2	2
Paternity	84	4	4	4

License type	Rate of return (%)
Maternity	100
Paternity	100



ESG JOURNEY RISK MANAGEMENT IN PRODUCTS

RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND DATA SECURITY

OUR BUSINESS INDICATORS ANNEX SUSEP TABLES GRI AND SASB CONTENT INDEX

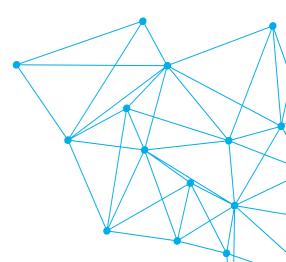


DIVERSITY AND INCLUSION

[GRI 3-3, 2-7, 2-8, 405-1]

Grupo Austral seeks to create a work environment with respect for diversity and the promotion of inclusion, where employees feel acknowledged and comfortable sharing their experiences. For this purpose, a qualitative maturity survey is being conducted in order to understand how people perceive themselves and how they feel in the company. The objective is to identify areas for reinforcement and opportunities for action, in addition to guiding Grupo Austral's strategic decisions. In parallel, a workshop was held with the Executive Board in order to collect perceptions and generate literacy about diversity and inclusion, so that everyone is informed and engaged.

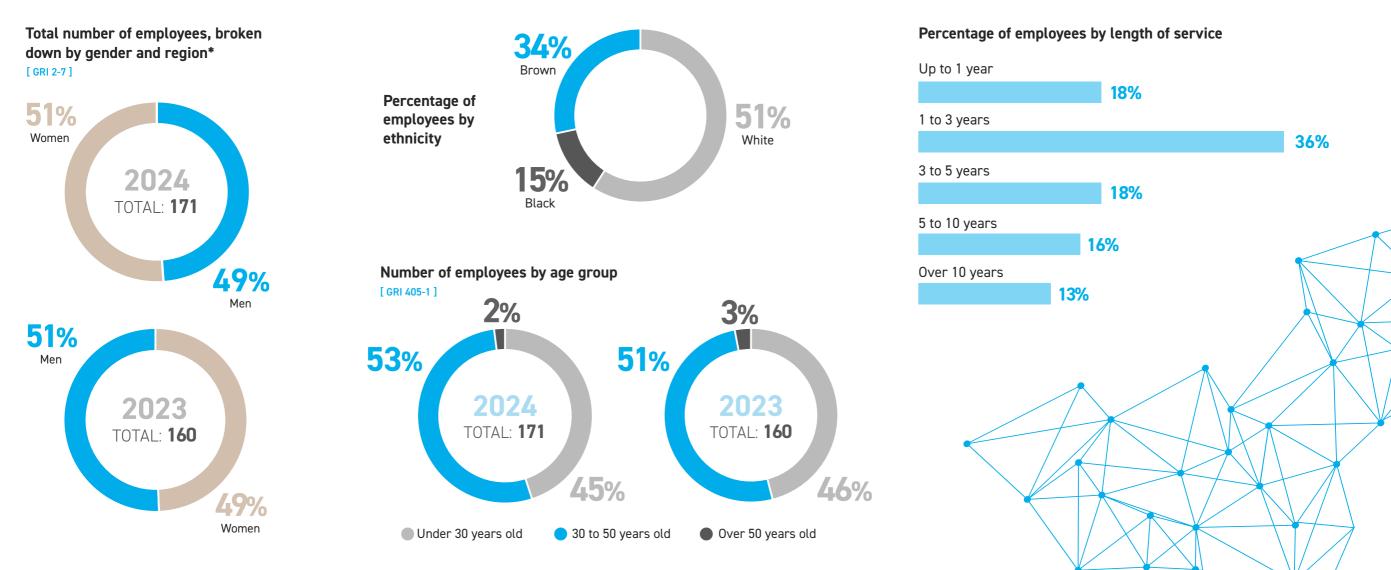
Currently, there are no specific goals for the topic, but the company intends to develop a strategic plan based on the results of the maturity survey. Still, the company's demographics indicate a growing diversity.



RISK MANAGEMENT RESPON RELATIO

IN PRODUCTS

DATA SECURITY



*Note: In 2023 and 2024, Austral had 6 employees in Colombia (4 women and 2 men), already accounted for in the totals shown in the graphs. The data, reported in absolute values, are extracted from payroll reports and supplemented by contractual information of the third parties hired during the analyzed period. The company does not have temporary or part-time employees. There was no significant variation in the number of employees, which is in line with the company's expectations of growth. [GRI 2-7] Regarding outsourced workers, there are two general-service employees in the São Paulo office and two outsourced workers with a commercial function in Colombia. In Colombia, there is also one outsourced employee in the area of advisory and administrative assistance. The company's total is five workers. There has been no increase or reduction in this situation since 2022. [GRI 2-8]

RISK MANAGEMENT

IN PRODUCTS

ESG JOURNEY

RESPONSIBILITY IN RELATIONSHIPS

DATA SECURITY

CONVERSATION CIRCLES

Since 2023, Grupo Austral has invited people with a "site of speech" to share their life experiences.

- Meeting in celebration of Black Consciousness Day, 2023.
- Chat about Women's Day with company directors, 2024.

• Julho das Pretas Event, promoted by Sou Segura, a women's association in the insurance sector, sponsored by Austral. Held during the celebrations of the Day of the Black Latin American and Caribbean Women, 2024.



HE REPORT

GRUPO AUSTRAL

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND DATA SECURITY BUSINESS INDICATORS ANNEX

SUSEP TABLES GRI AN

SOCIAL RESPONSIBILITY

[GRI 3-3, 203-1, 413-1]

Grupo Austral always had the practice of making social investments with a positive impact on society and its employees. However, after the creation of the ESG Journey, this front gained a more structured management, with a specialized professional dedicated to the topic in the team and with the creation of the company's first Social Responsibility Policy. The document establishes clear guidelines and criteria for the selection of projects, aligning them with the company's strategy and ESG pillars, besides defining specific steps and responsibilities to ensure an organized and effective process.

In 2024, company professionals devoted a day to learn about one of the benefited initiatives. A group of employees visited the Pequeno Príncipe Hospital, a century-old institution dedicated to the health of children and adolescents in Curitiba (Paraná), and followed the workers'



routine and the care given to the hospital's patients, supported by Grupo Austral. In addition, the company collaborated with other projects during the year, either financially (through tax-incentive laws or direct donations) or with internal employee engagement campaigns:

TAX-INCENTIVE LAWS

Hospital Pequeno Príncipe (Little Prince Hospital) Curitiba, PR: a pediatric institution that offers medical diagnosis, treatment, teaching, and research.

Ação Social pela Música (Social Action for Music - Rio de Janeiro and Petrópolis, RJ; João Pessoa, PB; Ji-Paraná, RO; and Campo Grande, MS): social and cultural education of children, adolescents and young people from communities in situations of social vulnerability through the teaching of classical music.





Tomates Verdes Fritos (Fried Green Tomatoes - Ribeirão **Preto, SP):** initiative that uses bibliotherapy to increase emotional well-being and reduce stress levels of patients over 60 years old undergoing treatment for cancer and leukemia. The support took place via the Elderly Fund.

Instituto Reação (Reaction Institute - several centers in Rio de Janeiro, Mato Grosso, Minas Gerais, Rio Grande do Norte and São Paulo): founded by judo athlete and Olympic medalist Flávio Canto, it promotes human development and social integration through sports and education.



GRUPO AUSTRAL

RISK MANAGEMENT IN PRODUCTS

RELATION

DATA SECURITY

DIRECT DONATION

Instituto Órizon (São Paulo, SP): institution that supports civilsociety organizations committed to helping socially disadvantaged young people reach their potential. Through collaboration with the Órizon Institute, Austral allocates resources to projects such as Rede Cruzada, PróSaber and Mão Amiga, which work to strengthen education.





INTERNAL ACTIONS

Rede Cruzada (Rio de Janeiro, RJ) and Capão Cidadão (São Paulo, SP): projects that work for education and dissemination of the peace culture. Collaboration with the donation of kits at Easter and Children's Day.

Hemorio (Rio de Janeiro, RJ) and Fundação Pró-Sangue (São Paulo, SP): promotion of blood donation campaigns for these institutions. Grupo Austral is also investing efforts in the creation of a Volunteer Program. The initiative aims to involve employees with the company's social practices, positively impacting the projects we support and the motivation of professionals with the company's purpose.

+ BRL 1 million

invested through tax incentives in education, sports, health and cultural projects.

+ 37,000 lives

impacted through incentivized projects, donations and corporate volunteering.



THE REPORT

GRUPO AUSTRAL OUR GOVERNANC

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR DATA SECURITY INDICATORS AND

TABLES GRI AND SASB CONTENT INDEX



RISK MANAGEMENT

IN PRODUCTS

INNOVATION AND DATA SECURITY

Innovation and technology are at the basis of Grupo Austral's growth, always being aware of the importance of protecting its own data and that of its stakeholders.

RELATIONSHIPS

INNOVATION AND DATA SECURITY

TECHNOLOGICAL INNOVATION AND DIGITALIZATION

[GRI 3-3]

Technological innovation and digitalization are part of Grupo Austral's growth strategy. In this context, the company develops several initiatives aimed at improving aspects of the business:

Austral Plugin

The Plug-in Initiative, launched in 2022, encompasses four strategic solutions: API Portal, Austral Portal, Workflow and Guardian. Together, these tools modernized operations, drove business growth, and demonstrated the direct impact of technology on transforming traditional processes.

• API Portal:

Developed to integrate, via API, partner brokers with their own issuance platforms, the API Portal revolutionized the way we interact with partners. This initiative generated a 313% increase in policy issuances in 2023, evidencing its relevance in the business' growth.

• **Portal Austral (Front-End Solution):** Portal Austral is an innovative frontend platform that offers a direct issuance experience for brokers and clients. After an extensive discovery process – including stakeholder interviews, data analysis, and prototyping –, we identified key user needs, such as an intuitive interface, process agility, and clear product information. The solution meets these demands by allowing brokers to issue policies directly on the portal, quickly and efficiently.

• Workflow:

Workflow optimizes internal processes for issuing, updating, renewing and canceling Judicial Surety Bonds. Operating as a digital treadmill, it allows for edits in any field, automatic issuances based on a custom rules engine, and dynamic updates (such as index adjustments according to Austral guidelines). In addition, it offers features such as transaction history, SLA measurement, and performance monitoring, ensuring transparency and operational efficiency.

Guardian:

Guardian is an internal tool that automates critical operations and

enhances Austral's digitalization. It enables the agile parameterization of complex rules, allowing teams to adjust flows and policies without relying solely on technical development. With Guardian, we achieved greater operational agility, reduced manual errors, and made more accurate strategic decisions. The rules engine can be edited at any time by the responsible areas, ensuring flexibility and total control. These solutions show how the adoption of technology and nimble methodologies has transformed traditional processes, generating tangible results for the company.



RISK MANAGEMENT

RESPONSIBILITY IN

INNOVATION AND OUR DATA SECURITY

Inova Austral

The program is a milestone in the promotion of innovation, encouraging employees to propose improvements and new services. One of the resulting initiatives was training for the use of corporate tools such as Forms, Planner and Notes, which generated significant efficiency gains. The company reinforces creativity and the search for solutions as fundamental elements for its success, aligning technology and organizational culture.

In addition to practical initiatives, Austral values innovation as part of its identity. Despite not having specific quantitative goals, the company has a clear commitment to integration and continuous evolution. The results of this effort are reflected in the company's growth, the creation of new products and the improvement of processes.

Migration to the cloud

The migration to a hybrid cloud model has been completed, with a focus on bringing greater flexibility, scalability, and cost predictability.

NEW DATA-PROCESSING INFRASTRUCTURE

In 2024, Grupo Austral advanced its technological innovation strategy by reformulating its information technology (IT) architecture with focus on enhancing investments in artificial intelligence. With the support of Equinix, a global data center service provider, the new infrastructure was designed to offer resilience, security and high data-processing capacity, eliminating physical limitations and ensuring scalability and flexibility to keep up with market demands.

This transformation prepares the company to support investments in artificial intelligence in a sustainable way. The modernized infrastructure enables strategic projects, such as the use of advanced analytical tools for pricing in the reinsurance industry. The expectation is that it will also strengthen the project to improve data management, carried out in partnership with 42 | Rio, a training institution in software engineering, with ETL Framework and ALM Queries deliverables using artificial intelligence tools.



THE REPORT

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GRI AND SASB CONTENT IND



INFORMATION SECURITY [GRI 3-3]

Grupo Austral ensures cybersecurity in its operations through the implementation of policies, controls and actions that protect critical information of the company and its customers. The company has an Information Security Policy with complete guidelines that cover data classification, physical security of equipment, access control, encryption, backups, and vulnerability management.

Proactive actions are applied to mitigate risks and keep systems up to date. Among them, the company has specialized tools to identify and respond to suspicious behavior and critical events in the infrastructure. Employees undergo regular training, including simulated phishing campaigns (cyber-attack) and access to good practice guides on information security. Connections to the company's environment are made exclusively through encrypted VPN, ensuring data integrity.

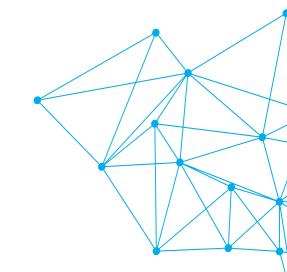
DATA SECURITY

In case of incidents, the company has structured processes that include identification, containment, investigation, and correction. A Business Continuity Management Policy defines the procedures for maintaining services in the event of outages. In addition, Austral has contingency and disaster recovery plans in place to ensure the resumption of operations in the event of serious incidents. The company conducts regular testing of its continuity plans to ensure their effectiveness.

Data privacy

Regarding privacy, Grupo Austral ensures that the collection, processing and storage of data are carried out in accordance with current Brazilian legislation, especially the General Data Protection Law (GDPR).

The company pledges to use personal data only for the purposes for which it was collected, and not to share it with third parties without their holder's consent, except when required by law. Austral has a Data Protection Officer (DPO) in charge of ensuring the company's compliance with the GDPL. The disposal of data and information containing personal data is carried out securely, ensuring that there is no possibility of recovery. In 2024, no complaints were filed related to the violation of privacy or loss of customer data. [GRI 418-1]



GRUPO AUSTRAL

RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS



OUR BUSINESS

Even with the effects of the extreme weather event in Rio Grande do Sul, Grupo Austral recorded in 2024 a net profit 63% higher than in 2023.

THE REPORT

GRUPO AUSTRAL OUR

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INNOVATION AND DATA SECURITY OUR BUSINESS IND

RS ANNEX SUSEP

LES GRI AND SASB CONTENT INDEX

The year 2024 was marked by growth and consolidation for Grupo Austral, which strengthened its position in the insurance market through investments in technology, innovation and strategic management. The company recorded advances in financial results, expanded its customer portfolio and maintained its leadership in the oil insurance segment in Brazil. Despite challenges, such as adverse weather events in the reinsurance sector, the company demonstrated resilience, achieving positive performance and exceeding expectations in different areas.

Written premiums totaled **BRL 3.9 billion**. Retained premiums totaled **BRL 1.3 billion**. The consolidated technical result was **BRL 183 million** below budget, even with the impact of the catastrophe in Rio Grande do Sul. Despite this, the company maintained an efficient control of administrative expenses, ensuring a better financial result. Net income reached **BRL 120 million**, an increase of 61% compared to 2023, and, without the impact of floods and Hurricane Otis, it should have reached **BRL 141 million**. Shareholders' equity closed the period at **BRL 733 million**, a 8% high compared to the previous period.

Grupo Austral has an investment company responsible for managing its portfolio, being a signatory to the Principles for Responsible Investment (PRI). Thus, every evaluation in relation to the products invested is based on the PRI. If the company makes direct investments not related to government securities, a due diligence process for the analysis of the beneficiary is carried out. The exclusion list of economic sectors with which Austral does not establish commercial relations is applied in this decision-making. [SASB FN-IN-410a.2]

Direct economic value generated and distributed [GRI 201-1]

Revenues	BRL 3,542,311,000
Operating costs	BRL 3,450,773,000
Salaries and benefits	BRL 65,852,000
Payments from capital providers	BRL 48,237,000
Payment to the government	BRL 199,454,412.8
Investment in the community	BRL 820,795.04

Financial support received from the government [GRI 201-4]

Tax benefits and credits

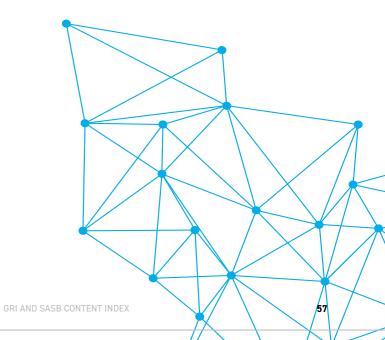
BRL 23,803,243.76

* Amount composed of: (a) Tax Benefits - The amounts with tax benefits from the company Income Tax calculation (PAT and Incentivized Donations) for the year 2024 were considered; (b) Tax Credits - The amounts of use of tax credits to offset taxes to be collected were considered, as well as the amounts of tax credits received from RFB (Federal Revenue of Brazil) through a Refund Request (PER) in the year 2024. Total amount of monetary losses attributable to insurance payments
[SASB FN-IN-450a.2]

FROM MODELED NATURAL CATASTROPHES Hurricane Otis BRL 42.2 million (GROSS)

FROM NON-MODELED NATURAL CATASTROPHES Losses in Rio Grande do Sul BRL 249.5 million (GROSS)

Note: amounts referring to the Reinsurer. The Insurer did not suffer losses related to modeled and non-modeled natural catastrophes.



THE REPORT

JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR BODATA SECURITY

OUR BUSINESS INC

ORS ANNEX SUS

FINANCIAL IMPACT OF EXTREME WEATHER EVENTS IN RIO GRANDE DO SUL [GRI 201-2]

According to a study prepared by the Institute of Energy and Environment of the University of São Paulo (USP) for the National Federation of General Insurances (Fenseg), the intense episodes of rain that hit Rio Grande do Sul, especially the Guaíba River Basin, between April and May 2024, resulted from local, national and global factors. The accentuated topography of the region favored flooding in lowland areas, while meteorological systems blocked cold fronts in the South and intensified storms with moisture coming from the Amazon. In addition, the El Niño phenomenon contributed to above-average rainfall. Climate data indicate an increase in the frequency and intensity of extreme rainfall in the last decade, reinforcing the relationship between global warming and extreme weather events.

The National Confederation of Insurers (CNseg) calculated the total volume of insurance claims related to floods in the state at about BRL 6.1 billion. A technical study recently released by Susep pointed out that the largest number of indemnity claims was concentrated in insurance lines such as automobile, home, housing, named perils and operational risks.

This weather event also had a significant impact on Grupo Austral's numbers, reducing the company's technical results by BRL 38 million and net income by BRL 22 million. The efficiency of financial management and a diversified portfolio allowed us to control the damage to the company's final result, which closed the year with positive figures.

Climate risk management represents a challenge for the insurance industry. However, there are also opportunities to be observed. According to a study by Susep, Brazil currently faces a 93% protection gap for natural catastrophes. A study carried out by the institution indicates a growth opportunity for the insurance sector, with the potential to reduce pressure on public resources in emergency situations, public-private partnerships, incentive to financial and insurance education, and the development of public policies aimed at managing climate risks.

AUSTRAL SEGURADORA

Compared to 2023, it showed a growth of 2.3% in net income, which reached BRL 43 million. The net equity was BRL 270 million, representing a 8% growth. The Surety segment stood out, which recorded a 20% increase in technical results compared to the previous year, with BRL 288 million in written premiums. The Austral Plugin stood out as a positive factor, contributing to the growth of premium issuance and boosting the surety line.

AUSTRAL RESSEGURADORA

It recorded a net income of BRL 75 million in 2024 (BRL 29 million in 2023), even considering the floods in Rio Grande do Sul, which generated an impact of approximately BRL 21 million. Shareholders' equity reached BRL 421 million, representing a 10% growth compared to the previous year.

The highlight was the Property & Casualty Brazil segment, which showed a 13% growth in written premiums compared to the previous year. Even with the impacts of the floods in Rio Grande do Sul, the company obtained a positive technical result. In P&C Latam, there was a 54% growth in written premiums compared to 2023. The Facultatives portfolio also recorded a positive technical result, favored by the strategic composition of the portfolio. In the Life segment, the written premium was 78% higher, due to the entry into new businesses in Brazil.

PERSPECTIVES FOR THE INDUSTRY

CNseg estimates a 10.1% growth in the insurance sector in 2025, taking into account a Gross Domestic Product (GDP) projection of 2.5%. The entity also estimates that the sector will have a share of 6.4% in the national GDP by the end of the year, reinforcing its social and economic role in promoting development.

THE REPORT

GRUPO AUSTRAL OUR

E ESG JOURNEY

RISK MANAGEMENT

IN PRODUCTS

RESPONSIBILITY IN

INNOVATION AND OUR BUSINESS DATA SECURITY

SINESS INDICATORS ANNEX



INDICATORS ANNEX

ESG JOURNEY

IN PRODUCTS

RESPONSIBILITY IN RELATIONSHIPS

DATA SECURITY

INDICATORS ANNEX

Reformulation of information [GRI 2-4]

Not applicable, given that this will be the first report released by the organization.

External assurance

There is no external verification with respect to the information presented, except on the accounting information that is audited by independent external auditors.

Total compensation ratio in the year

[GRI 2-21]

Ratio of the total annual compensation of the highest paid individual in the organization to the average total annual compensation of all employees (excluding the highest paid) = 9.67. Ratio of the percentage increase in total annual compensation of the organization's highest-paid individual to the average percentage increase in total annual compensation of all employees (excluding the highest paid) = 1.15. The information was obtained through financial statements and history of transactions for the year 2024.

Compliance with laws and regulations

[GRI 2-27]

No significant cases of non-compliance were recorded that led to fines or nonmonetary sanctions.

Collective bargaining agreements

[GRI 2-30]

100% of employees are covered by collective bargaining agreements.

Defined Benefit Plan and Other Retirement Plan Obligations

[GRI 201-3]

Does not include retirement and benefit plans.

Ratio between the lowest wage and the local minimum wage, with gender breakdown

[GRI 202-1]

It is not applicable, as there is not a significant portion of employees paid based on wages subject to the minimum wage rules.

Operations assessed for corruption-related risks [GRI 205-1]

100% of the transactions were assessed for corruption-related risks. All counterparties are assessed for corruption risk and monitored after the relationship begins. No significant risk of Austral's involvement with its partners in corruption cases was identified.

Confirmed cases of corruption and measures taken

[GRI 205-3]

No cases of corruption were reported in 2024.

Lawsuits for unfair competition, trust and monopoly practices

No lawsuits related to the topic were registered in 2024.

Minimum notice period on operational changes

[GRI 402-1]

There is no minimum period established.

Programs for the improvement of employees' skills and assistance for career transition

[GRI 404-2]

The company does not offer assistance programs for career transition.

COURSES OFFERED IN 2024	NUMBER OF BENEFICIARIES	WORKLOAD
Data Engineering on Microsoft Azure	7	22h
Basic Reinsurance	44	8h
Accounting Aspects of Insurance Operations	3	10h
Reinsurance Contract	13	8h
Financial Statement Analysis	7	30h
Business Partner	1	16h
Compliance	1	30h
Excel	38	10h
IFRS	3	20h
Social Media	1	-
Public Speaking and Communication	20	16h
Tax Reform	2	-
PM (Product Management) trainers	1	-
Product Management Methodologies	1	-
Tax Reform	1	16h
Paid Traffic and Media Training	1	10h
Idioms (English and Spanish)	82	1h/week
Insurance, Legal and Regulatory (IF1)	1	160h
MBA - Risk Management and Compliance	1	44h
MBA - Financial management	1	124h
Postgraduation in Reinsurance Management	1	-
Leadership Training	35	6h

THE REPORT

GRUPO AUSTRAL OUR

SG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR BUSIN DATA SECURITY

Number of employees, by functional category, in each of the following diversity categories [GRI 405-1]

	2023				2024									
Functional category	Total	Percentage	Women	Men	Below 30 years old	30 to 50 years old	Above 50 years old	Total	Percentage	Women	Men	Below 30 years old	30 to 50 years old	Above 50 years old
Director	11	7%	3	8	0	8	3	12	7%	4	8	0	10	2
Manager	25	16%	13	12	2	22	1	23	14%	10	13	1	22	0
Coordinator	12	7%	5	7	2	10	0	14	8%	9	5	3	11	0
Specialist	11	7%	5	6	5	6	0	16	9%	7	9	3	13	0
Analyst	92	57%	46	46	58	33	1	82	48%	47	35	50	31	1
Assistant	9	6%	7	2	7	2	0	11	6%	4	7	8	3	0
Trainee	0	0%	0	0	0	0	0	13	8%	6	7	13	0	0
TOTAL	160	100%	79	81	74	81	5	171	100%	87	84	66	90	3

All the figures of the GRI 405-1 indicator are in accordance with those recorded at the close of the reporting period, in December 2024.

Ratio between basic salary and remuneration received by women and those received by men for each functional category [GRI 405-2]

Director	0.94	
Manager	1.02	
Coordinator	0.89	
Specialist	0.93	N a
Analyst	0.97	ir b
Assistant	1	b p
Trainee	1	s tl

Note: Considers offices in Brazil and Colombia. The definition of mportant operating units adopted by our organization refers to the business units or departments that bolay a role in executing corporate strategies and generating value for the company.

Cases of discrimination and corrective measures taken (related to racial, sex, religious issues, political opinion, social origin, place of birth, ancestry, or other forms of discrimination involving internal and external stakeholders)

[GRI 406-1]

No cases were recorded by the company.

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk [GRI 407-1]

No operations were identified that generate a risk of violation of collective bargaining or of the workers' right to exercise freedom of association. All employees are protected by the collective bargaining agreement signed with the unions that represent insurers and reinsurers. The company respects the right to freedom of association and collective bargaining, ensuring a neutral environment free from any interference. Thus, it ensures that its employees can exercise their rights without restrictions or reprisals, offering space, if necessary, and informative materials. In addition, it maintains an open channel for dialogue with union representatives

THE REPORT

GRUPO AUSTRAL OUR O

ESG JOURNEY RISK MANAGE IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR E DATA SECURITY

whenever necessary. In relation to suppliers, in view of the low volume and low risk related to operations, which are concentrated in technology providers, risks related to the violation of workers' rights were not mapped either.

Security personnel trained in human rights policies or procedures

[GRI 410-1]

Austral does not have a contracted or outsourced property security team. In the company headquarters there is a team of security guards managed by the condominium.

Operations with significant negative impacts - actual and potential - on local communities [GRI 413-2]

The company's operations (in Brazil and Colombia) do not have negative impacts on local communities.

Political contributions [GRI 415-1]

Grupo Austral does not make any type of political contribution, whether financial or otherwise, direct or indirect. There is also no link or involvement with political parties.

Requirements for information and labeling of products and services [GRI 417-1]

AUSTRAL SEGURADORA: due to the specific nature of the segment, which involves insurance for large risks, we do not publicly disclose information about cost structure, coverage terms, exclusions and exceptions of the policy or claims payment processes. These conditions are dealt with on a case-by-case basis. Policies are prepared in line with the current regulations, containing all the required information.

AUSTRAL RESSEGURADORA: due to the nature of Austral Resseguradora's business, which does not involve the sale of products and exclusively serves other insurers with services provided through contracts between parties, this indicator does not apply.

Cases of non-compliance with information and labeling of products and services [GRI 417-2]

No cases of non-compliance with laws and/or voluntary codes were recorded in relation to information and labeling of products and services.

Cases of non-compliance with marketing communication [GRI 417-3]

There were no cases of noncompliance with laws and/or voluntary codes in relation to marketing communication, including advertising, promotion and sponsorship.

Total amount of monetary losses as a result of legal proceedings associated with the disclosure and communication of insurance product information to new and returning customers [SASB FN-IN-270a.1 (A)] Zero.

The entity shall briefly describe the nature, context and any corrective actions related to the previously quantified monetary losses

[SASB FN-IN-270a.1 (B)] Not applicable.

List of claims

[SASB FN-IN-270a.2]

There were no claims registered in the service channels.

Discussion about products or product features that encourage responsible actions or behaviors in terms of health, safety or the environment SASB FN-IN-410b.2

Currently, the company does not have any specificity in its products, clauses or differentiated prices that encourage responsible actions or behaviors in terms of health, safety or the environment.

Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2, and (3) Scope 3

[SASB FN-IN-410c.1]

Austral does not calculate financed emissions.

Gross exposure for each sector by SASB asset class FN-IN-410c.2 [SASB FN-IN-410c.2] Not applicable.

Percentage of gross exposure included in the calculation of SASB funded emissions [SASB FN-IN-410c.3] Not applicable.

Description of the methodology used to calculate financed emissions [SASB FN-IN-410c.4] Not applicable.

RISK MANAGEMENT IN PRODUCTS

RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND DATA SECURITY

Total amount of monetary losses attributable to insurance payments [SASB FN-IN-450a.2]

From modeled natural disasters	Hurricane Otis	Liquid BRL 29.6 million	
From unmodeled natural disasters	Losses in Rio Grande do Sul	Liquid BRL 33 million	

Note: amounts referring to the Reinsurer. The Insurer did not suffer losses related to modeled and unmodeled natural catastrophes.

PML (Probable Maximum Loss) of insured products due to climate-related natural catastrophes [SASB FN-IN-450a.1]

Austral Seguradora	BRL 14,600,987
Austral Resseguradora	Gross to hurricane: (1) 2% (1 in 50) = USD 24,374,021 (2) 1% (1 in 100) = USD 32,493,867 (3) 0,4% (1 in 250) = USD 44,583,801 Net to hurricane: (1) 2% (1 in 50) = USD 3,771,948 (2) 1% (1 in 100) = USD 3,162,960 0.4% (1 in 250) = USD 2,302,053

Exposure to derivative instruments by category [SASB FN-IN-550a.1]

(1) total exposure to non-centrally cleared derivatives

In both the Reinsurer and the Insurer, we do not have total exposure to non-centrally cleared derivatives.

Total fair value of securities loan collateral assets

[SASB FN-IN-550a.2] Not applicable, as the company does not

lend securities.



DURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN I RELATIONSHIPS

INNOVATION AND OUR BUDATA SECURITY



SUSEP TABLES

Summary of the information provided for in Susep Circular Notice 666, of 2022.

THE REPORT GF

AUSTRAL OUR GOVERNANG

ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN IN RELATIONSHIPS D

INNOVATION AND OUR BUS

INDICATORS ANNEX

SUSEP TABLES

GRI AND SASB CONTENT INDEX

GVR TABLE: SUSTAINABILITY RISKS GOVERNANCE

Objective: Description of the governance of sustainability risk management **Content:** Qualitative information **Frequency:** Annual

(a) Description of how the Board of Directors, executive board, officer responsible for internal controls and risk committee act to supervise sustainability risks.

Sustainability risk is part of the framework of Grupo Austral's risk management structure. The following agents act in the supervision of all categories of risks of the company, including sustainability risk, as described:

1. Board of Directors: is responsible for continuously monitoring and validating the risk management structure, assessing any need for adaptation to improve procedures. It receives, directly or through the ancillary committees, the report of the activities carried out by the Risk Department and the Internal Audit area, to be evaluated within the scope of the risk management process, including sustainability risk. It approves and formalizes Grupo Austral's risk appetite and the respective guidelines that involve the alignment between sustainability risk and the company's strategy.

2. Executive Board: must continuously monitor the company's exposure to risks and evaluate the results of the tools adopted in risk management. The Executive Board functions as an intermediary between the tactical and operational levels. It approves methodologies, execution standards, control methods and other specific plans for the management of sustainability risk, and implements procedures related to the activities under its responsibility. Strategically supervises the Risk Management process, as well as compliance with its guidelines.

3. Officer responsible for internal controls: the director responsible for internal controls is in charge of the direct supervision and operationalization of the entire risk management structure in order to comply with the requirements defined by the Board of Directors and the Executive Board, in addition to carrying out a continuous process of monitoring and improving activities related to risk management. It monitors the risk profile and levels of exposure to the sustainability risk, verifying its alignment with risk appetite; monitors Grupo Austral's risk matrix and strategically assists in the identification of risks, including sustainability risks; monitors the implementation of action plans or corrective measures in relation to risk management, including sustainability risk.

4. Risk Committee: monitors risk appetite and tolerance, including sustainability risk, seeking alignment with the company's strategy and capital management; evaluates the appropriate risk management strategies, including sustainability risk, in order to ensure compliance with the established levels of appetite and risk tolerance; analyzes, monitors and recommends improvements in the risk management structure. (b) Description of the role of the Board of Directors, Executive Board, Officer Responsible for Internal Controls and Risk Committee in the management of sustainability risks.

The following bodies and those responsible perform complementary roles, within the scope of each one, to ensure that risk management is aligned with the company's strategic objectives and regulatory requirements.

1. Board of Directors: promotes the dissemination of the sustainability topic among employees and other stakeholders; ensures its alignment with the company's strategic objectives; ensures its compatibility and integration with the Risk Management Framework; ensures that business is being conducted in line with sustainability actions and guidelines; and ensures that the metrics defined for performance evaluation and compensation structure do not encourage behaviors that are incompatible with sustainability guidelines.

2. Executive Board: implements criteria and procedures that consider the sustainability risk within the activities of its management; ensures that the conduct of the business and activities under its responsibility are in line with sustainability guidelines; and promotes the dissemination of the sustainability topic among

THE REPORT

JPO AUSTRAL OUR GOVERNANCE

G JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS INNOVATION AND OUR BUSINES

SS INDICATORS ANI

employees and other stakeholders. Also on the Executive Board, the company established an Executive Sustainability Committee to assist Grupo Austral in the implementation, compliance and monitoring the results of evaluations related to the strategic pillars of sustainability.

3. Officer Responsible for Internal Controls: implements criteria and procedures that consider sustainability risk for the selection of suppliers and service providers; ensures that the conduct of the business and activities under its responsibility are in line with sustainability guidelines; promotes the dissemination of the sustainability topic among employees and other stakeholders; evaluates and ensures the compatibility and integration of the Sustainability Policy with the Risk Management Framework and the Internal Control System.

4. Risk Committee: analyzes, proposes and discusses procedures, tools and methodologies for measuring and managing risks, including sustainability risk; assists in strategic decision-making processes related to sustainability risk; evaluates the effectiveness of the risk management structure, especially with regard to compliance with risk appetite and the Risk Management Policy, and its complementary policies, such as Sustainability, and the

performance of the officer responsible for internal controls and the areas subordinate to him with regard to sustainability risk management.

(c) Description of the instances at the strategic, tactical and operational levels and their responsibilities in supporting the Board of Directors, Executive Board, officer responsible for Internal Controls and Risk Committee in the management and supervision of sustainability risks.

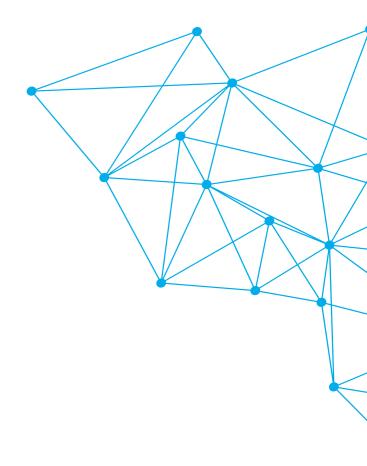
As detailed in items (a) and (b), the **Board of Directors** acts at the strategic level, defining the guidelines for managing sustainability risk and appetite, so that these are consistent with the company's strategic objectives. The Board has the assistance of the Risk Committee to make these definitions and monitor the structure adopted.

At the tactical level, the **Executive Board** is responsible for ensuring the conduct of the business under its responsibility, in line with definitions in the sustainability risk management strategy, through the implementation of criteria and procedures that take into account sustainability aspects and the promotion of the topic among employees. The **Risk Director**, in addition to the responsibilities mentioned above as a member of the Executive Board, assists other officers in defining criteria and procedures, evaluates and ensures that they act in accordance with the sustainability guidelines and the integration of these guidelines to the Internal Control System and the Risk Management Structure.

Also at the tactical level, the company has an **Executive Sustainability Committee**, which aims to evaluate and guide the implementation of actions and commitments assumed in relation to the sustainability topic, besides monitoring the adequacy of the actions implemented and the results of established sustainability goals and indicators.

At the operational level, the **Risk Department** acts in the identification and assessment of sustainability risks and assists other areas in preparing and evaluating processes to be used in the management of risks related to the topic. The **Compliance Department** evaluates the effectiveness and adequacy of the actions adopted by other areas.

These other areas are responsible for managing the risks and controls of the Group, acting as executors of the actions established at the tactical level, in addition to assisting in the monitoring and identification of new risks, within each field of activity. We can mention as the main areas of Grupo Austral, in view of the established material topics, the departments of Underwriting, Claims, Analytics, Investments, Commercial and Technology.



HE REPORT

GRUPO AUSTRAL OUR G

SG JOURNEY RISK MANAGEMENT IN PRODUCTS

RESPONSIBILITY IN I

INNOVATION AND OUR BUDATA SECURITY

SS INDICATORS AI

EST TABLE: STRATEGIES ASSOCIATED WITH SUSTAINABILITY RISKS

Objective: Identification and description of the actual and potential impacts of sustainability risks on the institution's business, strategies and risk management **Content:** Qualitative information **Frequency:** Annual

a) Description of sustainability risks that have the potential to generate material losses in the short, medium and long terms. Divide into (a.1) for climate risk events and (a.2) for other sustainability risks, or divide into (a.1) for climate risk events, (a.2) for environmental risk events and (a.3) for social risk events. Indicate the time criteria adopted to define the different time horizons (short, medium and long term).

The mapped sustainability risks are detailed in Sustainability-Related Risks and Opportunities.

After defining the material topics based on the materiality study, a correlation of these topics was carried out with the taxonomy of the risk matrix adopted by the company.

From this process, Grupo Austral identified the risks with a potential to generate relevant losses to the operation. All are related to the material topic Incorporation of sustainability risks in underwriting. The following risks can be materialized, have their frequency or severity aggravated by the occurrence of climatic, environmental and social events:

GREATER IMPACT IN THE LONG TERM:

- Variance in market share.
- Changes in current legislation that impact the business environment.

GREATER IMPACT IN THE SHORT AND MEDIUM TERMS:

- Variation in the expected loss of the portfolio beyond the company's estimates.
- Variation of results in view of the company's goals, plans and/or strategies.
- Exposure to the buildup of unknown risks.
- External events, such as environmental disasters, that impact business continuity.

In view of the exposure time of our contracts, it was considered as long-term 5 years, medium-term 3 years and short-term 1 year.

Based on: (i) the list of restrictions and reputational risk previously defined by Grupo Austral, based on the principles of one of its shareholders, the IFC; (ii) the PSI (Principles for Sustainability in Insurance) ESG Guide for Property and Casualty Insurers; and (iii) in the MSCI ESG Research (GICS – Global Industry Classification Standard), the sustainability risk factors to be evaluated within the underwriting process and its heatmap were defined. This analysis was carried out for each of Austral Seguradora's portfolios (Surety, Financial Lines and Energy) and for Austral Resseguradora's portfolio of optional contracts.

(a.1) Climate Risks

PHYSICAL RISKS: vulnerability to catastrophic events, forest fires, extreme precipitation, flooding, windstorm, tropical cyclones, sea level rise, water stress.

TRANSITION RISKS: air pollution, a significant source of greenhouse gas emissions and transition risks.

(a.2) Environmental Risks

ENVIRONMENTAL DEGRADATION:

- Risks derived from mining practices mountaintop moving, dumping of rejects into rivers, deep-sea mining and waste generation.
- Deforestation or clearance of areas, whether protected or not – impact on local fauna and flora, on the natural habitat of endangered species, which may even generate risk to the health or safety of neighboring communities and negative impacts on cultural resources (e.g., palm oil extraction in peatlands or fragile slopes, illegal logging, loss of biodiversity, construction of dams, impact on archaeological and historical resources, etc.).

GOVERNANCE ESG JOUR

RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN INNOVATION AN RELATIONSHIPS DATA SECURITY

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S INDICATORS ANN

- Soil pollution or pollution of water resources and impact on marine life.
- Excessive water consumption.
- Excessive consumption of non-renewable resource in production and/or plastic pollution or excessive waste generation.

ANIMAL WELFARE:

• Testing on animals or precarious animal living conditions, transport in precarious conditions or for an excessive time, not using stress reduction techniques in management.

(a.3) Social Risk

HUMAN RIGHTS:

- Questionable practices in labor terms health and safety misconduct, violation of labor rights, labor conflicts, abuse of human rights.
- Child labour, forced labour, human trafficking etc.
- Potential negative impacts on indigenous or native communities – forced resettlement, including land/water rights for native peoples, land grabbing.

UNETHICAL CONDUCT:

• Illegal and unethical payments, bribery, corruption, unethical tax approach, anticompetitive practices.

 Safety and quality of deficient products or products that have a negative impact on the health and safety of consumers.

In view of the study carried out and the methodology adopted, we understand that all the risks listed here have an impact on the company in the short, medium and long terms, although at different intensities in these time horizons.

(b) description of the methodology used to assess the possibility of losses generated by sustainability risks.

Insurer

In order to constantly monitor the topic, the company analyzed the percentage of underwriting risk - a risk category where the topic was considered material - that could be influenced by sustainability issues. Considering a random sample of the portfolio proportional to last year's emissions, the maximum impact of sustainability risk was calculated, based on the company's internal capital model. The evaluation was conducted by the responsible underwriters, in view of their knowledge of the topic and the business, and taking into account sustainability parameters determined as material. Thus, based on this study, it was concluded that, in the current context, according to our products' profile and the information available

on the subject, events related to climate risk do not have a significant impact on our results, leaving only a low impact on the environmental and social categories. Therefore, we justify the decision not to incorporate new assumptions into our quantitative risk measurement methodology, given the lack of sufficient data to quantify this impact and possible projections.

Reinsurer

Within the scope of the Reinsurer, the study was applied only to the optional reinsurance portion of the portfolio. The analyses carried out concluded that, in the current scenario, taking into account the profile of our portfolios and the information available on the subject, the impact of events associated with sustainability risks are only material for:

(i) the Catastrophe portfolio, for which we already have a mature quantitative methodology defined; and (ii) the Agribusiness portfolio, which, based on an analysis analogous to the one we are doing now, it was decided to discontinue, given our risk appetite. The exposure to catastrophic risks of the Reinsurer's portfolio is limited, based on a maximum <u>PML (Probable Maximum Loss)</u> study and compatible with the contracted retrocession protection. Austral Reinsurer has a catastrophic risk modeling tool, making the underwriting of this type of risk more mature, given its complexity and impact. Climate risk is a direct impact factor in this type of business, and therefore the company measures, based on hurricane models, its exposure to this risk. Therefore, we base ourselves in the non-existence of new assumptions to be incorporated into our quantitative risk measurement methodologies, especially in underwriting risk. We will continue paying attention to the topic for future analyses, as the company's strategic scenario changes, as well as the market as a whole.

(c) Description of the way how the impacts of the risks mentioned in item (a) are considered on the institution's business and strategies, detailing the time horizon considered and the criteria adopted in prioritizing the risks assessed.

The chapter <u>Incorporation of Sustainability Risks</u> <u>in Underwriting</u> provides a detail of how Grupo Austral has sought to adjust its business to mitigate the impacts of risks on the organization.

Reinsurer

The methodology defined below will be applied only to cases of facultative reinsurance. For automatic contracts, in view of the characteristics of the business, this type of analysis is not feasible and applicable, since in the reinsurer's view the client is the Insurer,

REPORT GRU

OVERNANCE ESG JOU

RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN RELATIONSHIPS

INNOVATION AND OUR BUSINE

which must take into account for its risk underwriting the same principles and risks that are the subject of this report. Therefore, the analysis of the transferor alone, as part of the underwriting process, is considered sufficient. The company continues to study other ways to contemplate the analysis of these factors in the case of underwriting automatic reinsurance contracts.

The risk assessment of the factors enrolled. set out in item (a), may be classified as "high", "low" or "not applicable". In this scenario, the underwriter takes into account how each of the factors impacts their portfolio.

Insurer

The risk assessment of the list of factors, set out in item (a) may be classified as "high", "low" or "not applicable".

FINANCIAL LINES: the heatmap takes into account the economy sectors applicable to each of Austral Seguradora's lines of action, thus generating a heatmap containing the ESG risk factors x Market Sectors. In this scenario, the underwriter takes into account, within their analysis, how each of the enrolled factors impacts the economic sector,

which is the object of the risk analysis, within this branch's context. From the classification as high risk, a different procedure is unfolded, explained to the competent authority, which may request additional information, change the business conditions and/or monitoring, when deemed necessary.

OTHER BRANCHES: for the other branches. it is understood that the risk classification of the subscribed object does not depend on the market sector of the insured. Therefore. a heatmap was generated for each of the business lines considering ESG risk factors within that branch's context. In other words, for any business acceptance made within that field there are social and environmental factors that should always be considered in the underwriting analysis. They are mapped and are part of the subscribers' qualitative evaluation. As a way of evidencing this analysis, the sustainability factor is added within the opinion sent to the authority, demonstrating that the analysis was contemplated.

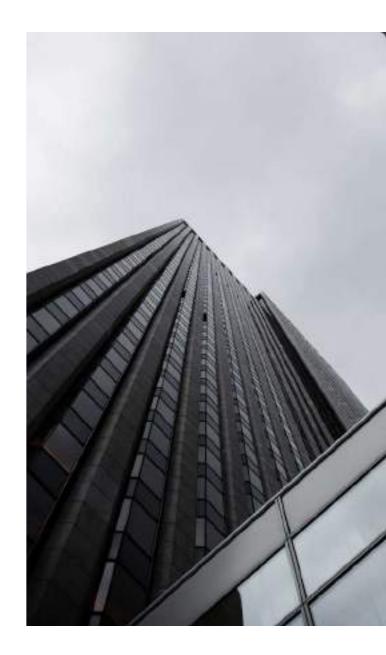
For more details on the time horizon considered and the criteria adopted in prioritizing the assessed risks, see items (a) and (b).

(d) Description of the organization's strategy resilience, considering its capacity to adapt to changes in weather patterns and the transition to a low-carbon economy.

Based on the analyses and studies carried out in relation to the sustainability risk, Grupo Austral has defined some restrictions and limits on its operations, in order to maintain its exposure to this type of risk, within the level of appetite defined as adequate. Products worked on by the Insurer and the Reinsurer have specific exclusion clauses, which limit exposure to social and environmental risk, linked to each type of product.

Austral is positioned to assure its leadership in the energy sector, even in the face of significant market shifts towards a low-carbon economy. The goal is to be a strategic partner for customers most impacted by changes, involving a transition to cleaner and more sustainable energies. As part of the energy transition strategy, Austral supports clean energy projects. The company seeks to monitor and maintain an adequate level of clean energy projects in its portfolios for diversification and to contribute to a low-carbon economy.

See more information in Energy transition.



GRUPO AUSTRAL

IN PRODUCTS

RISK MANAGEMENT

DATA SECURITY

GER TABLE: STRATEGIES ASSOCIATED WITH SUSTAINABILITY RISK

Objective: Description of the processes used to identify, evaluate, classify and measure sustainability risks

Content: Qualitative information

Frequency: Annual

(a) Description of the processes used to identify, assess, classify and measure sustainability risks.

After defining the material topics based on the materiality study, a correlation of these topics was carried out for the taxonomy of the risk matrix adopted by the company.

Grupo Austral carried out a Materiality Study as a basis for building the company's ESG Strategy, aiming at the compatibility of sustainability actions related to the company's complexity and context. The description of the procedures used to carry out this study can be found in the <u>Strategy and Materiality</u> chapter of the report. After defining the material topics based on the materiality study described in the previous chapter, a correlation analysis of these topics was carried out for the taxonomy of the risk matrix adopted by the company. The table can be found in the subchapter <u>Risks and Opportunities</u> <u>Related to Sustainability</u>.

The assessment of the mapped risks is carried out considering different pillars of impact x probability, following the COSO methodology. To obtain the residual risk, the effective mitigation of controls is observed, after effectiveness tests and internal audit.

(b) Description of the sustainability risk management processes, highlighting their treatment, monitoring and reporting.

Sustainability risk is part of Grupo Austral's risk management structure, along with all categories. The treatment given is proportionate to the risk level identified.

Procedures are detailed in the <u>Risk Management</u> chapter.

The main steps of this process will be described below:

Control Environment

The company's internal environment, where risk management is developed. Key points include: (i) definition of roles and responsibilities; (ii) definition of appetite aligned with strategic objectives; (iii) actions to develop an organizational culture of risk.

Risk Assessment

Covers all stages of risk identification, analysis and assessment. The identification of occurrences that may adversely impact the company's objectives can be carried out in several ways, among which the following stand out: (i) monitoring the adequacy of controls carried out by the compliance area; (ii) conducting periodic internal audits; (iii) communications made by employees; (iv) alerts issued by monitoring systems; (v) customer contacts reporting a problem with their products or services; (vi) complaints made through the external channel for this purpose; (vii) analysis of scenario changes; (viii) monitoring of risk indicators, etc.

Control Activities

In this stage, the best treatment/response to each identified risk is analyzed, observing the entire strategic framework already mentioned. For sustainability risk, a roadmap was defined establishing general actions for the internal management of material topics, in addition to specific measures for the development of each of them.

Monitoring

Monitoring aims to ensure a process of continuous review of the risk assessment results, following up on the less efficient points and observing the appearance of emerging risks not previously observed. The definition of monitoring indicators and action plans is done with the Working Groups and the Executive Sustainability Committee.

HE REPORT GF

GRUPO AUSTRAL OUR GOVERNANCE

JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN INNOVATION AN RELATIONSHIPS DATA SECURITY

INNOVATION AND OUR BUSINESS

Information and Communication

The results of these risk analyses and measurements should be continuously evaluated and communicated to key employees and reported according to the roles and responsibilities of each person involved in risk management, as detailed in the governance table (GVR).

(c) Description of the mechanisms used to establish limits for concentration in economic sectors, geographic regions, products or services most likely to suffer or cause impacts on sustainability.

As described in item (c) of the EST Table, Grupo Austral has defined a list of activity restrictions that are not supported by the company, in view of being linked to products or services more likely to suffer or cause impacts on sustainability, as listed below:

a) Production or trade of any product that is (i) considered illegal under the laws of the host country, regulations or conventions and agreements; (ii) subject to international bans - such as pharmaceuticals, pesticides/ herbicides, ozone-depleting substances, wildlife trade, or products regulated by

CITES (Convention on International Trade in Endangered Species of Fauna and Flora);

- b) Production or activities that involve damage or forms of exploitation of child labour or forced labour;
- c) Forced labor (all non-voluntary work or service. which is extracted from an individual under threat of force or punishment);
- d) Child labor that is harmful to their health. physical, mental, spiritual, moral or social development;
- e) Production or trade of radioactive materials. This does not apply to the purchase of medical, quality control (measurement) and/or adequately protected equipment;
- f) Production or trade of arms and ammunition;
- g) Production or trade of alcoholic beverages (except beer and wine);
- h) Production or trade of tobacco;
- i) Gambling, casino and similar companies;
- i) Production or trade in asbestos fibers. This does not apply to the purchase and use of asbestos in mixtures where the asbestos content is below 20%:
- k) Fishing with trawler-type nets (more than 2.5 km long) in the marine environment;

- l) Activities that commercially exploit in primary tropical moist forests; or
- m) Production of and trade in timber or other forest products that are not sustainably managed.

At Austral Resseguradora, exposure to catastrophic risks is limited, based on a probable maximum loss (PML) study and compatible with the contracted retrocession protection, and is segregated by region of operation.

At Austral Seguradora, in view of the measurement carried out, as described in item (c) of the EST Table, and based on the company's internal capital model - a low impact was found for the Insurer's lines of action - quantitative exposure limits were not defined.

The definition of the company's risk appetite takes into account the impacts of sustainability risk on products, services or regions, so that its operating strategy can be defined.

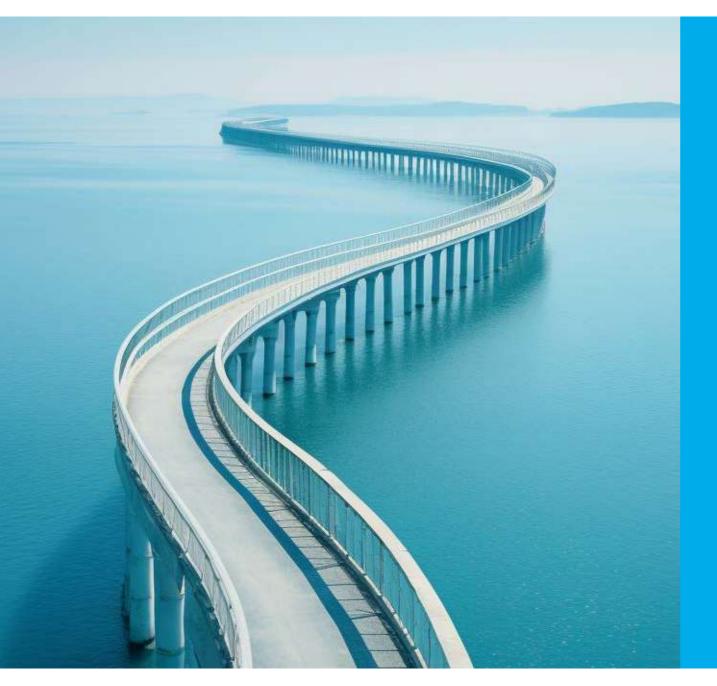
(d) Description of the way how processes used to identify, assess, classify, address, monitor and report sustainability risks are integrated into the management of underwriting, credit, market, liquidity and operational risks.

According to the process described in item (b), sustainability risk is part of the EGR and is listed as a factor in the main categories: underwriting, credit, market, liquidity, and operational. Within the assessment and definition of responses to these risks, sustainability factors are taken into account, as described and explained in item (a) of the table. An analysis was carried out within each material topic, pointing out how sustainability factors impact the risks of the matrix's other categories.

RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS

DATA SECURITY



GRI AND SASB CONTENT INDEX

THE REPORT GR

OUR GOVERNANCE ESG

RISK MANAGEMENT RESPONSIBILITY IN IN PRODUCTS RELATIONSHIPS INNOVATION AND

UR BUSINESS

INDICATORS ANNEX SUSEP

GRI CONTENT INDEX

Austral has reported in accordance with Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) for the period 01/01/2024 a 12/31/2024.

GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			
GRI STANDARD	DISCLOSORE	LUCATION	DISCLOSURE	REASON		
	GENERAL DI	SCLOSURES				
	2-1 Organizational details	7, 8, 12				
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4				
	2-4 Restatements of information	60				
	2-5 External assurance	60				
	2-6 Activities, value chain and other business relationships	7, 8				
	2-7 Employees	48				
GRI 2: GENERAL	2-8 Workers who are not employees	48				
DISCLOSURES 2021	2-9 Governance structure and composition	13 a 17				
	2-10 Nomination and selection of the highest governance body	14, 15				
	2-11 Chair of the highest governance body	14				
	2-12 Role of the highest governance body in overseeing the management of impacts	14, 36	С	Every year, the risk management team presents a report to the Board and advisory committees with the outcomes of the impact management process. Based on this report, the Board can suggest improvements to the Risk Management Framework to ensure compliance.		
	2-13 Delegation of responsibility for managing impacts	15, 66				

THE REPORT GRUPO AUSTRAL

OUR GOVERNANCE ESG JOURNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN INNOVATION AND RELATIONSHIPS DATA SECURITY

INNOVATION AND OUR BUSINESS

INDICATORS ANNEX

SUSEP TABLES

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			
GRI STANDARD	DISCLOSORE	LOCATION	DISCLOSURE	REASON		
	2-14 Role of the highest governance body in sustainability reporting	4				
	2-15 Conflicts of interest	37				
	2-16 Communication of critical concerns	37				
	2-17 Collective knowledge of the highest governance body	20				
	2-18 Evaluation of the performance of the highest governance body	16, 17	А	The Board of Directors is not evaluated; only the Executive Board is, as explained in the Our Governance chapter.		
	2-19 Remuneration policies	45	A.V.	Does not offer retirement benefits.		
	2-20 Process to determine remuneration	45				
GRI 2:	2-21 Annual total compensation ratio	60				
GENERAL	2-22 Statement on sustainable development strategy	5				
DISCLOSURES 2021	2-23 Policy commitments	35, 36				
	2-24 Embedding policy commitments	35, 38, 39				
	2-25 Processes to remediate negative impacts	37	D and E	External stakeholders did not participate in the design, review, operation, and improvement of the Whistleblower Channel. An investigated report led to a dismissal in 2024.		
	2-26 Mechanisms for seeking advice and raising concerns	37				
	2-27 Compliance with laws and regulations	60				
	2-28 Membership associations	7				
	2-29 Approach to stakeholder engagement	20, 21, 22, 34 a 51				
	2-30 Collective bargaining agreements	60				

THE REPORT GRUPO AUSTRAL

OUR GOVERNANCE ESG JOURNEY RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS DATA SECURITY

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			
			DISCLOSURE	REASON		
MATERIAL TOPICS						
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	20				
	3-2 List of material topics	21, 22				
TRANSPARENCY, INTEGRITY AND ETHICS IN STAKEHOLDER RELATIONSHIPS						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	34 a 51				
GRI 201:	201-1 Direct economic value generated and distributed	57				
ECONOMIC PERFORMANCE 2016	201-4 Financial assistance received from government	57				
GRI 205: ANTI-	205-1 Operations assessed for risks related to corruption	60				
CORRUPTION	205-2 Communication and training about anti-corruption policies and procedures	36				
2016	205-3 Confirmed incidents of corruption and actions taken	60				
GRI 206: ANTI- COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	60				
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	62				
	417-1 Requirements for product and service information and labeling	62				
GRI 417: MARKETING AND LABELING 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	62				
	417-3 Incidents of non-compliance concerning marketing communications	62				
INFORMATION SECURITY AND BUSINESS CONTINUITY						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	55				

THE REPORT GRUPO AUSTRAL

OUR GOVERNANCE ESG JOURNEY

IN PRODUCTS

RISK MANAGEMENT RELATIONSHIPS

DATA SECURITY

-0

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION			
			DISCLOSURE	REASON		
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	55				
TECHNOLOGICAL IN	CHNOLOGICAL INNOVATION AND DIGITALIZATION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	53, 54				
INCORPORATION O	NCORPORATION OF SOCIAL AND ENVIRONMENTAL RISKS IN UNDERWRITING					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	30, 31				
GRI 201: ECONOMIC PERFORMANCE 2016	201-2 Financial implications and other risks and opportunities due to climate change	28, 30, 31, 58, 67				
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	30				
ENERGY TRANSITIO	N					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	32				
ATTRACTION AND R	ETENTION			·		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	41 to 46				
	404-1 Average hours of training per year per employee	43, 44				
GRI 404: TRAINING AND	404-2 Programs for upgrading employee skills and transition assistance programs	43, 44, 60				
EDUCATION 2016	404-3 Percentage of employees receiving regular performance and career development reviews	43, 44				

THE REPORT GRUPO AUSTRAL OUR GOVERNANCE ESG JOURNEY

RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS DATA SECURITY

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			DISCLOSURE	REASON	
GRI 201: ECONOMIC PERFORMANCE 2016	201-3 Defined benefit plan obligations and other retirement plans	60			
	401-1 New employee hires and employee turnover	43			
GRI 401: EMPLOYMENT 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	45			
	401-3 Parental leave	45, 46			
GRI 402: LABOR/ MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	60			
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	61			
DIVERSITY AND IN	CLUSION				
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	47 a 49			
GRI 202: MARKET	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	60			
PRESENCE 2016	202-2 Proportion of senior management hired from the local community	16			
GRI 405:	405-1 Diversity of governance bodies and employees	18, 48, 61			
DIVERSITY AND EQUAL OPPORTUNITY 2016	405-2 Ratio of basic salary and remuneration of women to men	61			

THE REPORT GRUPO AUSTRAL OUR GOVERNANCE ESG JOURNEY

RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS

DATA SECURITY

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			DISCLOSURE	REASON	
GRI 406: NON- DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	61			
SOCIAL RESPONSI	BILITY				
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	50, 51			
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	50, 51			
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	38			
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	38			
GRI 410: SECURITY PRACTICES 2016	410-1 Security personnel trained in human rights policies or procedures	62			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	50, 51			
	413-2 Operations with significant actual and potential negative impacts on local communities	62			

THE REPORT GRUPO AUSTRAL

OUR GOVERNANCE ESG JOURNEY

IN PRODUCTS

RISK MANAGEMENT RELATIONSHIPS

DATA SECURITY

SASB - INSURANCE

ТОРІС	ACCOUNTING METRIC	CODE	GRI CONNECTION	LOCATION
TRANSPARENT	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers.	FN-IN-270a.1		62
INFORMATION & FAIR ADVICE FOR	Complaints-to-claims ratio.	FN-IN-270a.2		62
CUSTOMERS	Customer retention rate.	FN-IN-270a.3		39
	Description of approach to informing customers about products.	FN-IN-270a.4		40
INCORPORATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS IN INVESTMENT MANAGEMENT	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment management processes and strategies.	FN-IN-410a.2		57
POLICIES DESIGNED	Net premiums written related to energy efficiency and low carbon technology.	FN-IN-410b.1		32
TO INCENTIVISE RESPONSIBLE BEHAVIOUR	Discussion of products or product features that incentivise health, safety or environmentally responsible actions or behaviours.	FN-IN-410b.2		62
	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3.	FN-IN-410c.1		
FINANCED EMISSIONS	Gross exposure for each industry by asset class.	FN-IN-410c.2		62
EMISSIONS	Percentage of gross exposure included in the financed emissions calculation.	FN-IN-410c.3		
	Description of the methodology used to calculate financed emissions.	FN-IN-410c.4		

THE REPORT GRUPO AUSTRAL

OUR GOVERNANCE ESG JOURNEY

RNEY RISK MANAGEMENT IN PRODUCTS RESPONSIBILITY IN INNOVATION AND RELATIONSHIPS DATA SECURITY

INNOVATION AND OUR BUSINESS

INDICATORS ANNEX

ТОРІС	ACCOUNTING METRIC	CODE	GRI CONNECTION	LOCATION
	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes.	FN-IN-450a.1		63
PHYSICAL RISK EXPOSURE	Total amount of monetary losses attributable to insurance pay-outs from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographical segment (net and gross of reinsurance).	FN-IN-450a.2		57, 63
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of entity-level risks and capital adequacy.	FN-IN-450a.3		23, 24, 26, 30, 31
SYSTEMIC RISK	Exposure to derivative instruments by category: (1) total exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with a central clearinghouse, and (3) total exposure to centrally cleared derivatives.	FN-IN-550a.1		63
MANAGEMENT	Total fair value of securities lending collateral assets.	FN-IN-550a.2		63
	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities.	FN-IN-550a.3		24
ACTIVITY METRICS	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance.	FN-IN-000.A		8
METRICS	Number of policies in force, by product line.			

THE REPORT GRUPO AUSTRAL

OUR GOVERNANCE ESG JOURNEY RISK MANAGEMENT IN PRODUCTS

RELATIONSHIPS

DATA SECURITY

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GENERAL COORDINATION
Department of Governance, Risks and Compliance

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