

A close-up photograph of a bee on a white flower in a green field. The background is blurred, showing more greenery and flowers. The text 'BRIT' is overlaid in the top right, and 'ClimateWise - submission 2025' is overlaid in a purple banner across the middle.

BRIT

writing the future

ClimateWise - submission 2025

writing the future, responsibly - Brit's ESG statement



At Brit, we aim to write the future responsibly. We're committed to having a positive impact on the planet and society - both inside and outside of our organisation - and actively **support our clients, stakeholders, investors and people through our ESG strategy and principles.**

Our ESG strategy is built on four core pillars that guide our efforts to ensure the long-term sustainability of our business:

- Reducing our environmental footprint
- Enabling transition
- Responsible product deployment
- An inclusive culture for our people.

Our ESG strategy is aligned to our overall strategic focus and goals.

We're committed to being a responsible business - developing products to reflect that we are **accessible, inclusive** and **sustainable**. Our ESG approach focuses on reducing adverse impacts on the planet, while mitigating risks from unsustainable external environmental, social and governance practices.

- We aim to be an active participant in providing insurance for clean energies.
- We expect our customers in carbon intensive industries to have clear and measurable transition plans.
- We also aim to be honest and transparent: we won't get everything right, nor will we achieve all our goals tomorrow, but our intention is always to do our best, measure ourselves against our pillars regularly and to always go beyond industry-set targets.



Our ESG strategy is made up of four pillars:

- 1 Reducing our environmental footprint:** We address climate change by controlling and reducing our carbon emissions through our operations and procurement, and by ensuring awareness across our team.
- 2 Enabling the net zero transition:** We support our clients in their climate transition, aiming to have a positive impact on society and the planet through our underwriting and investment decisions.
- 3 Responsible product deployment:** We understand how our products can have a positive impact on society and the planet. We're also responsible for how we go to market and conduct our business.

- 4 An inclusive culture for our people:** We deliver our vision through our people, with a strong focus on leading the industry towards an equitable, inclusive and diverse culture.

We're committed to responsible business practices. Our ESG Committee, made up of individuals from across the business, oversees our approach and reports directly to our Executive Committee.

We recognise that we're most effective by acting alongside others in our industry, which is why we're active members of ClimateWise, taking part in ESG initiatives within the Lloyd's market and the Fairfax group.

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42 2 Engaging Stakeholders

43 **2.1** Manage and seek to reduce the environmental impacts of the internal operations and physical assets under our control.

46 **2.2** Engage our employees on our commitment to address climate change and nature, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate and nature-informed choices outside work.

50 **2.3** Understand and disclose the sources of emissions and adverse climate and nature-related impacts on our value chain, that might in turn impact our business.

52 **2.4** Advocate and engage across the supply chain to encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business.

continued

- 54 2.5** Support and undertake research and development to inform current business strategies, develop new products, and help support and incentivise our customers and stakeholders, including affected communities, in adapting to and mitigating climate and nature-related issues.
- 57 2.6** Promote and actively engage in public debate on climate and nature-related issues and the need for action by publicly communicating our beliefs and strategy on climate and nature-related issues and providing support and tools to our customers/clients so that they can assess their levels of risk.
- 60 2.7** Where appropriate, work with policy makers and share our research with scientists, society, business, governments and NGOs to advance a common interest.
- 62 3 Enabling Transition**
- 63 3.1** Integrate consideration of climate and nature-related risks and opportunities into investment strategies and decision-making.
- 67 3.2** Take action to manage the implications of climate and nature-related risks and opportunities on, and of, our investments.
- 70 3.3** Develop and use models to incorporate climate and nature-related issues and describe how the outputs of the models inform our underwriting decisions.
- 74 3.4** Incorporate clauses in our insurance policies' terms and conditions that incentivise the reduction of exposure to climate and nature-related issues of the insured structures through pricing of policies.
- 75 3.5** Disclose our climate and nature-related transition plans and the objectives, priorities and commitments we are looking to address.
- 76 3.6** Describe how the transition plan is overseen, resourced and implemented.
- 77 4 Disclosing Effectively**
- 78 4.1** Measure and disclose the impacts and potential impacts on our business of material climate and nature-related risks and opportunities, including the results of the resilience analysis.
- 80 4.2** Disclose the metrics used to measure and manage our contribution to climate and nature-related risks, and targets used for monitoring progress.
- 83 4.3** Maintain and enhance a robust reporting regime, processes and internal controls over climate-related disclosures to avoid material errors or material misstatements.
- 84 4.4** Annual submission against the ClimateWise Principles.
- 85 4.5** Annual public disclosure of the climate-related disclosures including ClimateWise Principles as part of annual reporting.
- 86 4.6** Ensure reports are easy to understand, accurate, prudently and neutrally presented, well-explained and allow organisations to be held to account.

introduction



Brit is a leading global specialty insurer and reinsurer focused on underwriting complex risks.

We have a long and successful track record of leading an extensive range of insurance and reinsurance programmes, based on rigorous risk selection and a disciplined approach to underwriting. This expertise is driven by our people: we hire the best talent and develop their skills so they can grow with us as a business. By combining technical expertise with industry knowledge, we listen, we share, and we collaborate – to create best-in-class insurance solutions for our clients.

We are one of the largest businesses that trades primarily on the Lloyd’s of London platform – the world’s leading specialist commercial insurance market. We provide highly specialised insurance products to support our clients across a broad range of complex risks, underpinned by our strong underwriting and claims expertise.

Our capabilities and ambition are underpinned by our strong financial position. Our business is underwritten primarily through our wholly-aligned Lloyd’s Syndicate 2987 and the partly-aligned Lloyd’s Syndicate 2988, which benefit from:

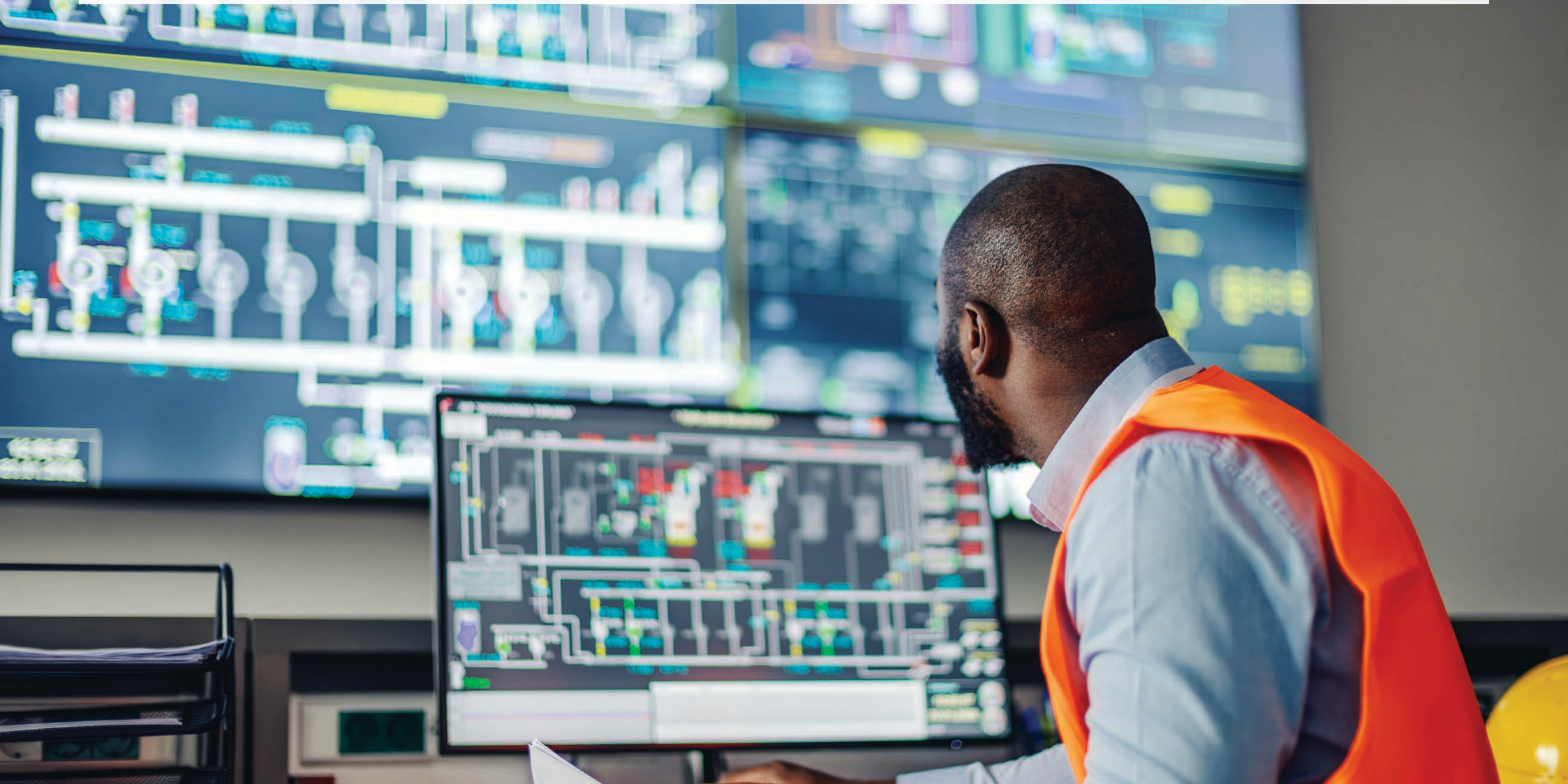
- Lloyd’s ratings of A+ (Superior) from A.M. Best
- AA- (Very Strong) from Fitch
- AA- (Very Strong) from Standard & Poor’s.

Fairfax, a Canadian financial holding company based in Toronto, purchased a majority stake in Brit in 2015, and since the end of 2024 has owned 100% of Brit. We believe that Fairfax is an excellent parent for Brit, enabling us to enhance our global product offering. On 31 December 2024, we had capital resources equal to 153.0% of the management capital requirement needed to support our business (reported on an IRFS17 basis) and Fairfax has supported our continued capital strength, allowing us to take advantage of business opportunities as they arise. Our capital strength provides the flexibility to allow us to cope with major losses while not deviating from our commitment to fund profitable expansion and to provide attractive returns.

With a large and diverse portfolio, we underwrite primarily through our Syndicates 2987 and 2988. We have a long and successful track record of leading an extensive range of insurance and reinsurance programmes, based on rigorous risk selection and a disciplined approach to underwriting. At the end of 2024, Ki, which was incubated and launched by Brit in 2020, began to operate as a standalone company within the Fairfax Group. As such, our ClimateWise report no longer includes Ki¹.

¹ Please note that historic data presented in this report will be inclusive of Ki.

1 steering transition



Accountability flows through every part of Brit when it comes to climate change, its potential risks, and opportunities.

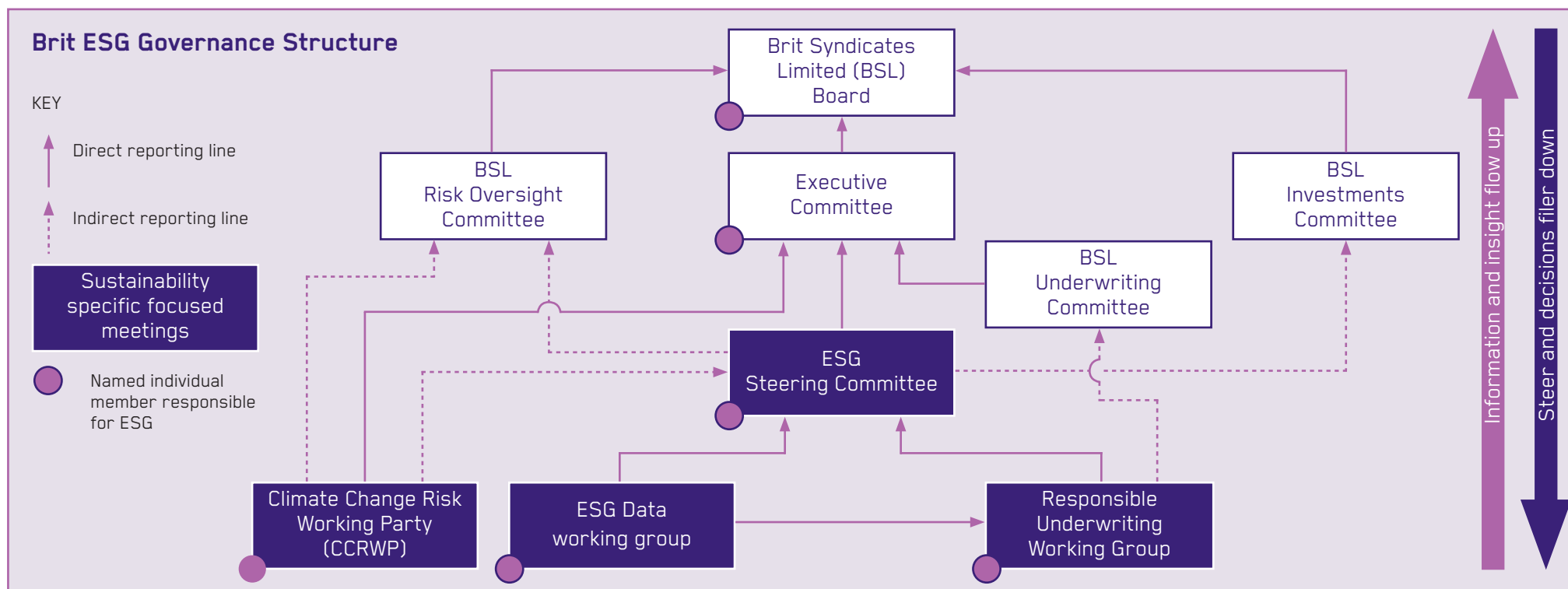


Ensure that our board has oversight of climate and nature-related risk, and opportunity management – including any transition plans.

Accountability flows through every part of Brit when it comes to climate change, the risks it poses, and the opportunities it presents. The board of each operating unit has ultimate accountability for Brit’s climate strategy. This includes:

- The strategy the company takes towards climate-related change.
- The oversight of how Brit incorporates and mitigates climate-related risks into its models, business planning and pricing.
- How we can achieve competitive sustainability in response to opportunities.

The board is responsible for ensuring climate-related risks and opportunities are integrated into our business strategy and the risk management framework. Each board executes its mission through a structure that delegates responsibility to specific committees and ensures information and decisions flow between levels. The diagram below illustrates this:



The Brit Syndicates Limited (BSL) Board, in May 2021 for syndicate 2987 (and 2988), set ESG as a priority that would be embedded within the business and articulated externally. ESG is still a priority and is a recurring agenda item every quarter, with a verbal or written update to the BSL Board by Brit's Head of ESG.

The BSL Board also discusses climate and ESG as required. A named board member has responsibility for ESG. The BSL board terms of reference (ToRs) clarify the boards' role in developing



strategy and their obligation to consider various stakeholders – which in combination covers ESG. All board directors are also under a legal requirement to comply with Section 172 of the Companies Act, requiring them to act in the interests of the company while having regard to other matters (including the environment and the community) and other stakeholders (including employees etc). The ToRs reiterate the need for the board and its directors to comply with section 172.

Climate change has been recognised as an emerging risk in Brit's ORSAs (Own Risk and Solvency Assessment) since 2014 and has been an area of focus since it was identified as a high priority in the 2018 emerging risks analysis. In Brit's 2023 'Emerging Risk' exercise, we included Biodiversity litigation risk for the first time – this is being monitored as a developing area by our in-house council team.

From this point, the BSL Board has focused on developing its understanding of the uncertainty associated with climate change and climate-related risks and opportunities. To support this, both the ORSA and emerging risks analysis are presented annually to the Brit Syndicates Limited (BSL) Risk Oversight Committee (ROC), a sub-committee of the BSL Board.

Climate change's potential impact on the insurance industry is an ongoing area of focus for our boards, the wider insurance market, and also our regulators. Brit's Risk function monitors risks associated with climate change on an ongoing basis, with any material developments being escalated to the appropriate board.

Actions undertaken in H1 2025, 2024 and earlier:

- At the start of 2025 the board approved Brit's annual ESG roadmap and were provided with periodic updates to our progress and the changing landscape of ESG.
- In early 2025, the board reviewed and approved the Annual Report and Accounts, which included our TCFD-aligned disclosures. These disclosures were audited externally as part of the overall annual report.
- The **BSL Board** reviewed the PRA Climate Change Biennial Exploratory Stress Test (CBE) results prior to submission (2021) and approved the Property Catastrophe strategy in 2022 (see principle 1.6) as well as annual business plans.

In 2025, we began the process of developing a transition plan with the Transition Plan Taskforce (TPT) standards.

Ongoing actions:

- **BSL Investment Committee:** ESG/climate risk has been an agenda item since 2021. We provide climate risk metrics monthly which are considered in strategic decisions.
- **The BSL Risk Oversight Committee (ROC)** oversees climate-related risk. It reports to the BSL Board, with membership including three Non-Executive Directors of the Board, including the Chair. It receives an annual update on climate change-related financial risks. Where a tolerance is deemed necessary to manage risk for, e.g. on natural catastrophe risk or maximum concentration to a particular asset type, this is recommended to the BSL Board for final approval. Climate risk appetite is considered in more detail in Section 1.9.

Looking ahead

In 2025, we began the process of developing a transition plan with the Transition Plan Taskforce (TPT) standards (see sections 3.5 and 3.6). The plan will cover Operations, Underwriting, and Investments. Brit will also refine its underwriting approach to transition-related risks, update ESG-sensitive industry guidance, and explore transition-related opportunities. The transition plan and underwriting strategy will be ratified by the board and be subject to ongoing board oversight through regular updates.

1.2

Ensure that our senior management has responsibility of climate and nature-related risk and opportunity management, including any transition plans.

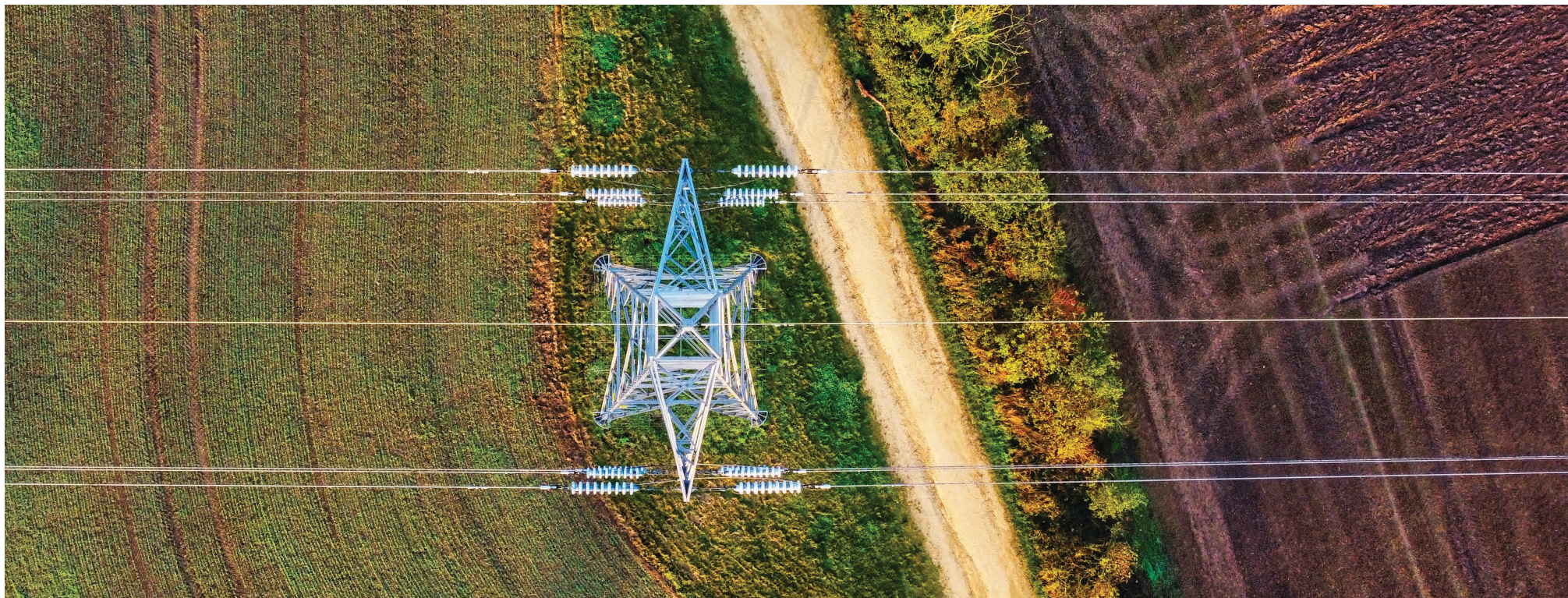
Below the board and its committees, there are management committees and individuals who have responsibility and accountability for ESG-related aspects:

- **Executive Committee (EC):** Brit's key management committee – extensively involved in key strategic decisions involving climate change.
- **BSL Underwriting Committee:** Receives MI on natural catastrophe risk including regions and perils more prone to climate change. They are responsible for making decisions around managing this risk in line with business appetite. This includes a review of the Brit View of Risk (BVoR).
- **ESG Steering Committee:** The management body responsible for making sure Brit Group delivers on its ESG strategy while ensuring that sustainability priorities are integrated with business priorities across all functional areas.
- **Climate Change Risk Working Party (CCRWP):** The CCRWP was established to oversee the incorporation of climate change-related risks into the Risk Management Framework, scenario analysis, disclosures and overall governance processes.

Most recently, we've implemented a range of governance changes in response to ESG regulation requirements, including:

- Recruitment of a Head of ESG (from Jan 2024)
- Recruitment of an ESG team – an ESG Data Analyst (from Aug 2024) and ESG Manager (from Jan 2025)





Executive Committee

Since November 2022, Lorraine Denny, Chief Engagement Officer, has been the Executive Committee member responsible for ESG at Brit. She attends ESG committee meetings and represents the ESG agenda at the EC.

The EC convenes monthly, with ESG topics tabled and discussed as relevant, including climate and nature-related risks and opportunities. During 2024 there were two formal ESG updates to the EC. Since the end of 2023, ESG has been part of the quarterly update from the Chief Engagement Officer.

The EC is responsible for recommending the ESG strategy to the board, and for delegating oversight of delivering the roadmap to the ESG Steering Committee, with ownership sitting with the Head of ESG.

During 2025, we began the process of developing a detailed transition plan in line with the TPT standards, and once it's developed, we'll define and agree EC member sponsorship. Ownership for the delivery of the transition plan will sit with the Head of ESG.

ESG Steering Committee

Brit has a cross-company ESG steering committee with senior employees from Brit representing Underwriting, Investments, Finance, Risk, Operations, Facilities and Communications functions as well as a mix of senior management and more junior staff across the organisation.

After successfully establishing and co-leading the ESG steering committee since 2023, in January 2024 Neil Allen was appointed as Brit's Head of ESG, reporting into Lorraine Denny at the Executive Committee. Neil's experience stems from a long career in operational excellence, including 7 years in London Market Insurance. He has also completed the University of Cambridge Business Sustainability Management Course in H1 2024, and the LMA's Sustainability in Insurance for Practitioners course in Q1 2024. In his role, Neil is responsible for executing Brit's ESG strategy, including coordinating internal workstreams and liaising with industry partners. He reports to both the EC and board quarterly.

In January 2024 Neil Allen was appointed as Brit's Head of ESG, reporting into Lorraine Denny at the Executive Committee. Neil's experience stems from a long career in operational excellence, including 7 years in London Market Insurance.

During 2024 and H1 2025 the committee included:

- Group Director of Legal and Compliance
- Group Executive Underwriter
- Managing Director, Facilities
- Chief Investment Officer
- Chief Data Officer
- Chief Marketing Officer
- Head of ESG
- Head of Claims, Speciality
- Head of ERM and Analytics
- Head of Underwriting Performance
- Head of Performance, Property
- Head of Inclusion and Diversity
- Head of Investments
- In-house counsel Head of Claims and Underwriting
- Senior Distribution Analyst
- Group Lead - Finance Operations
- Senior Manager Group Reporting
- Senior Tax Manager
- ESG Manager
- ESG Analyst
- Senior Underwriter
- Underwriting Performance Analyst
- Subject Matter Experts at Brit



The committee handles all climate and ESG issues, ranging from strategy development and target setting to responding to supplier audits. The committee is defined by a set Terms of Reference and meets monthly with an agenda. Standing agenda items include updates from Underwriting, Investments and Risk, and updates from working groups (ESG Data, and Responsible Underwriting) as well as the I&D Council. They create detailed minutes to share with the Executive Committee.

Sitting below the ESG steering committee are two working groups:

- **Responsible Underwriting Working Group (RUWWG)** - Focuses on integrating ESG into underwriting. Its goal is to develop Brit's Responsible Underwriting framework and embed ESG considerations into daily underwriting decisions across our two syndicates. In 2024, the group played a key role in creating climate and nature-related underwriting guidance, supporting our ambition to Write the Future, responsibly.
- **ESG Data Working Group** - Focuses on ESG-related data, analysis, metrics and reporting. Its goal is to develop consistent, insightful analytics, metrics and dashboards to assess ESG performance. They also communicate findings to drive positive organisational change.

Both of these working groups meet regularly, with minutes and actions issued following the meetings.

Risk Management

Climate Change Risk Working Party

Responsibility for identifying and managing financial risks arising from climate and nature change impacting Brit's two syndicates sits with the BSL Chief Risk Office (CRO) and is recorded on Brit's Management Responsibilities Map. As part of the SMF role, the BSL CRO is responsible for ensuring appropriate action across the firm and its committee structures. This includes establishing the Climate Change Risk Working Party (CCRWP) and making climate change risk an annual agenda item at the ROC.

The CCRWP was established in response to PRA regulatory requirements under SS3/19 to identify and manage the financial risks from climate change and integrate this process into the existing risk management framework.

The multidisciplinary group is responsible for managing the financial risks from climate change. It selects and monitors key metrics across the material risk types (principally natural catastrophe, liability and investment risk), reporting to the BSL Risk Oversight Committee (ROC). It provides a forum for identifying and escalating any material risks for further investigation. The Working Party meets at least twice a year.

Brit was compliant with the core requirements of SS3/19 at the end of 2022 in line with the deadline set by the PRA. However, climate change-related risk management is an ongoing process with scope for continued refinements.



We consider climate change in various policies:

- The Risk Management Framework (RMF) explicitly requires consideration of climate change in measuring and managing risks, including (but not limited to) natural catastrophe, underwriting, reserve and investment-related risks.
- Exposure Management Policy – specifically notes climate change as a key risk, requires regular review of its impact, and requires allowance to be made within exposure management processes e.g. via the Brit View of Risk (BVoR) adjustments.
- Investment Policy – in 2024 the Investment Committee approved a new ‘Responsible Investment Policy’, which sets out ESG considerations related to investments. The board adopted it in H2 2024 (please see section 1.3 and 3.1 for further information).
- Inclusion of climate change in committee terms of reference, including those of the BSL Risk Oversight Committee (a subcommittee of the Board).

More detail on how the risk function considers climate change is in sections 1.5, 1.8, 1.9 and 1.10.

Actuarial

The actuarial function, under the leadership of the Chief Actuary, is responsible for pricing and reserving. The function considers climate and other ESG matters.

Internal Audit

An Internal Audit Review was carried out in H2 2022, aiming to provide independent assurance for the appropriateness of Brit’s ESG governance framework – in line with its own ESG strategy and regulatory expectations – as set out by the Prudential Regulation Authority (PRA), the Financial Conduct Authority (FCA) and Lloyd’s ESG statements. All recommendations from this internal audit review were actioned and closed during 2023.

The audit covered the following areas:

- a) Governance and Oversight (including roles and responsibilities)
- b) Strategy and Integration
- c) Metrics and Targets
- d) Compliance Disclosure

A further audit was carried out in Q4 2024. This demonstrated the progress that has been made since the 2022 audit. It highlighted several areas of improvement, which are included in the plan for 2025 and beyond.



ESG Strategy

In late 2022, we recognised we needed more focus on all ESG aspects, including climate and nature-related risk and opportunities. The EC tasked the ESG steering committee to engage a specialist consultancy to support our ESG-related activities, deliverables, targets and corresponding resource requirements. This support was ongoing through the whole year.

Brit began partnering with an external consultancy in January 2023 to help update and articulate the ESG strategy, measuring Brit's progress against our peers and identifying the pillars we want to uphold ourselves to. The development of the ESG strategy and associated programme during 2023 let us set out our short, medium and long-term goals.

The strategy, including the pillars and roadmap, were discussed and signed off by both the EC and the board. In Q4 2024 the roadmap was refreshed with progress made and developments in short, medium and long-term goals. As described in section 1.7 we revisited our materiality analysis in H1 2025 and reflected this in an update on our ESG strategy.

The Head of ESG, the ESG Manager and the ESG Analyst all help drive forward the initiatives and short, medium, and long-term goals, with support and steer from the ESG SC, and oversight from the board and the EC.

For 2025 we began the process of developing a transition plan that aligns as closely as possible with the guidance set out in the transition plan taskforce (TPT) standards (see section 3.5 and 3.6 for more detail). The transition plan will cover Operations, Underwriting and Investments. In addition, we'll continue to develop our underwriting approach towards transition-related risks by reviewing and updating guidance on ESG-sensitive industries, and by developing strategy and guidance on the opportunities from the transition. We expect the transition plan – including the ambition and actions across operations, investments and underwriting – and our underwriting approach will be ratified by the board and subject to on-going board oversight through regular updates.

We plan to continue to build on the foundational work from 2024 on our data and analysis, in particular our underwriting data for ESG scores and insurance-associated emissions (see section 4.1 for more details). We also revisited our strategy and refreshed our materiality assessment in Q1 2025 (see section 1.7 for more detail) and developed (currently awaiting sign-off) an environmental policy (see section 1.3 for more detail).

In Q4 2024, Brit's ESG approach was subject to a detailed internal audit, carried out by external resources with specialist knowledge in the area. This highlighted a large improvement since the previous internal audit in 2023 and set several actions to help further improvement in 2025 and 2026.





Create a clear link between governance and oversight, establishing a robust governance framework and underlying policies and procedures.

The table below shows the relevant policies and procedures relating to climate and biodiversity/nature risk in the various areas of Brit. We go into more detail about them in other sections of this report.

Area	Relevant policies and/or procedures
Role and responsibilities (as outlined in section 1.1 and 1.2)	Terms of Reference for all board and management committees – see sections 1.1 and 1.2
Brit Group	Environmental Policy (developed and in sign-off stage) Transition Plan (in development) – see sections 3.5 & 3.6
Risk Management	The Risk Management Framework – see section 1.8
Underwriting	BSL Underwriting Policy (board-level policy) Underwriting Guidelines (management-level) Class appetites (Class level) Underwriting guidance for ESG sensitive industries (management level) – NB this is being trialled in H1 2025 – see section 2.6.
Investments	BSL Investment Policy – Responsible Investment Policy Appendix
Supply Chain	Procurement Policy – see section 2.4 ESG Questionnaire
HR / Culture	Employee Code of Conduct
Human Rights	In addition to considering climate and nature/biodiversity risk across the relevant policies, our Modern Slavery and Human Trafficking Statement outlines our commitment to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business (https://www.britinsurance.com/media/lenfwp1/modern-slavery-statement-fy-2024.pdf). Any assessment of climate and biodiversity/nature-related risks, opportunities and dependencies will be considered in line with this policy.



Ensure that our board and senior management have the required knowledge and incentives to oversee risks and establish a culture aware of environmental issues.

Brit has a named board member, Hayley Robinson, who leads responsibility for ESG. In 2023 the Steering Committee co-leads and Head of ESG began to provide the board with quarterly ESG updates to ensure they're aware of the work being done and also to help understand the ESG landscape. These updates have focused primarily on the ESG strategy activity, but in the future we'll have education sessions run by internal and external SMEs. The Risk Oversight Committee (ROC), a subcommittee of the board, also receives updates with climate-related topics, like annual updates on climate change risk, and CBES updates.

We plan to update the board (and relevant committees) in 2026 on the regulatory landscape. This update will include training on the various regulatory frameworks from around the globe. We're also engaging with expert bodies to develop a board-level training programme to help knowledge and engagement. We expect this to be delivered in 2026.

During 2025 we began to investigate linking executive remuneration to ESG metrics and progress. We plan to put a proposal to the CEO and Chairman before the end of 2026, linked to our transition plan.

During 2023 the whole company, including the EC and the Leadership group (consisting of the senior managers from across the company) received dedicated training, delivered by the then two co-leads of the ESG steering committee. The training covered a range of topics including the SDGs, the Paris commitments, emissions and climate change, as well as Brit's ESG strategy, pillars and external ESG statement. 87% of employees completed the training.

Also, the ESG steering committee members completed three online training modules focused on the SDGs and climate change specifically. Engagement in the topic from all areas of the business was strong.

During H1 2025 we developed a stakeholder map and training plan, which we'll use to deliver targeted training to appropriate stakeholder groups.

Internally, we communicate regularly about ESG and environmental matters, as well as encouraging a culture of awareness and engagement through staff volunteering opportunities. See section 2.2 for more information on our employee engagement strategy.

Please see section 1.1 for more detail on CBES and annual updates on climate change.

1.5

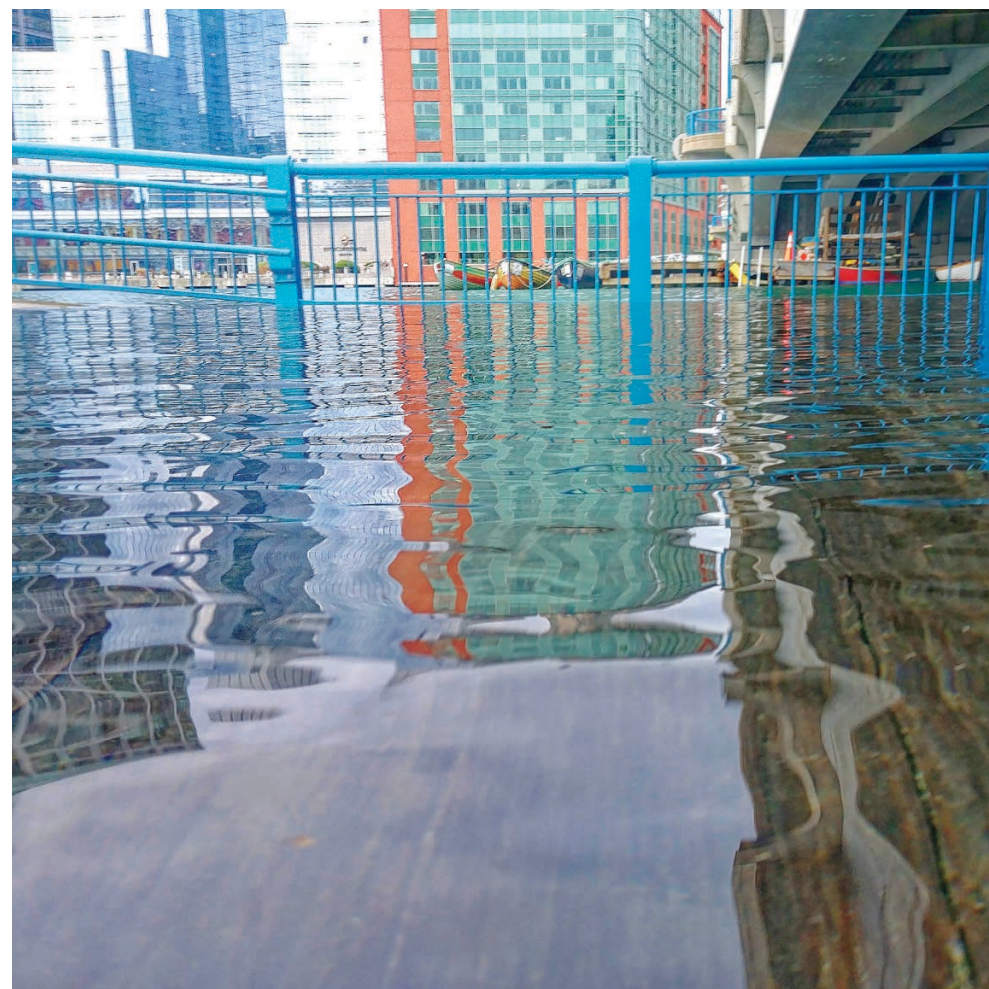
Describe the impacts and implications of climate and nature-related risks and opportunities on our business model and performance, strategy, and any decision-making processes.

Brit considers natural catastrophe risk, liability risk and investment risk to be its most material climate-related risks. Using board tolerances and management metrics, we constantly monitor exposure to the above risk types. A climate change risk register was created in 2023 to capture the potential impacts of these risks and how they're being managed (more detail is in section 1.7). This is reviewed annually by Risk and the CCRWP.

Brit is cognisant of the risk of nature-related change, so we're keeping a close watch on this. In 2023 we identified the risk of biodiversity litigation in our annual emerging risk review, and we continue to be vigilant as new risks appear. Our 'In-House Counsel - Head of Claims and Underwriting' is a founding member of the LMA's Environment and Climate Litigation Committee which allows us to stay up to date about the changing litigation landscape.

Time horizons

Brit considers risks across a range of time horizons, which reflect our approach to business planning, the duration of our insurance policies (typically one year), and our approach to investments (long-term, value-focussed). When considering risk we define short term as 1 year, medium term as 1-5 years and long term as 5+ years.





Climate scenario analysis

Climate scenario analysis is key to understanding the potential impact of climate-related risks to Brit. Further details on the analysis are in section 1.10.

Based on Brit's risk identification exercise, natural catastrophe risk is the area where climate change will have the most material impact. Climate change is already influencing catastrophe risk and its effects are expected to increase over time. As such, developing tools to quantify the potential impact has been a key area of focus, as described below.

These tools allow us to significantly enhance our scenario analysis, especially our multi-year scenario analysis incorporating future climate states. This feeds into our ORSA and IM Validation scenario analysis, as described below.

Natural Catastrophe risk

Brit's Risk Aggregation team has a dedicated natural catastrophe research sub-team to monitor developments in climate science and incorporate findings within Brit's analysis. We have invested in capabilities to quantify the impact of climate change on key peril-regions, using relevant historical and current climate data.

This includes an internally developed model that predicts Atlantic basin hurricane activity for a given climate state. We use this model to adjust risk assumptions to the 3rd party vendor model (Verisk) used by Brit, and to generate seasonal forecasts. It accounts for changes in the frequency, intensity, regionality and intra seasonal temporal dependency of modelled storms.

**We have invested
in capabilities to
quantify the impact
of climate change
on key peril regions.**

The team is responsible for updating the Brit View of Risk (BVoR). BVoR is an in-house natural catastrophe specific adjustment used by Brit to overlay its view of natural catastrophe risk over vendor models. For example, increasing the frequency of high severity US landfalling hurricanes, or incorporating a load for perils where vendor models are not licensed (e.g. due to Brit considering these models to still be in their infancy).

Brit worked with Lambda Climate Research (2023 & 2024) who provide tools to translate CMIP6 climate model outputs into potential impacts on tropical cyclone-modelled losses over different time horizons and concentration pathways. This provides a forward-looking assessment of the potential impacts of climate change and has been leveraged for the North Atlantic and the North West Pacific basins.

We are also engaged with the various academic-led climate initiatives (see section 2.5 and 2.7).

In addition to deriving the present-day view of risk for hurricanes, various tools were used to develop insights that were shared with the CCRWP and senior underwriters e.g. annual hurricane outlooks, BVoR adjustments and possible range of outcomes in 2030 for North Atlantic Hurricane and Japan Typhoons.

This information is used to inform underwriting strategy and business planning as well as decisions on whether to underwrite individual risks. As set out in Section 1.6, our understanding of the impact of climate change was a key driver of the adoption of an updated Catastrophe Strategy since 2022, which included reducing exposure in areas where climate change is driving catastrophic losses (and this is expected to worsen based on the analysis noted above).

Further information is available in principle 3.3.



Other risks

Our previous scenario analyses have also fed into ongoing business initiatives:

- Investment exposure in “high risk” industries (i.e. those with a greater exposure to climate / transition risk, like the energy industry) is monitored and reported quarterly to the BSL Investment Committee. This includes commentary on new investments in these segments and why Brit remains comfortable with the decision to pursue these. The high-risk categorisation is based on analysis performed as part of CBES.
- Climate change exclusions have been introduced within most of the Specialty book to clarify Brit’s stance. Underwriters of classes where the potential for material climate change litigation losses were identified, consider this risk as part of their due diligence.

In addition to the risks that Brit faces with climate change, we recognise that the changing world will drive new and unique opportunities.

In addition to the risks that Brit faces with climate change, we recognise that the changing world will drive new and unique opportunities. As we considered the integration of climate risks and opportunities within our business, we started providing insurance for Renewable Energy risks from 2021 and have continued to grow this segment as a proportion of the total Energy portfolio. This supports our clients to transition to cleaner forms of energy – specifically providing cover for construction of renewable projects and BESS, as well as their operational aspects:

- 2021 actual share of total Energy GNWP: 2.6%
- 2025 plan of total Energy GNWP: ~20%
- This proportion is expected to increase to c.30% during 2026

In 2024 we also started writing carbon credit risks via the Marsh and We2Sure facility. The facility enables businesses to insure against the risk of purchasing counterfeit carbon credit certificates, the sale of certificates for non-existent projects, and theft.

During 2024 and H1 2025 we performed a market scan to develop an internal white paper which looks at the opportunities that new ESG or sustainability products could bring to our underwriting function. In doing this, we engaged with brokers and other market participants to understand the scope and scale of products, and the business cases for them. This white paper will help integrate climate-related considerations into our business strategy and decision-making processes (see section 2.5 for more information).

1.6

Describe how environmental resilience plans are incorporated into business decision-making, including disclosure of any material outcomes of climate risk scenarios.

As set out in section 1.5, Brit carries out extensive scenario analysis for climate-related risks. This section sets out how these inform business decision making.



Physical risk

The property catastrophe underwriting strategy has been a focus for Brit since 2017, given the heightened natural catastrophe activity in recent years, which potentially reflects the impact of climate change. Before 2022, underwriting actions included reducing peak zone exposures, reducing wildfire exposures, non-renewing of catastrophe intensive accounts, and a continuous push for rate increases. We did an additional review of the strategy in 2022 given the trend in losses that continued with Hurricane Ian.

We set targets on a gross and net basis and achieved them in 2024. We also constantly manage exposure as a core business activity.

Transition risk (underwriting portfolio)

Across our Specialty Portfolio, we have been identifying opportunities to provide insurance cover for climate-transitioning businesses, e.g. renewable energy (solar and wind) (see section 1.5 for more details). These are a growth sector for the business, with technical expertise being recruited to facilitate growth (see section 2.5 for more details).

We have also made a commitment that states: “We expect our customers in carbon intensive industries to have clear and measurable transition plans.” To this end, our underwriters will review transition plans of some potential insureds when pricing and quoting their risks.

Transition risk (investment portfolio)

We integrated ESG within investment guidelines, external manager mandates and reporting. The investment guidelines include an objective of gradually increasing the ESG standing of the portfolio over time, and our Responsible Investment Policy appendix also includes the expectation for investments in carbon intensive industries to have clear and measurable transition plans.

Sustainability is key to our long-term investment approach. Our investment approach considers potential opportunities as well as losses that could arise from ESG factors. This allows investments in companies that may currently be lagging from an ESG perspective, but only if they are deemed to be improving, as such companies may ultimately be the best stewards of assets from this perspective.

Litigation risk

Based on external counsel review and in-house scenario analysis (see section 1.10), while some losses could arise, these losses are expected to be contained. As such we continue to monitor trends but haven't made changes to business plans.

Climate change exclusions have been introduced within most of the Specialty book to clarify Brit's stance. Underwriters of classes where the potential for material climate change litigation losses were identified, consider this risk as part of their due diligence.



Overall

Findings from physical, transition and litigation risk are shared with the CCRWP and ROCs in addition to being documented within the individual entity ORSAs to ensure key stakeholders are aware of the risks during business planning.

Reputational risk

Brit's ESG strategy provides a framework for ESG and sustainability decision-making. Going forward, it will inform annual planning on a class-by-class basis and guide engagement with the supply chain, operations, procurement, external stakeholders and partners.



Describe the outcomes of our materiality analysis and any material climate and nature-related risks and opportunities that affect our prospects.

In early 2023, Brit carried out a double materiality survey with support from an external consultancy.

The activity helped us to determine how to prioritise various ESG topics by identifying which issues matter most to both Brit and society, according to both internal and external stakeholders.



From a long list of ESG topics, priority themes were identified via internal and external stakeholder interviews, and a companywide survey.

Our staff survey found that Brit employees are highly engaged with our ESG and sustainability work. Over 50% responded to our materiality assessment survey, representing all departments within the business. We complemented this survey by interviewing 17 internal subject matter experts. As part of our external stakeholder engagement, we engaged with a range of stakeholders, including those from our Lloyd's network, our charity partners, investors, and sustainability experts, to understand their perspectives on our most materiality ESG topics.

We then assessed inward and outward materiality, considering the impact of Brit activities on the factors (sometimes described as outward or impact materiality), and the impact of these factors on Brit's business activities (something described as inward or financial materiality).

The analysis revealed that the three main areas of materiality were:

- 1 Environmental sustainability.
- 2 Sustainable financial performance.
- 3 Ethical business.

The Brit materiality matrix



The outcome of the double materiality activity informed the development of our ESG strategy and choosing the four pillars it's built on. This in turn drives the direction the company takes in dealing with the specific challenges and opportunities that climate change and other sustainability factors bring.



Early in 2025 we revisited the materiality assessment to ensure it is current and applicable. We re-interviewed a range of stakeholders and re-assessed the materiality. This confirmed that the materiality assessment was still current, with the core finding being:

- The majority of the 2025 discussions centered on the balance between **ensuring sustainable financial performance and ESG Issues** - reflective of the 2023 assessment.
- The ability of providing **sustainable insurance products** was also a key theme in 2025.
- While people and culture remained an important materiality theme, 2025 discussions centered around more **broadly integrating ESG into the culture**.



The updated result can be seen below:



Brit created a climate change risk register in 2023 that captures all risk types potentially affected by climate change. It contains risk descriptions and controls to manage the risk. Based on these, a High, Medium or Low risk score is assigned to the impact and the likelihood of it occurring.

The initial assessment is made by the Enterprise Risk Management team based on their understanding of the risk, scenario analysis (section 1.10) and externally available resources. The risk register is then shared with the CCRWP for review and comment.

The risk register will be reviewed annually to make sure it's up to date with the emerging risk environment.

The three main areas of risk identified for Brit are natural catastrophes, liability claims and investment losses:

- **Natural catastrophe risk (short term physical risk)** relates to the changing frequency and severity of weather-related natural catastrophes – for example, hurricanes and wildfires. In Brit's view, climate change is already increasing catastrophe risk, and the risk will worsen over time. As a general insurance business, this is considered the most material risk to Brit, particularly in the US, where most of our business is underwritten. As noted in Section 1.6, initiatives have been taken to optimise the gross portfolio given these uncertainties. This could lead to additional claims and impact Brit in the short to medium term. We continuously monitor scientific studies, regularly review the completeness of existing models and the application of the Brit View of Risk (BVoR). Brit's exposure to natural catastrophe

risks is constantly monitored by the Risk Management Function. Board limits are in place to ensure Brit isn't overexposed to natural catastrophe risk.

- Climate change and biodiversity loss could result in additional **liability** claims from increasing climate or nature litigation against Brit's clients, in the **medium to long term**. The claims arise from firms contributing to climate change or biodiversity loss, failing to transition to renewables, greenwashing or directors' breach of fiduciary duties. The nature of these claims could impact Brit in the medium to long term. Brit's exposure is managed through limits on gross underwriting exposure and the purchase of reinsurance. While such claims have not generally been successful to date, an ongoing risk remains.
- **Investment losses** (primarily from **transition risk** in the **medium to long term**) have the potential to arise from industries perceived to be contributing to climate change or from the transition to a low-carbon economy. This transition risk could adversely impact Brit quickly as financial market valuations fluctuate, but is more likely to manifest over the medium to long term as the transition gathers pace. Brit has a well-diversified investment portfolio, with most assets being cash, government bonds and investment grade corporate bonds. This significantly mitigates the risk of investment losses. Brit's monthly investment reports include details on its exposure to climate sensitive sectors. Annually, Brit evaluates the underlying equity investments' ESG approaches within its equity review processes.

1.8

Establish appropriate processes to identify, assess and prioritise climate and nature-related impacts, risks and opportunities.

Brit's Risk Management Framework (RMF) applies a consistent methodology and structure to how risks are identified, measured, managed and monitored. This process lets us protect policyholders and maximise shareholder value by ensuring the risk and capital implications of business strategy are well understood.

The RMF has the following key elements:



Element	Element Description	Responsibility	Oversight
Identification	Risk events, risks and relevant controls are identified and classified. This is a continuous process which considers any emerging and existing risks. The risk register sets out the significant risks faced by the business and identifies the potential impact and likelihood of each risk.	Chief Risk Officer, supported by the Risk function	ROC / Board
Measurement	Risks are assessed and quantified, and controls are evaluated. This is done through a combination of stochastic modelling techniques, stress and scenario analysis, reverse stress testing and qualitative assessment using relevant internal and external data.	Chief Risk Officer, supported by the Risk function	ROC / Board
Management	The information resulting from risk identification and measurement is used to improve how the business is managed.	Senior management, with guidance from CRO and Risk function	ROC / Board

The Risk Management Framework is applicable to all risks Brit faces, and has been applied to climate change. As discussed below, biodiversity / nature was also identified as an emerging risk in 2023 and therefore the RMF applies to this risk as well.

The main areas of risks identified are noted in principle 1.7 and the risk metrics used for measurement are detailed in principle 1.9. The risk register referenced in principle 1.5 contains details on how climate risk is considered across different risk categories.



The application of the RMF is dependent on data quality and availability. In particular:

- For some risks, such as extreme catastrophe events, there is limited historical data and in any case climate change may affect the frequency and severity. This is mitigated via modelling. However, there is uncertainty over the impact of climate change on Brit's risk profile. Brit is addressing this challenge via our Research & Development sub-team within Risk Aggregation – this is covered in more detail in Section 1.5 (Natural Catastrophe Risk).
- ESG data for the risks Brit underwrites, which would identify potential risks (e.g. transition risk) is currently under development. We source our data from a third-party provider, Dun & Bradstreet (D&B), to understand the ESG scores and emissions data of the insureds we underwrite. We appreciate that limitations currently exist in ESG and emissions data, particularly for smaller/privately owned insureds. Brit is addressing this challenge via participation in industry initiatives such as the Lloyd's Lab and Moody's emissions accounting trial (see principle 2.5 for more information on the trial and principle 4.1 for more detail on the data limitations and the emissions data disclosed).

Emerging risks

Brit has an established emerging risks framework. Emerging risks are assessed continuously across all risk categories. Where material and relevant, risks are highlighted to management committees and the BSL ROC via the CRO reports.

Climate change is an emerging risk, as the risk is changing over time (both due to increasing temperatures and changes in human responses which contribute to transition risk). This means that the risks associated with climate change are assessed continuously, with a particular focus on changes in:

- Scientific assessments of physical risk, e.g. the impact of climate change on natural catastrophes.
- Changing human responses, e.g. the transition and litigation risk.

Biodiversity / nature, and associated litigation, was noted as an emerging risk in 2023. Our approach to managing this risk will be reviewed continuously, including engagement between the Risk,

Climate change is an emerging risk, as the risk is changing over time.

Legal and Underwriting functions. However, biodiversity and nature risks are less likely to cause material losses to Brit than other risks such as climate change, which is already affecting loss activity, and therefore is less of a focus for the risk management framework. Biodiversity will be an increasing focus of Brit's ESG strategy in 2025.

A formal review of emerging risks is carried out annually with key findings reported to the Executive Committee and the BSL ROC. Further analysis on specific risks may be conducted following the annual review to qualitatively and/or quantitatively assess the impact of these risks to Brit. The results are then communicated to the BSL ROC.

The measurement and management of risk allows for emerging risks. For example, the impact of climate change is considered when measuring and managing risks including (but not limited to) natural catastrophe, non-catastrophe underwriting, reserve and investment risks. A multi-disciplinary working group (the CCRWP) has been formed to better manage and monitor climate change given it is an emerging risk (for more information see section 1.2).

The main areas of risk are noted in principle 1.7. The risk register referenced in principle 1.5 contains details on how climate risk is considered across different risk categories.

The annual ORSA which is presented to the ROCs also includes a summary of climate change-related risks and risk management activities during the year.

1.9

Put in place mechanisms to monitor and manage climate and nature-related risks and opportunities.

A key part of risk management at Brit is the setting of risk tolerances and risk appetite.

- **Risk tolerances** are set by the Board and represent the maximum amount of risk Brit is willing to accept to meet its strategic objectives.
- **Risk appetite** is set by management and reflects the maximum amount of risk that Brit wishes to take in the current market environment.

The actual amount of risk taken is monitored against the tolerances and appetites continuously.

The RMF, including the risk tolerances and appetite, reflects Brit's strategy and looks to accept risk in the areas expected to maximise shareholder value while continuing to protect policyholders against extreme events. The process applies to all underwriting entities (in particular, the Lloyd's syndicates and Brit Re).

When assessing risk within our risk tolerances, we incorporate climate-related risks as set out below:

Physical risk

Physical risk from natural catastrophes is controlled through board tolerances and management appetites – these are set annually and monitored quarterly.

The board tolerances are defined as the maximum net aggregate loss from all perils that the BSL Board is willing to accept at a 1-in-5, 1-in-10 and 1-in-250 return period. Management then sets more granular peril-region appetites at the same three return periods so that the Net All Perils aggregate loss remains within board appetites.





We continuously monitor scientific studies, regularly review the completeness of existing models and the application of the Brit View of Risk (BVoR) which considers historical natural catastrophe trends as well as future expectations. The Brit view of risk feeds into our Solvency II capital assessment. Brit's exposure to natural catastrophe risks is monitored continuously by the Risk Management Function and validated annually as part of the Solvency II Internal Model validation process.

Natural catastrophe risk is assessed using an external vendor models (Verisk and KatRisk) for the most material and established perils. Using these models is a market practice for most general

insurance firms. Catastrophe models are built from scientific first principles and calibrated leveraging real-world empirical data, hence provide a powerful insight into natural catastrophe risk. The modelling is supplemented using the BVoR where there is uncertainty, known model deficiencies, a lack of reliable vendor models, or to allow for present day view of climate. The natural catastrophe modelling is leveraged in pricing as well as outwards reinsurance purchasing decisions.

More information on how this risk is monitored and managed is noted in principle 1.5.

Liability risk

Brit's exposure is managed through limits on gross underwriting exposure and through the purchase of reinsurance. Adherence to these limits is monitored quarterly.

Since 2020 we've worked to understand climate-related liability risks in four phases:

- **Phase 1 (Identification):** Underwriters across all divisions were asked to identify liability classes that could be exposed to losses under four scenarios: contribution to climate change, failure to adapt, failure to disclose / greenwashing and failure to comply.
- **Phase 2 (Targeted assessment based on PRA CBES scope):** Scenario analysis was performed based on the PRA's defined scope and considered contract wordings. The scope of the analysis was limited to 7 PRA scenarios across Brit's top three industries and within four classes of business.
- **Phase 3 (Review of remaining classes):** Scenario analysis was also completed in 2022 on other class/industry combinations that could be impacted by climate change litigation risk. The scenario found that whilst there may be a link between the impact of climate change and the number of cases, this was not deemed material to the analysis which was focussed on the current balance sheet / underwriting portfolio. Potential losses from plausible scenarios would be negative for P&L but are not outsized relative to other risks (e.g. natural catastrophe).
- **Phase 4 (ongoing review):** We hold annual litigation workshops involving the Underwriting, Claims, Legal and Risk Management Functions. Climate-related litigation activity is monitored continuously.

Emerging litigation risk trends are also monitored by the Risk team and in-house counsel by attending seminars and papers produced by lawyers and the Sabin institute. In 2023 this identified biodiversity litigation and "anti-ESG" litigation as new areas to monitor.



Investments

Brit maintains a diversified investment portfolio with limits on exposure to individual issuers. Exposure to concentrated positions are monitored and reported quarterly to the Investment Committee and board. Metrics monitoring exposure to potentially at-risk industries (e.g., oil and gas, transport) are reported monthly to the Investment Committee. In 2026, Brit plans to baseline the emissions of its investment portfolio.

Since 2021, Brit has received ESG reports from some investment managers and initiated discussions on enhanced ESG reporting with others. These reports assess portfolio carbon intensity and ESG scores, detailing exposure to carbon-sensitive sectors, fossil fuels, reserves intensity, and unconventional fossil fuels relative to benchmarks. They also identify the top three emissions contributors and highlight the highest and lowest ESG-rated issuers. Brit also engages with external managers on additional climate risk and ESG analyses.

Brit conducts an annual ESG review of its equity holdings, assessing the ESG strategies of underlying companies and identifying those benefiting from the climate transition. The review also monitors holdings in sectors materially contributing to climate change, such as oil and gas, transport, and utilities.

The speed at which different managers are engaging on this topic varies, but overall it's clear they understand the requirements of their clients so we're confident the available data will improve over time.

Overall risk monitoring and management approach

Once identified as a key risk, market and internal developments are then monitored. The following processes are in place for managing climate-related risks:

- Quarterly monitoring of the metrics mentioned above by the BSL ROC and Investment Committee as relevant.
- Purchase of reinsurance to manage natural catastrophe and litigation risk.
- Sharing results from scenario analyses such as CBES, litigation risk or ORSA scenarios with relevant committees such as the Underwriting sub-committees and board.
- The cross-departmental CCRWP meets twice a year to discuss the framework, new findings and department initiatives.

Climate change consideration in the SCR

A climate change validation test has been performed annually since 2019. It considers whether the SCR appropriately allows for climate change-associated risks in line with current market practice. The test focuses on physical, investment and liability risks as these were identified as the most material risks to Brit. The overall conclusion is that the current approach is reasonable but should continue to be developed as market practice and scientific knowledge evolves.

1.10

Describe how scenario analysis has been used to inform the identification, assessment and management of climate and nature-related risks.

PRA stress tests

Syndicate 2987 (Brit's largest syndicate) participated in the PRA Climate Change Biennial Exploratory Stress Test (CBES) in 2021-22. The exercise was designed by the PRA to assess the impact of climate change on physical and asset risks over a 30-year time horizon in three policy action scenarios as described below. Key assumptions were also provided by the PRA:

- Early action: Global carbon dioxide emissions are reduced to net-zero by around 2050 and global warming (relative to pre-industrial levels) is successfully limited to 1.8°C by the end of the scenario, falling to around 1.5°C by the end of the century.
- Late action: Global warming is limited to 1.8°C by the end of the scenario (2050) relative to pre-industrial levels, but then remains around this level at the end of the century.
- No action: The absence of transition policies in this scenario leads to a growing concentration of greenhouse gas emissions in the atmosphere and, as a result, global temperature levels continue to increase, reaching 3.3°C higher relative to pre-industrial levels by the end of the scenario.

It also required general insurance participants to consider the impact of seven PRA-designed hypothetical litigation risk scenarios on liability classes as well as articulations of Brit's current and future risk management actions.

We continue to rely on the key findings from CBES and other in-house analysis done to prioritise development of peril modelling as discussed in principle 1.5.

We continue to monitor emerging biodiversity and nature-related risks and will carry out scenario analysis if appropriate.



Use of CBES to inform risk management

Following the CBES exercise, Brit has carried out the following initiatives:

- **Physical risk:** scenario analysis helped identify the peril-regions where climate change could have a significant impact (principally hurricanes, wildfires and floods) and quantify the potential long-term impact on those perils. These considerations have been fed into developing Brit's catastrophe strategy which includes how much exposure Brit has an appetite to underwrite and how these exposures are managed. Furthermore, Brit's internal assessment of physical risk is being enhanced, for example for North Atlantic Hurricanes (see principle 1.5) and development of the wildfire modelling.



- **Asset risk:** Industries and asset types that could be most impacted were identified through CBES. As a result, Brit's exposure to these are being monitored. ESG is explicitly considered for any new investment decisions, which helps control our exposure to industries that are exposed to transition risk.
- **Litigation risk:** The PRA scenarios provided a foundation for more detailed analysis as described below. Liability classes that may have exposure under various scenarios have been identified. Brit's Risk function continues to monitor litigation as well as engage with relevant Underwriters and Legal. External counsel review of pollution exclusions in the S2987 Specialty book (which includes Energy) confirmed that they are expected to be effective in respect of Scope 1 and 2 emissions. There is however uncertainty in respect of Scope 3 emissions (indirect emissions from the insured's value chain). However, in addition to the points noted in the bullet above, the loss would need to be attributed to the energy producer Brit insures as opposed to the consumer of the oil.

Brit's internal assessment of physical risk is being enhanced, for example for North Atlantic Hurricanes (see principle 1.5) and development of the wildfire modelling.

Non-regulatory driven scenario analysis

In addition to the above, Brit annually performs climate change-related scenario analysis in each syndicate and Brit's ORSA. The 2025 ORSA scenario considered the impact of 3 North East US windstorms. The North East was selected due to the potential northward shift of hurricane activity due to climate change, a Caribbean windstorm, litigation losses on FinPro and Casualty Treaty and losses on investments in climate sensitive industries.

Building on CBES, a more detailed climate change-related litigation risk scenario analysis was performed in 2022. This considered the potential gross and net impact of climate change-related litigation under three hypothetical scenarios:

- Failure to consider climate change: Insureds sued for not considering climate change, for example in strategic decisions (D&O) or advice given (Professional Indemnity).
- Failure to appropriately disclose, and/or greenwashing: Insureds found to be misleading investors or the public either by understating disclosures or misrepresenting products as environmentally friendly.
- Directly contributing to climate change: Insured sued for their contribution to climate change (e.g. carbon emissions).

We are currently hosting workshops with in-house counsel and underwriters to understand changes in liability risks over time, and we plan to update the scenario analysis over the next year.

ORSA scenarios

We continue to perform climate change scenario analysis within our ORSA and IM SCR Validation exercises. The ORSA process means that the climate change-related risks are shared across the business with key stakeholders.

The 2023 ORSA assumptions were shared with our multidisciplinary Climate Change Risk Working Party (CCRWP) for consideration ahead of the 2024 exercise. Following this, the following enhancements were suggested and subsequently implemented in 2024:

- The natural catastrophe losses were based on adjusting Brit's present-day view of physical hurricane risk to reflect Lambda climate change adjustments for 2027, following socio-economic pathway SSP4, as opposed to the previous approach of applying an expert judgement-based uplift to the 2017 catastrophe losses.
- Investment risk was split between corporate bonds and equities, with a larger stress used for 'higher risk' equities (i.e. those with a greater exposure to climate / transition risk, such as those in the energy industry). The high-risk categorisation is based on analysis performed as part of CBES.

A review and refinement of the assumptions was carried out in Q3 2024, including industry-level investment stress assumptions and leveraging the latest equity ESG risk review.

Limitations of scenario analysis

Scenario analysis is subject to limitations, in particular:

- The speed and scale of actions to reduce greenhouse gas emissions (a major determinant of transition risk) and court decisions (a key determinant of litigation risk) are inherently difficult to predict in scenarios.
- Some risks (e.g. extreme catastrophes) involve events which have not occurred in recorded history (and are therefore more difficult to model), as climate change may increase the likelihood of these events (e.g. a Category 5 hurricane impacting New York).
- Scenario analysis does not give us a complete picture on changing probabilities with respect to climate change.

Our scenarios at present consider natural catastrophe, investment and litigation risk. We have an ambition to consider the impact of underwriting transition risk but we need better quality data. To support this and our wider ESG ambitions, we have engaged with Dun & Bradstreet (D&B) to understand the environmental impact of our clients and to have better industry segmentation, this ambition and the respective data challenges have been referenced in section 1.8. and 4.1.



2 engaging stakeholders



We work in close partnership with our suppliers to raise awareness around the sustainability challenge

2.1

Manage and seek to reduce the environmental impacts of the internal operations and physical assets under our control.

Brit's annual report now aligns with TCFD requirements allowing us to keep track of climate risk. We aim to reduce the environmental impacts of our operations by closely tracking and assessing our impact across our facilities management, IT and travel.

Facilities

We work in close partnership with our suppliers to raise awareness around sustainability. Our dining and hospitality provider, The Good Eating Company (TGEC), is committed to sustainable food procurement and supporting UK farming communities. TGEC runs educational campaigns on waste and meat emissions, offers sustainable food options including vegetarian and vegan days, and uses only reusable or compostable packaging.

We also focus on promoting recycling over general waste, which resulted in a recycling rate of 79.2% in 2023. In 2024 the waste strategy for The Leadenhall Building (TLB) changed, meaning we couldn't report on waste and recycling rates for 2024. However, a new provider was introduced in January 2025, which places more emphasis on recycling and the ability to track waste. Brit is working with the supplier through 2025 to identify new waste streams.

Since 2023 Brit has also participated in a new delivery management system with TLB, CurbCargo. This system helps companies identify emissions generated through deliveries, in terms of CO₂e, NO_x, and PM₅ / PM_{2.5}. During 2023, CurbCargo worked on establishing baselines, with the system then establishing the common suppliers within all the building occupiers to consolidate deliveries, in turn reducing emissions. Between 2023 and 2024 there was minimal change in the number of deliveries, however, there was an 8% reduction in emissions associated with deliveries. This implies that Brit's supply chain is using vehicles that produce fewer emissions.

Finally, we're committed to reducing our impact through Scope 1 & Scope 2 emissions from our office. All electricity supplied is REGO-backed renewable electricity and during 2023 we upgraded our Building Management System to reduce energy by optimising heating and cooling. More can be found on our Scope 1 & 2 emissions in section 4.2.

IT

Since 2020, we have reduced the IT equipment on desks and removed desk phones, which reduced energy usage, as does better management of monitors when not in use. Also, all Brit employees now have laptops with Microsoft Teams, promoting online communication with stakeholders worldwide.

In addition, in 2023, we undertook a major redesign of our data handling, resulting in significant reductions in data storage, and therefore the associated emissions. Analysis suggests we had reduced emissions of 31% between July 2024 and June 2025 as we continue to move away from legacy services, while optimising our cloud environment.



Travel

The current version of the global Brit travel policy, published in May 2023, encourages booking lower carbon-intensive flights and restricts business class travel to flights longer than 4 hours. We communicate the importance of considering emissions from travel to all staff.

We use a travel provider for centralised booking and reporting of business travel – they also make sure duty of care requirements are met. Using a travel provider means there’s no risk of engaging with airlines not on the EU Air Safety list, as well as no risk from third party platforms that could compromise Brit travellers in any way. We regularly engage with our travel provider to track and calculate air-travel-based emissions.

In 2024, business travel-related emissions decreased, reflecting our intention to reduce business-related emissions now that normal travel patterns have returned after COVID-19. This reduction also reflects a balance between the desire for employees to resume face-to-face meetings with key internal and external stakeholders, and the use of online meetings where appropriate.

Business travel emissions amounted to the following tonnes of CO2:

CO2 (tonnes)	2021 ²	2022 ²	2023 ²	2024 ²
Business travel – air	218	1,498	2,455	1,621
Business travel – hotels	10	39	45	33
Business travel – other (note 2)	–	2	17	12

Note 1: For all travel including air, hotels and rail, data has been provided from our travel agent partner, who arrange our travel. The figures do not currently include RF (Radiative Forcing).

Note 2: Data is inclusive of Ki.

As mentioned in section 4.2, since 2022 we have been fully offsetting our Scope 1 and 2 carbon emissions, and our scope 3 business travel emissions. Our carbon offsets for YOA 2024 were purchased in Jan 2025 and covered the following projects:

Project Name	Project Type	Project Location	Quantity (ERs)
Aqua Clara Water Filters	Household Devices	Kenya	670
Reforestation and Community Development	Forestry	Ghana	670
Ecofiltro Clean Water and Cooking	Household Devices	Guatemala	664

In looking for offsets, we found projects that brought both climate and social good, and were located in the global south.

As part of our 2024 ESG roadmap, we carried out an employee commuting survey to understand the scope 3 emissions from commuting (see section 2.3 for more details, including emissions figures). This allowed us to better understand our emissions which we then used to make it easier for our people to cycle to work – we refurbished the cycle storage and showers of the Leadenhall building.

We’ll continue to focus on all these areas, constantly reviewing employee-proposed opportunities like the Cycle to Work Scheme. We have worked closely with building management to identify solutions to the loss of bicycle spaces in the public space at ground level.



2.2

Engage our employees on our commitment to address climate change and nature, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate and nature-informed choices outside work.



In March 2023 we conducted an all-employee questionnaire to determine our materiality position for our ESG strategy. We interviewed 14 individual stakeholders (including board and EC members, as well as external brokers, and were delighted with 410 survey responses from our employee base (an over 50% response rate). This was noted by our consultants as one of the highest responses that they had seen from a company – showing that our employees feel they have a voice in our company.

In Q1 2025 we reviewed our materiality analysis by re-interviewing the relevant internal stakeholders to ensure our strategy still reflects the most relevant areas to our business as well as the views of our employees. Going forward, we will review and reassess the materiality analysis every year. For more information on the results of the materiality analysis please see section 1.7.

The results of the 2023 materiality survey formed the basis of our company ESG strategy. After presenting the strategy to the EC and board we were able to roll out bespoke training sessions (we held 14) which were attended by 87% of Brit employees.

We conducted an internal interview with our Energy Team and in March 2023 we published a “Spotlight” on our underwriting to support renewable energy projects – this helps educate our internal teams. As we have now formally established an ESG team, we published a “Spotlight” in 2025 to introduce the team internally and improve awareness of our strategy, key priorities and 2025 plan.



Employee Communications

We launched our ESG comms plan in 2024. This was focused on helping our employees make better climate and nature-related choices both in and outside of the office. We sent comms about:

- Introducing our Head of ESG
- ESG Strategy Q&A
- Earth Hour
- Improving our in-office recycling
- National bike week
- National no-disposable cup day
- World soil day

We also gave talks and lunch-and-learns to share our in-house climate research as well as other activities towards our goal to insure the transition.

In 2025 we continued our employee engagement and comms plan, including comms on the following areas:

- ESG Spotlight (see above)
- Earth Hour
- No Mow May
- National Marine Week
- UN SDGs

In addition, we are planning a panel event focused on our goal to insure the transition, which will include external experts on climate and transition-related areas.

In 2025 we also enhanced our hub for ESG & Sustainability on our internal homepage to make sure our people always stay informed. This created a space for employees to easily find the latest Brit ESG news, announcements, internal ESG articles and ESG tools.

Our research and development team have also been engaging Brit employees over 2024 and H1 2025 on our view of climate risk. The team have been engaging underwriters throughout the business with a series of knowledge share sessions. For example, the team in 2025 have hosted talks educating employees on climate-related areas such as wildfires and hurricanes. The aim for these sessions is to share the latest science and any adjustments applied within the Brit View of Risk.

In 2023, we delivered company-wide training, and in 2025 we're reassessing training needs.

Employee Training

Employee training is essential to executing our ESG strategy and building awareness of climate and environmental risks. In 2023, we delivered company-wide training, and in 2025 we're reassessing training needs. This includes developing a formal approach, stakeholder map, and needs-based training plan, including for the board. We also provide targeted training to relevant teams – for example, in Q1 2025, the finance team received ESG training covering core ESG elements and Brit's strategy.

Additionally, our guidance on ESG-sensitive areas in underwriting (currently being trialled), has increased awareness of climate and other ESG-related risks amongst the underwriting team. In 2026 we expect to build on this and socialise a long-term approach, building on the underwriting team awareness and developing our responsible underwriting strategy.

Volunteering days 2024

For over 15 years we have offered all employees 2 days of volunteering in addition to their annual leave, increasing this to 4 volunteering days in 2025. Some people do this individually and some as part of an organised team activity in their business teams. In 2024 we logged 100 days of employee volunteering.

In 2024 the ESG team hosted 4 volunteer days, 3 of which were nature-based and part of the Brighten up London campaign coordinated by Handson London. These took place in Wormwood Scrubs, Ravenscourt Park and Burgess Park. Over 50 volunteers from Brit attended, helping maintain and improve the parks by building nature trails, clearing bushes, planting trees and planting wildflower meadow.

2025 volunteering

In 2025 we increased employee volunteering days from 2 to 4. We also continued taking part in the Brighten up London scheme, hosting 4 nature-based volunteering days in H2. These took place in Burgess Park, Holland Park, Southwark Park and Bishop's Park. Each activity is close to public transport and should be commutable for most of our colleagues. To encourage participation in these events, the Brit ESG team participated in Brit's community fair to discuss the opportunities we offer and highlight the benefits of supporting volunteering efforts.

Employee Incentives and Benefits

As part of our employee benefits package, we offer cycle-to-work schemes and season ticket loans to incentivise low emission commuting. Our pension providers take responsible investing into account when deciding how to invest the default investment approach and also offer employees the option to choose to invest in responsible funds.





2.3

Understand and disclose the sources of emissions and adverse climate and nature-related impacts on our value chain, that might in turn impact our business.

Scope 3 emissions in our value chain

While we weren't able to calculate or disclose the totality of our Scope 3 emissions, we have begun to make steps towards this. As mentioned in section 2.1, we already disclose Scope 3 emissions from employee business travel across the 2021-2024 period.

In 2024 we carried out an employee commuting survey to generate a Scope 3 figure for commuting (see table below). We also plan to work with our largest suppliers and outsourcers to generate their scope 3 figures. This will include working with our main outsource partners, and also compiling figures for CO2 responsibilities from our cloud datacentres.

Scope 3 emissions for employee commuting (2024)*

Train Annual CO2e	Motorbike Annual CO2e	Car Annual CO2e	Tube Annual CO2e	Bus Annual CO2e	Light rail / DLR Annual CO2e	2024 GHG CO2e TOTAL
113,798.51	7,461.57	69,055.36	9,916.95	3,652.57	615.80	204,500.76
56%	4%	34%	5%	2%	0.3%	100%

*This data excludes Ki data for 2024

In 2023 and early 2024 we were heavily involved in an emissions accounting trial with Lloyd's Lab and Moody's. As part of the trial, we provided data from our whole book of business, and received scope 3 emissions data for category 15 insurance-associated emissions for a large proportion of our insureds. While we don't yet have the confidence in the data to disclose it publicly, it's proven very useful in understanding our portfolio.

Our plan for 2026 is to continue working with our external data provider, Dun and Bradstreet (D&B), to ingest scope 1 & 2 emissions and revenue data of our insureds, allowing us to calculate our Insurance-Associated emissions to the PCAF standard. These numbers will then be compared to those from the Lloyd's Lab/Moody's trial, to add assurance.

In 2025, and to be continued in 2026, we begun to engage more closely with our investment managers to collect Scope 3 figures from the investment portfolios under their control.

As mentioned in section 1.7, as part of our materiality survey in 2023, we engaged with some of our key brokers to understand their priorities and challenges. We have engaged with them again in 2025 to develop our ESG underwriting white paper (see section 2.5 for more details), and to understand the climate and nature-related areas impacting them, and the insureds they represent. We were also involved in a market-wide survey performed by one of our main brokers, Marsh. This provided useful context of where we sat against other insurance companies.

In terms of biodiversity and nature-related impacts, we work closely with our facilities management to ensure we maximise recycling, and reduce waste and water usage whenever possible (see section 2.1 for more details). In H2 2025 and 2026 we will continue to look towards our suppliers to ensure that sustainability and environmental impact are considered within the procurement process, and we ask our suppliers to fill out an ESG questionnaire to help understand their environmental impact.



2.4

Advocate and engage across the supply chain to encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business.



Since 2021, Brit's Procurement team has worked to reduce environmental impact by streamlining the supply chain and analysing business activities, premises use, waste management, and energy consumption. We actively participate and engage with our supply chain participants on climate and nature-related issues, more of which can be seen in section 2.6.

Brit follows key principles when engaging suppliers:

- All material vendors are asked to continuously improve the environmental and sustainability elements of their products.
- Environmental, corporate and social responsibility are considered during vendor selection, onboarding and management.
- All material vendors are periodically asked to submit their ISO accreditations and environmental and corporate social responsibility policies along with supporting evidence.
- Brit's ESG report is issued annually to material vendors, who are asked to reciprocate. This will become a non-negotiable part of Brit's vendor assessment if engagement is to continue.
- Paperless communication is strongly encouraged throughout Brit and with all material vendors. This is being extended to travel booking and expense management.
- ESG questionnaires are included in due diligence for outsourcing providers with related risks tracked in the risk register.

To support in understanding the impact of, and interest in, climate change on our up and down-stream stakeholders, we have developed the following table:

Stakeholder Group	Climate Change Impact and Interest
Fairfax (parent Company)	Our parent company seeks assurance that we are considering climate-related risks and opportunities in our strategy and operations, and are abiding by the group values.
Insureds	Many of our policyholders will be greatly impacted by the transition and will be seeking an insurer who is able to support them on that journey.
Re-Insurers	Many of our reinsurers want assurance that Brit actively engages in the transition, along with monitoring the carbon intensity of our portfolio.
Brokers	Many of our broker partners are developing products to support insureds with climate change risk mitigation and the transition. Brit recognises the importance of collaborating with broker partners to support understanding the risk across the industry and understanding the role of insurance within the transition.
Regulators	Brit's regulators (Lloyd's and PRA) have clearly defined their expectations of us through the growing tranche of climate-related regulatory and disclosure requirements, such as SS3/19, ISSB/TCFD, TNFD and TPT. We continue to monitor the changing landscape.
Rating Agencies	The rating agencies are keen to understand how we are managing the risks and opportunities presented by climate change and the transition.
Management	The board are responsible for the strategy regarding how Brit is managing the risks and opportunities presented by climate change and the transition, and the EC are responsible for delivering that strategy.
Employees	Our employees expect us to take a responsible approach. Sustainability sits squarely in our culture, which supports recruiting and retaining outstanding employees.
Suppliers	Our significant suppliers are interested in our approach to climate and the transition, as we are of them.

2.5

Support and undertake research and development to inform current business strategies, develop new products, and help support and incentivise our customers and stakeholders, including affected communities, in adapting to and mitigating climate and nature-related issues.

Lloyd's Market Activity Participation

As mentioned in section 2.3, during 2023, Brit was a critical participant in an 'Emissions Accounting' trial with the Lloyd's Lab and Moody's that was seeking to "understand how Lloyd's existing data can be used to inform emissions, how this can be aligned to existing reporting standards and ultimately meet expected future regulatory disclosure expectations".

The trial sought 'validator data participants' who provided whole book data sets to attempt to develop Insurance-associated emissions figures for Scope 3 category 15 reporting. In this role, Brit were involved in discussions, analysis and challenge of the data we provided.

In addition, Brit also participated in several interviews and roundtable discussions. These discussions involved other managing agents and explored a range of challenges, including in 2024 the specifics of emissions accounting calculations, and assessments of



insureds' transition plans. Taking part in the trial has provided us with a valuable reference point and benchmark for evaluating and improving our approach to assessing category 15 emissions, which uses data provided by an alternative rating agency.

Products and Services we Offer and Internal Research Activity

One of our ESG strategy pillars is to enable the net zero transition through supporting our clients in their climate transition. As mentioned in section 1.5 we have been growing our renewable energy book since 2021 and will continue to target this growth. In addition, 2024 saw us begin to write insurance for carbon credit certificate fraud risk through the Marsh We2Sure facility.

In H1 2025 we started research to identify underwriting opportunities from the energy transition and wider transition to net zero, with the aim of supporting our strategy to enable the net zero transition. This involved discussions with our broker partners and stakeholders across our business to understand the areas where we can best support our customers as they transition, alongside desktop research, research into competitor offerings and attending external conferences and webinars in relevant areas. As we continue to build on this research through H2 2025 and 2026 we will be engaging with senior stakeholders throughout Brit, including those on the EC, to discuss the next steps associated with the areas identified which are both opportunistic and align with Brit's wider strategy. Once finalised we intend to make the whitepaper available on our internal ESG homepage.

At Brit we are engaged with numerous external research initiatives.

External Research Activity

At Brit we are engaged with numerous external research initiatives, as detailed below. These help to inform the internal Brit View of Risk (BVoR), our in-house view of natural catastrophe risk (used to overlay with that of vendor models – see section 1.5 for more details), and in turn feed into our underwriting strategy and business planning. These collaborations also advance scientific understanding within the broader insurance industry and academia.

In January 2024, Brit collaborated with the Royal Meteorological Society (RMetS) to host and sponsor an industry/academic event titled: "Navigating Climate Challenges in Insurance", to discuss how the industry can tackle knowledge and data gaps to better understand weather and climate risks. Brit also collaborated with RMetS again in 2025 on another industry-academia session. Associated with this, Brit have representation on RMetS's special interest group for insurance and collaborated on industry whitepapers on future research collaboration between the insurance industry and academia.

From these events, we have been able to publish informative articles on knowledge gaps in the industry with weather and climate, and better place the RMetS to deliver positive impact to the insurance industry.

Alongside whitepapers with RMetS, Brit has also participated on a Lloyd's whitepaper on evaluation standards throughout the Lloyd's market and recently had a peer reviewed article accepted on hurricane dispersion in the Gulf of Mexico in the Journal of Catastrophe Risk and Resilience.

The research team presented to our coverholder partners during Brit's annual coverholder academy. Additionally, Brit's research team maintain a constant dialogue with researchers at Lloyd's, our model vendors and broking partners, with the aim to share knowledge and stay updated with the latest industry innovations.

Further external research collaborations include mentoring a Lloyd's lab artificial intelligence research company, Vayuh, on seasonal severe convective storm prediction. This is being evaluated to develop a short-term view of risk for the purpose of risk selection.



Brit had a commercial agreement with Lambda climate, who have worked with us to develop a climate-orientated adjustment for Japanese Typhoon, principally to assess capital adequacy (see section 1.5).

Brit also has a commercial agreement with Lighthill Risk Network for collaboration on the Imperial College Storm Model (IRIS). Engagement with IRIS has informed our view on North Atlantic hurricane risk.

In addition, Brit has also supported young scientists with MSc projects at Loughborough University and Edinburgh University, investigating US compound demand surge and US exposure trends respectively.

Underpinning all of Brit's catastrophe research are engagements with academics through conferences and networking events. The team have also presented externally at numerous academic and industry events, with the principal aim to enhance collaboration with academia. For example, presenting a transparent view of the research underpinning Brit's North Atlantic hurricane view of risk at the European Geophysical Sciences Union conference gave us insight to update Brit's 2025 View of Risk.

As described in Principle 2.2, the research team host company-wide presentations on key climate areas throughout the year. This helps to ensure that the findings from our external research and collaborations, as well as the internal research undertaken, that help inform Brit's View of Risk are shared across the company, including with underwriters. Overviews of key events, such as the RMetS event, are also published on the Brit intranet.

2.6

Promote and actively engage in public debate on climate and nature-related issues and the need for action by publicly communicating our beliefs and strategy on climate and nature-related issues and providing support and tools to our customers/clients so that they can assess their levels of risk.

Communicating our ESG position

We understand the importance of communicating our ESG strategy to clients and other external stakeholders. We published our ESG strategy externally in 2023 and include a dedicated ESG section on our public website. Within this, we detail our priorities, the four pillars of our ESG strategy and our expectation that our customers in carbon-intensive industries should have clear and measurable transition plans. In addition, in May 2025 we used our social media (via our LinkedIn account with ~33,000 followers) to publicly introduce the newly formed ESG team and highlight Brit's ESG strategy.

As mentioned in section 4.4, we also publish an external summary of our ClimateWise submission on our public website and have done since we began participation in the initiative. We can track the number of visits to our public ESG site and from January 2024 to June 2025 we had 1,108 page views from 706 unique users. Our 2024 ClimateWise report has had 113 downloads since publication and our ClimateWise 2023 report has been downloaded 451 times since publication.

Supporting our client and suppliers

Our key external stakeholders, as identified by the board, are set out below:

- Clients & Intermediaries
- Reinsurers
- Investment Managers
- Capital Providers
- Members
- Regulators
- Suppliers

We engage across the stakeholder group to share expertise.

With climate-related matters, clients, intermediaries, investment managers and suppliers are the stakeholders who we can engage with the most. We aim to support our ESG strategic pillars, particularly reducing our environmental footprint and enabling the transition.

Clients & Intermediaries

We can best engage our clients and intermediaries by sharing expertise on climate-related issues and better understanding our clients' climate and transition-related risks and position. By sharing insights and experiences we can broaden our understanding of the challenge, brief our board accordingly and update our approaches/strategy as a result.



Sharing of expertise on climate related issues:

For all our public engagement we follow policies to ensure we are effectively communicating the Brit stance. We have clear guidance for employees when public speaking, using social media or taking part in other debates.

In August 2022 we published an article on our website <https://www.britinsurance.com/news/writing-the-future-of-energy-wind>. The article was written to provide brokers with the right information to insure renewable wind projects – we had 390 page views including visits by brokers such as Lockton, Howdens, Amwins, Willis, Gallagher, other insurers and Lloyd’s.

As described in section 2.5, in 2024 and 2025 we hosted a collaborative event with the Royal Meteorological Society (RMetS) and broker WTW, which brought together insurance and catastrophe risk specialists as well as academics to exchange knowledge on climate risks.

Our in-house counsel, who is also part of our ESG steering committee, is the chair on the LMA Environment and Climate Litigation Committee, which provides a discussion platform for LMA members for climate litigation and climate-related legal matters, informing market participants and giving them the tools to develop their approach to climate-related legislation, litigation, claims, and disputes faced by consumers.

In addition, as mentioned at the start of section 2.5, Brit were also heavily involved in the Lloyd’s Lab / Moody’s emissions accounting trial in 2023, supporting knowledge-sharing on emissions data.

Engaging to better understand our clients’ climate and transition-related risks and position

We recognise that as an insurer we have a role to play in supporting our clients in their climate transition. One of the key ways to support this is by engaging with clients and broker partners to better understand their position. Our underwriting guidelines require clients in carbon-intensive sectors to have clear, measurable transition plans. Where required we will engage with brokers and clients to better understand their transition plans and ensure they meet our definition of clear and measurable.

Additionally, in 2024 we developed enhanced guidance for sensitive sectors, including carbon-intensive and nature-intensive industries (e.g. palm oil, soy, cattle and timber). We are currently trialling this enhanced guidance in H1 2025 with our FinPro team. Where required this may involve engaging with brokers or clients to better understand the mitigating actions taken by clients in these industries to reduce their environmental impact and risk. Our underwriters also attend talks and meetings with key clients on ESG, climate and transition-related areas.

In 2025 we also started engaging with brokers to understand clients' transition-related risk transfer requirements as part of our research into transition-related underwriting opportunities and to help us identify where we may be able to support clients with our products (as detailed in Section 2.5).

In addition, we may give rate discounts to clients who have strong responses to managing climate-related risks, although we are more likely to decline certain coverage if answers are unsatisfactory.

Suppliers

Brit recognises the importance of supply chain integrity, relying on key suppliers for IT systems, claims management, professional services, facilities, and travel to meet stakeholder needs. Ongoing engagement ensures these suppliers meet Brit's standards. Supplier risk is assessed based on potential spend and service criticality. Brit follows a rigorous onboarding process, requiring new suppliers to complete an ESG questionnaire covering environmental impact and inclusion and diversity (see section 2.4).

Investment Managers

Our investment managers are another area where we engage – more information is in section 3.2.

As we continue to develop our transition plan in 2026, we will incorporate the appropriate engagement across the stakeholder group to support successful implementation of our plan.

Risk Management Services

Brit offers Risk Management Services to clients to reduce both the likelihood and severity of incidents.

- As an example, this includes the provision of ~2.5% of premium towards engineering survey fees in our Property D&F book. While there is no specific requirement for a climate-related angle on the surveys, this is both increasingly likely to come up in the surveyor's approach and may be a requirement to formally apply in the future.
- Similarly, our Private Client product includes surveys and appraisals which, where appropriate, will talk about climate-related risk to their assets and steps that could be taken to reduce that risk.
- Camargue offers a suite of RM services and education to brokers and stakeholders around the South African market. It is a unique part of their offering.

2.7

Where appropriate, work with policy makers and share our research with scientists, society, business, governments and NGOs to advance a common interest.

Brit is dedicated to promoting and engaging in the debate about climate action and sustainability – publicly and with our peers. Brit has representatives on the following:

- ClimateWise
- Fairfax ESG community



Fairfax ESG Community

Brit is taking a lead in the wider Fairfax family. Working alongside other European-based Fairfax companies, we share best practices and help to standardise ways of working, particularly with investments. In addition, Brit also contributed to Fairfax's third ESG report in 2024 (https://www.fairfax.ca/wp-content/uploads/2025/04/250407_ESG_Report_FINAL.pdf)

Working with Regulators

- Brit participated in the PRA's CBES stress testing exercise in 2021. The results from this directly support the Financial Policy Committee (FPC) and Prudential Regulation Committee (PRC) in their statutory objectives as noted in the findings shared with the industry on 21.05.22.
- Brit also participated in an interview with the PRA's Insurance Climate Specialism in 2021 to articulate its strategy to meet the SS3/19 expectations.
- Brit regularly participates in Lloyd's thematic reviews on topical issues such as the impact of climate change. Responses help inform Lloyd's view on market best practice.
- In 2022, Brit contributed to the PRA's industry-wide General Insurance Stress Test which includes a focus on natural catastrophe risk, the most material risk impacted by climate change in this context.
- In H1 2023, Brit undertook a company-wide PRA questionnaire, the responses to which set out how the firm has embedded the management of climate-related financial risks into the business, with reference to governance, risk management, scenario analysis and disclosure.

Roundtables and Conferences

Brit staff also stay up to date with the industry and ESG agenda by attending industry events and conferences throughout the year.

Examples of events attended by ESG team members include:

- Industry roundtables hosted by brokers and advisors
- The Sustainable Insurance Summit
- InsTech Sustainability in Insurance Networking Event
- CISL Chief Sustainability Officers Forum
- Blackstone ESG summit
- London Market ESG Forum (AXA XL)
- Better Insurance Network - Accelerate Sustainability
- LMA Chief Risk Officer & Sustainability Networking Event
- Reset Connect (London Climate Action Week)
- Climate Innovation Forum (London Climate Action Week)

Academic partnerships

Brit are a funding industry partner for Imperial College Storm Model (IRIS) supporting the researchers and academics in model validation and iterative experimental design. See section 3.3 for further details.

Other thought leadership

Royal Meteorological Society (RMetS)

In January 2024 Brit supported a unique roundtable in partnership with the **Royal Meteorological Society (RMetS)** and **WTW** which brought together insurance and catastrophe risk specialists as well as academics. The event's expert participants discussed the ways our industry can tackle knowledge and data gaps to better understand weather and climate risks. Brit employees delivered a session on developing applications for the insurance and academic sectors.

Black and Veatch Climate Case study

In 2022, Brit also supported Black & Veatch alongside global broker Lockton, to shine a light on their present and future sustainability projects. Black and Veatch are an engineering and construction company building green energy solutions for industry through their large-scale renewable utility projects. In a published video case study, B&V's team, alongside their Brit and Lockton counterparts, discussed their present and future sustainability projects, including innovation across the transport sector, energy supply networks and developing alternative energies such as hydrogen, as well as how the insurance sector can play a role in supporting this innovation.

As well as clearly communicating our own ESG strategy with our stakeholders on the Brit website, there is also dedicated space for thought leadership around sustainability in the insurance sector. Through this thought leadership, Brit shares insights, learnings, and opportunities for the insurance industry in future energy, and energy transition, such as the opportunities presented by wind.

For more details on how our research team work with a range of stakeholders, please see section 2.5.

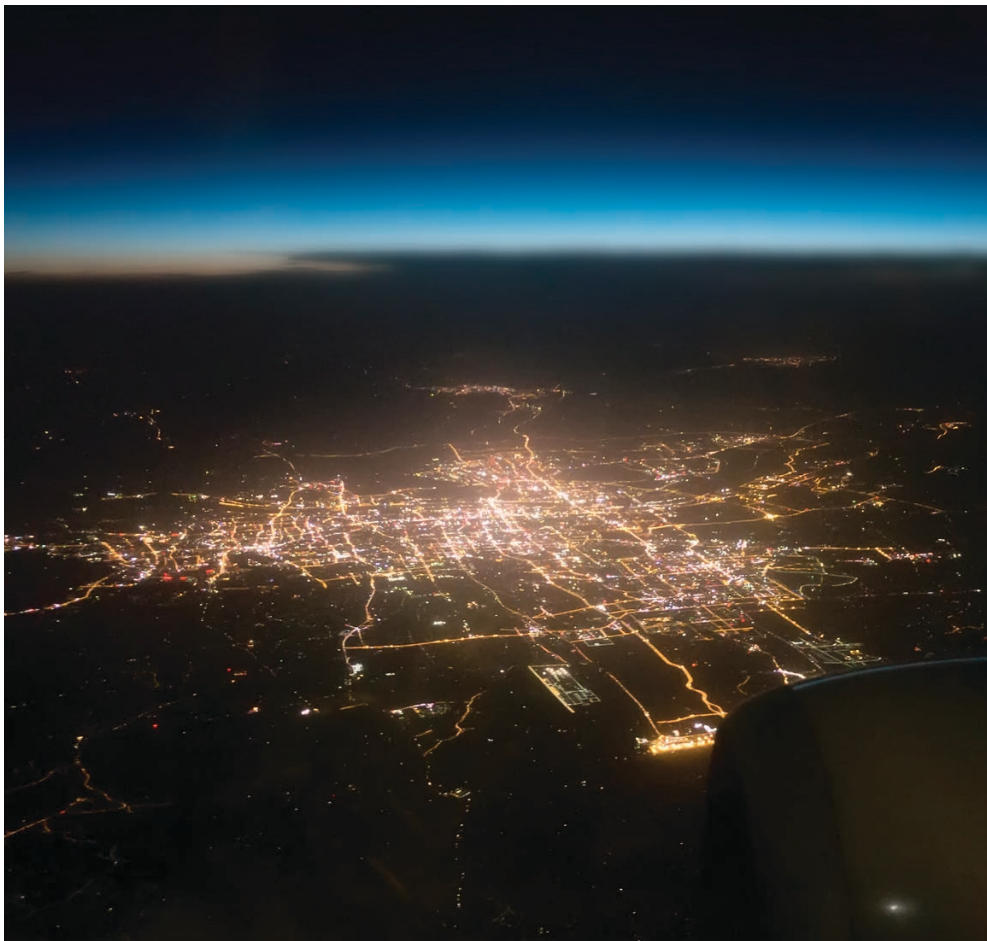
3 enabling transition



Understanding the impacts of climate and nature-related risks on investments is essential to enable organisations to take action

3.1

Integrate consideration of climate and nature-related risks and opportunities into investment strategies and decision-making.



There is an expectation under SS3/19, IFRS S2 and TNFD that organisations should describe the implications of climate and nature-related risks on their investments, and the impact of their investment activity on the environment, nature, and ecosystems. Lloyd's has also published its roadmap for the transition, including expectations on the investment approach.

Brit has a diversified investment portfolio, with limits on exposure to individual issuers. Exposure to concentrated positions is monitored and reported quarterly to the Investment Committee and board.

Brit's investment portfolio is managed through outsourced investment managers under Investment Manager Agreements, including the relationship with Hamblin Watsa Investment Counsel (HWIC), a Fairfax company that manages investments on behalf of Fairfax subsidiaries and manages the majority of Brit's investments.

Manager selection includes assessing ESG alignment with Brit's philosophy, and ongoing performance is reviewed through regular engagement and annual due diligence. Brit expects investments to align with its four sustainability pillars:

- Reducing environmental footprint
- Enabling the transition
- Responsible product deployment
- Inclusive culture

The responsible investment approach aims to minimise adverse planetary impact and mitigate risks from unsustainable ESG practices.

Responsible investment is integrated into the investment approach. As long-term value investors, the approach focuses on long-term cash flows of the underlying business/asset and sustainable business practices. We take a long-term investment approach based on the belief that successful investing is dependent on a long-term view, as sustainable cash flow requires sustainable business practices that pave the way to success over the long run. Thus, ESG factors are incorporated into investment analysis as a financial risk when making investment decisions. When selecting investment managers, we look for managers where responsible investment is integrated into decision-making.

As well as looking to limit downside risk from the impact of climate change and broader ESG factors, the investment approach will also consider potential opportunities created by these changes.

While our investment approach is focused on integrating ESG into investment decision-making, we have some investment exclusions on specific ESG concerns such as oil sands, thermal coal and controversial weapons.

The ESG approach is flexible and recognises that different factors have different levels of importance depending on the asset's class and industry / sector of the investment, although the process of integrating ESG factors into all investment decisions is common amongst them. Our level of market risk is modest and the investment portfolio is well-diversified and liquid, which limits the potential implications of individual issuers on the portfolio. Our credit holdings tend to be shorter duration (aligned to our liability duration), limiting the longer-term sustainability risks on the credit portfolio,

although ESG is still integrated. As noted, the longer-term approach and integration of ESG also helps mitigate risks within our equity portfolio.

We regularly review the sector exposure of our portfolios to ensure we monitor and fully understand the portfolio exposures to climate exposed sectors. Specifically, holdings of industries such as oil and gas, transport and utilities, which are deemed to materially contribute to climate change are monitored and reported as follows:

- Climate-sensitive sectors are reported in the monthly investments and treasury reporting. This is shared with the Climate Change Risk Working Party.
- Monthly updates are provided to the ESG committee.
- Quarterly ESG updates are provided to the Investment Committee.

Responsible investment is integrated into the investment approach. As long-term value investors, the approach focuses on long-term cash flows of the underlying business/asset and sustainable business practices.

Brit supplements its ESG integration with detailed quarterly reports from external managers on the ESG positioning of its portfolios. These reports cover exposure to carbon-sensitive sectors, fossil fuels, reserves intensity, and unconventional fossil fuels relative to benchmarks, as well as the top three emissions contributors and the top and bottom issuers from an ESG perspective.

Material changes in exposures are reviewed with managers to determine if they result from portfolio allocation or changes at the underlying holdings. Managers also notify Brit of any deviations from guidelines, which are reviewed before considering divestment. To date, no divestments have been necessary, as the managers' ESG research has been able to give comfort on the holdings' ESG approach, illustrating the benefit of integrating ESG research into the decision-making. We continue to engage with managers to enhance ESG, climate risk, and nature reporting.

We aim to enhance reporting and data on the investment portfolio, with plans to integrate ESG scores and validated third-party climate data soon. In H2 2025, we intend to work with partners to obtain emissions data for the portfolio. As it primarily comprises mid-cap US corporates, data availability and integrity remain challenging but are improving. Some emissions data will likely be estimated. Nature data is still emerging and harder to integrate in the short term, but we will assess its availability in 2026 and incorporate it when feasible.

In addition to regular reporting, Brit conducts an annual in-depth review of equity and fund holdings, focusing on business and ESG risks. This process was introduced due to limited ESG ratings coverage, particularly given the mid-cap and US bias, and inconsistencies across rating agencies. It also supports ESG engagement with the investment manager and demonstrates alignment with the Prudent Person Principle.

The ESG review assesses the strategies of underlying companies using publicly available sources, such as ESG reports, annual reports, and emissions disclosures, alongside Bloomberg data. Where available, nature-related policies (e.g. water and biodiversity) are also reviewed. Company-specific ESG insights are combined with sector and country knowledge to assign an ESG risk rating to each holding. These ratings are then aggregated to create a total ESG risk rating for the overall portfolio. We also track the proportion of holdings with carbon commitments and evaluate the robustness of those commitments.

Year	ESG Portfolio Rating	% of companies with Carbon Commitments
2024	Low-Medium	56.8%
2023	Low-Medium	35.9%
2022	Low-Medium	51.7%
2021	Low-Medium	54.5%

Since initiating ESG reviews within our equity review process, we have found that the BSL Investment portfolio has maintained an average low-medium ESG risk profile. Our initial reviews in 2021 and 2022 found just over half of the companies in the portfolio had carbon commitments, however, in 2023 this reduced to 35.9% of companies, mainly because we were more stringent in our view of what constitutes an ESG commitment and some companies had gone private, reducing visibility of their commitments. This increased in 2024 to 56.8%, as the level of visibility increased. Additionally, 5.4% of companies strengthened their carbon commitments between 2023 and 2024. The proportion of the portfolio with 'High' ESG risk also decreased in 2024, predominately due to our push for more visibility of the ESG approach of one particular oil and gas company. This demonstrates our understanding of the portfolio's ESG risk profile and the actions being taken by underlying companies.

ESG reviews support our engagement with the investment manager by deepening our understanding of underlying holdings and the manager's approach. To date, these reviews have reinforced confidence in the ESG practices of our holdings, with no cases requiring divestment. We also assess the ESG profile of any new equity investments to ensure alignment with our responsible investment policy. Some investments have been declined on ESG grounds, for example, a private markets fund was rejected due to potential exposure to oil sands, despite meeting return expectations.

As noted, the Brit investment portfolio is implemented through investment manager relationships. The responsible investment approach is integrated into investment manager selection. The aim is to partner with investment managers who not only have

strong investment capabilities but also have integrated strong ESG capabilities within their processes.

As well as evaluating investment managers' ESG capabilities in the initial manager selection process, their ESG capabilities are assessed at least annually in the annual due diligence meetings. We also hold regular discussions on the managers' ESG capabilities, and their engagement with companies, and receive annual stewardship reports detailing the managers' engagement with companies in our portfolios, where available.

We include ESG guidelines in our external manager mandates, including having an average minimum MSCI ESG rating restriction, revenue screens on specific ESG concerns such as oil sands, thermal coal and controversial weapons as well as the aim of having a lower carbon intensity index and to reduce carbon intensity through time.

With asset classes, we focus on classes where ESG considerations can be most impactful, such as equity and corporate bonds, although we recognise the vital role governments have in implementing policy in this area. Our corporate bonds tend to be short duration, and we recognise that engagement can have a direct impact as corporates need to access the investment markets regularly to raise debt.

Where we select comingled funds or exchange traded funds, we assess the ESG restrictions in the funds and invest with specific ESG criteria that meets our approach.

3.2



Take action to manage the implications of climate and nature-related risks and opportunities on, and of, our investments.

The different actions available to manage climate and nature-related risks include:

- 1 Exclusions
- 2 Integration into investment decision making
- 3 Engagement, all backed up by verified data and a sound approach.

Exclusions reduce exposure to climate and nature-sensitive sectors but limit influence over company improvements and constrain the investment universe – potentially causing unintended consequences.

Integration lets investors capture transition-related opportunities and mitigate climate and nature-related risks through a strong understanding of the underlying investments. It offers a thoughtful approach but is more resource-intensive and subjective.

Engagement complements integration by encouraging investee companies to improve ESG credentials. It can be direct, via industry organisations, or through portfolio investment managers.

Brit stays informed on thought leadership from the investment community about climate and nature-related risks and opportunities



by attending conferences and events. Since 2023, many climate transition events have increasingly had nature-related themes, evolving from a focus on carbon credits to exploring how enhanced biodiversity can improve financial returns.

Our approach to managing the implications of climate and nature-related risks / opportunities for our investments is set out in the Responsible Investment Appendix to our Investment Policy. We deliberately include this to demonstrate responsible investment within our investment approach and our commitment to it.

An ESG update is a standing item on the Investment Committee agenda, discussing the regulatory environment, latest ESG updates and portfolio updates while including specific deep-dives where required. This fits with the increasing importance of responsible investing. As outlined in our previous report, Brit built on its 2020 BSL Board training, extending responsible investment training on capital and investments in 2022 to non-executive directors.

We include ESG guidelines in our external manager mandates, including having an average minimum MSCI ESG rating restriction, revenue screens on specific ESG concerns such as oil sands, thermal coal and controversial weapons as well as the aim of having a lower carbon intensity than the index and to reduce carbon intensity through time.

Brit's investment approach requires that investments in carbon intensive industries have clear, measurable transition plans.

Sustainability is key to our long-term investment approach which recognises wider ESG risks within the investment process. It considers the potential for economic loss from these factors, including the impact of climate change. Our investment approach also considers potential opportunities created by these factors. The strategy allows investment in ESG-lagging companies if they demonstrate improvement, as such firms may become strong asset stewards. ESG enhancements in the portfolio are expected through investee company progress and active engagement by investment managers. Brit receives annual stewardship reports detailing this engagement and conducts due diligence to ensure ESG integration aligns with its investment philosophy.

Brit's investment approach requires that investments in carbon-intensive industries have clear, measurable transition plans. Investment managers are expected to encourage investee companies to strengthen these plans and have decarbonisation objectives. The approach also promotes active protection of biodiversity and other ESG factors such as waste and water, as well as sound social and governance practices.

Brit recognises the importance of engagement on ESG issues with investment managers and their interaction with underlying companies. Stewardship and active investor engagement are key components of responsible investing, as they can drive improved performance.

Investment managers

Why we engage	Form of engagement	Impact of engagement
<p>We manage the assets which support our underwriting and ensure that clients' claims can be paid. We manage those assets with a long-term value philosophy and aim to maximise return while controlling the level of market risk. We implement our investment strategy using the expertise of investment managers and we engage with them to monitor their performance, to ensure terms of the investment management agreements are met and to gain additional insights.</p>	<p>We have regular discussions with our managers to monitor performance and assess the outlook for investment markets. We also receive regular written investment reports on both investment performance and the ESG position of the portfolio from external managers and their engagement activities with companies within our portfolio.</p> <p>We have regular and ad-hoc discussions to review new investment opportunities. We also perform annual due diligence on their operational processes. Investment managers regularly present to the Investment Committee.</p>	<p>Engaging with our investment managers allows us to ensure committees are managed within our risk tolerances and guidelines and that any changes are implemented quickly. Insights from our investment managers enhance our strategy and performance. Engagement allows us to discuss new opportunities, helps us understand their approach to ESG issues, validates the sustainability of our portfolio and helps us confirm assets are managed robustly and with effective controls in place.</p>

Engagement with investee companies is performed by HWIC, which tends to have a close relationship with investee companies, and other third-party managers. HWIC has in place a proxy voting policy which establishes guidelines and requirements to ensure that HWIC meets its fiduciary obligations. They vote for delegated proxies in the best interests of its clients. In addition, our external investment managers regularly report on their engagement with investee companies within our portfolio. Also, we regularly discuss the ESG positioning within the portfolios, especially noting their ESG views on any companies of concern.

As discussed in 3.1, we have incorporated ESG into our annual due diligence reviews of the investment managers since 2019, holding regular discussions on the managers' ESG capabilities, and their engagement with companies. Regular engagement with our investment managers helps us to understand the work they do on our behalf. Engagement with investment managers is enhanced by strong knowledge of the investments, including via the annual equity reviews which incorporate ESG. This supports insightful discussion of investment managers' views on investee companies and how they've engaged with them.

3.3



Develop and use models to incorporate climate and nature-related issues and describe how the outputs of the models inform our underwriting decisions.



Brit evaluates third-party catastrophe models and develops internal solutions to manage tail risk, pricing risk, risk selection, and emerging risks. Our hazard adjustments are informed by academic research on climate variability sensitivity. Where there is consensus on significant hazard changes impacting Brit's portfolio (e.g., hurricane intensity, tornado or hurricane regionality), frequency adjustments are applied to vendor models. In cases of large uncertainty in a particular peril-region (e.g. Northwest Pacific typhoon frequency), we adopt a conservative approach for our frequency adjustments, which aligns with recent academic research. For Japanese typhoon, inter-climate model uncertainty is parameterised using a log-normal distribution and the 95th percentile adjustment leveraged to adjust the baseline catalogue.

Within Brit's internal capital model, class specific loadings are put in place to account for non-epistemic (aleatory) uncertainty, present in all risk modelling. To represent epistemic uncertainty, we leverage the variability present within the model vendor stochastic catalogue and look to only adjust the mean-state of the characteristics being altered. This may mean that the frequency of North Atlantic hurricanes is adjusted to an average climatic state for 2018-2022, however any historical inter-annual variability present that cannot be explained by changes in Atlantic and Pacific sea-surface temperatures (SSTs) is deliberately maintained to explain the epistemic uncertainty in hurricane hazard.

At Brit, we are focused on producing a view of risk that is relevant for the present-day and as such, from a climate perspective, we explicitly consider change that has occurred looking backwards from today, whilst remaining cognisant of future-looking risk on longer time-horizons. In Brit's ORSA ("Own Risk and Solvency Assessment") we stressed our tropical cyclone-exposed portfolios in the US and Japan to a conservative view of a 2027 climatic state.

Brit adjusts third-party models to reflect a present-day climate-informed view of risk, accounting for regional sensitivities to climate variability. Vendor models often lag in capturing transient climate states, including long-term climate change and shorter-term variability. Whilst climate change is one factor that may be materially mis-represented in some models (e.g. Japanese Typhoon modelled baseline of 1949-2006), multi-decadal variability occurring on shorter timescales can often be misrepresented (e.g. present-day state of the Atlantic Multidecadal Oscillation and knock-on impact on hurricane risk). As a risk carrier, this necessitates frequency adjustments by Brit.



Despite these adjustments, limitations remain, particularly in vendor event sets. Brit's view of North Atlantic hurricanes supports the view that Verisk's model underrepresents the frequency of major hurricanes making landfall in north east contiguous United States (CONUS) – a region sensitive to warming and elevated Atlantic SSTs. Brit applies compartmentalised adjustments to Verisk's North Atlantic hurricane model, modifying frequency, intensity, regionality, and intra-annual dispersion to reflect the past five years. Supporting datasets include HadSSTv4 SST data, HURDAT2 historic hurricane tracks, and the Imperial College Storm Model (IRIS), for which Brit is a funding partner and actively involved in validation and future development.

Additionally, Brit operates an internal hurricane seasonal forecast model, which is leveraged to inform business planning ahead of agency forecasts being published.

For Californian wildfires, we have applied explicit adjustments to Verisk's North American wildfire model to reflect the changing risk landscape to both climatic and non-climatic factors. Adjustments are applied on an eco-region basis, to ensure that adjustments are constrained and justifiable physically, with physical mechanisms that could be used to explain a changing risk landscape in California, including: forest management, the role of antecedent enhanced precipitation in low succession eco-regions and changes in the probability of drought conditions, as measured using vapour pressure deficit.

Brit operates an internal hurricane seasonal forecast model, which is leveraged to inform business planning ahead of agency forecasts being published.

For North American severe convective storms (SCS), we adjust the regionality of tornadic events within Verisk's North American SCS events to reflect a robust eastward shift in the environmental conditions, conducive to SCS development. This follows engagement with prominent US SCS scientist Professor Victor Gensini.

For North American flood, we adjust the regionality of flood events throughout the CONUS from KatRisk's North American flood model. This reflects biases in the KatRisk climatology, relative to a third-party model (Multi-Flood Inventory) and verified using USGS gauge data.

For Japanese Typhoon, we adjust the Verisk Northwest Pacific Typhoon model to reflect changes in the hazard, following the meta-study output presented by Thomas Knutson and collaborators in 2020. We leverage a research collaboration with Lamba Climate, who developed a tool to interpret the Knutson et al., (2020) results, however Brit adapted this tool to better represent the inter-annual over-dispersion of Typhoon events in the Northwest Pacific.

A validation exercise, which led to no adjustments, was undertaken on Verisk's European Extratropical Cyclone model using ERA5-land reanalysis data. We leveraged academic literature and ERA5-land data to validate the representation of clustering within western Europe.

For non-climatic earthquake risk, we license and run detailed Verisk Earthquake models for CONUS, Alaska, Hawaii, the Caribbean, Australia, Japan, New Zealand, Chile, Mexico, and aggregate models for Southeast Asia, Colombia, Ecuador, Peru, Venezuela, and Central America (used for Treaty risk management). Brit's research team is currently conducting an in-depth evaluation of the CONUS model. In California, we've applied a frequency adjustment to reflect the time elapsed since the model's last update (2017). Additionally, in collaboration with Professor John Rundle (University of California, Davis) we've developed a 'nowcasting' view of risk used exclusively for business planning and managing exposed limits, as opposed to capital modelling and the derivation of a technical price.

Each of the modelled adjustments (apart from the nowcasting EQ view of risk) are incorporated within Brit's internal model, which allows our Capital team to determine Brit's exposure to catastrophic risk and the allocation of reserves to cover catastrophe losses.

Across the Property Classes, the Technical Pricing Tool uses the modelled average annual loss (AAL) to derive the Technical Price for the Natural Catastrophe Exposure. The pricing tool prices for Named Windstorm, Earthquake & Severe Convective Storm separately. It uses the AAL from Verisk and after the application of Brit View of Risk loads, it calculates a Cat price for each peril.

Underwriting decisions and strategy are underpinned by Pricing Strength, where risk and linesize decisions are based on Pricing Adequacy. There is therefore a direct correlation between the use of the climate model output, which informs CAT pricing, and the individual risk and linesize decisions that underwriters make.

Governance over the models used is provided by the Model Governance Committee and BSL Board, as they form part of the syndicate's internal capital models. Underwriting in general (including exposure to climate-related risks) is governed by the syndicate and Group underwriting committees which also report into the board.



3.4



Incorporate clauses in our insurance policies' terms and conditions that incentivise the reduction of exposure to climate and nature-related issues of the insured structures through pricing of policies.

At the moment, clauses and conditions about reductions of exposure to climate and nature-related issues are not incorporated in our policy wording.

We have developed a responsible underwriting guideline that aligns with Lloyd's guidance, and we expect our customers in carbon-intensive industries to have clear and measurable transition plans.

In addition, as mentioned in section 2.6, in 2024 we reviewed a range of ESG-sensitive industries (covering both climate and nature-related risks) to develop underwriting guidance and positions relating to these areas that helps the underwriters take a more comprehensive view before underwriting policies. We have then trialled this extended guidance with our FinPro team. As part of this work, we will be looking into the potential efficacy of incorporating incentivisation into policy wordings, subject to established and applicable regulatory requirements.

As mentioned in section 1.5, climate change exclusions have been introduced within most of the Specialty book to clarify Brit's stance.



3.5



Disclose our climate and nature-related transition plans and the objectives, priorities and commitments we are looking to address.

Brit doesn't have a formal transition plan in place yet, but we recognise a transition plan is a crucial tool we can use to effectively manage our physical and transition climate risks and position ourselves for longevity in an evolving world. Additionally, we recognise the need for a transition plan so that we can play our role in support of a net zero transition across our operations, underwriting and investment activities. A transition plan will also be key in delivering our ESG strategy, particularly supporting our pillars of reducing our environmental footprint and enabling the net zero transition.

As such, in 2025 we began the process of developing a transition plan. We have used frameworks such as the TPT (Transition Plan Taskforce) and guidance from FIT (Forum for Insuring the Transition) and ClimateWise, alongside reviewing peer plans to guide our development. This has helped us to start the process of identifying our ambition, objectives, priorities and the levers available to us. We are also exploring potential support from external consultants for the development and review of the plan.

Since developing our baseline emissions position in 2024, we can use this to create our transition plan, setting ambitions and targets for our internal business planning. Work so far has centred on the understanding and research of frameworks, identifying the key levers available to us, and initial views on potential ambition. Through the course of H2 2025 and 2026 we will continue to progress on the development of the transition plan, including the involvement of wider stakeholder groups, with the expectation that the drafting process will be iterative to ensure we get the relevant oversight and approvals. We are targeting to have the transition plan approved and signed off during 2026.

Our transition plan will set our ambition across our core business activities: operations, underwriting and investment. Within each of these, we anticipate setting ambitions – defining the relevant actions and engagement strategies needed to meet them, as well as the appropriate metrics and governance structure to track progress and oversight. We recognise that our transition plan will rely on dependencies and assumptions, such as the availability of robust data, supportive governmental regulation and the ability of our clients and suppliers to effectively transition. As we progress on our plan, we will identify these accordingly.

3.6



Describe how the transition plan is overseen, resourced and implemented.

Our first step in developing the transition plan is having the required input, oversight and governance from key internal stakeholders. As detailed in sections 1.1 and 1.2, it is the responsibility of Brit's board and senior management to integrate climate-related risks and opportunities into our business strategy and risk management framework, which will also encompass oversight of the transition plan.



Our Executive Committee plays a crucial role in key decisions related to climate change, and as part of the transition plan development process, we will engage with the Executive Committee to establish appropriate governance structures, engagement plans and to define the group's ambitions.

Additionally, we will consult with key stakeholders across our operations, underwriting, and investment teams to determine the necessary actions, engagement strategies, and metrics required to achieve the ambition of the transition plan. We expect development to be an iterative process and have factored into the timeline a review process with the key stakeholders. We expect that the transition plan, once developed, will be signed off by the Executive Committee and the board.

We understand that the ability to effectively resource and fund the transition plan will be crucial for the successful delivery of the plan and achieving our ambition. As such, where possible, we will investigate how the plan can be incorporated into the wider financial planning process, in line with the TPT framework.

4 disclosing effectively



Brit discloses scope 1 and 2 emissions, and partial scope 3 emissions in both our annual report as part of our environmental data, and within our publicly available ClimateWise report



Measure and disclose the impacts and potential impacts on our business of material climate and nature-related risks and opportunities, including the results of the resilience analysis.

As mentioned in sections 2.5 and 2.7, our dedicated natural catastrophe research sub-team actively monitor developments in climate science and incorporate these findings within Brit's analysis. This, along with other scenario analyses and risk activities (see sections 1.5, 1.6, 1.8, 1.9 and 1.10), and double materiality analyses (see section 1.7) helps us understand the impact on our business.



While some of this work is discussed within industry presentations, it's not publicly disclosed. We have plans to further integrate the conclusions of the natural catastrophe research sub-team into our underwriting planning and decision-making processes. At the CCRWP meeting in July '25 it was agreed that we begin to monitor the impact of non-stationarity in the climate baseline on physical climate risk, through the lens of Brit View of Risk.

The metric agreed upon compared the pricing impact of climate variability through the average annual loss against capital impacts through a 200-year OEP TVAR metric. This will be monitored with and without the application of Brit View of Risk, so any adjustments we make to align a modelled view to present-day are measured in this metric.

In addition, during 2024 we developed an ESG dashboard, which utilises the D&B data mentioned elsewhere in this report. The dashboard is currently helping us measure and assess the emissions from insureds that are contributing most significantly to our climate and nature-related risks.

- We have also been able to use this tool to identify the Scope 1, 2 & 3 emissions from our insureds on a group class and portfolio basis.
- This enables underwriters to be able to look at risks from a detailed ESG level using the third-party data from D&B.
- The data also enables us to look at transition plans and streamline data.



As mentioned in sections 3.1 and 3.2, we regularly review the sector exposure of our investment portfolios to ensure we fully understand the portfolio's exposures to climate-exposed sectors. We plan to develop metrics around these soon.

In terms of direct operational resilience, we recognise that the main impacts from climate change on our City of London headquarters and staff come from rising sea levels, surface flooding, heat, drought and wildfires. Brit considers these impacts alongside other threats

and aligns them to the resources which support each important business service. The resources are people, location, applications, data and suppliers. Brit runs scenarios which are focused on the denial of the resources, rehearsing our capability to respond. We factor in these denials to our response plans.

In 2023 we also collated the locations of our IBS supplier operations, to better respond to impacts which include climate change, for instance a change in the monsoon in India.



Disclose the metrics used to measure and manage our contribution to climate and nature-related risks, and targets used for monitoring progress.

Brit discloses scope 1 and 2 emissions, and partial scope 3 emissions in both our annual report as part of our environmental data, and within our publicly available ClimateWise report.

In our 2024 annual report we disclosed emissions for the year, alongside business travel emissions data. This is reported in tonnes of CO₂, and split between sources: gas, electricity, business travel (air), business travel (hotels), and business travel (other). We also report emissions per employee. We then disclose our scope 1 and 2 figures in kWh and tonnes of CO₂.

We disclose the latest year's figures alongside the previous year's figures, for comparison.

Our annual report also explains that, for the emissions figures above, we offset our carbon emissions through ClimateCare (www.climatecare.org). For every tonne of carbon generated we fund the equivalent reduction through ClimateCare's carbon reduction projects. As of 31 December 2023, we remained fully compliant with the Energy Saving Opportunities Scheme (ESOS) (see section 2.1 for more details).

Brit has a firm plan to develop targets for scope 1, 2 and 3 emissions once robust baselines have been established. We already have scope 1 and 2 baselines (using 2019 as the baseline year) and we have been working to establish baselines for scope 3 as part of our data workstream in H2 2025 and will continue in 2026. Considering scopes 1, 2 and scope 3 business travel, we have seen reductions in our carbon emissions of approximately 57% from 2019 to 2024. It is likely we will set internal targets in 2026 as part of our transition plan, and may investigate science-based targets (SBTs) once internal targets have been set and agreed.

Waste management: During 2024, we changed our waste management supplier, meaning we were unable to report on waste and recycling rates for 2024. Our intention is to disclose 2025 metrics in our 2025 annual report and next year's ClimateWise report. During 2023, we recycled 12.1 tonnes of paper waste (2022: 0.0 tonnes) and we sent 19.0 tonnes of general waste to energy recycling (2022: 7.1 tonnes). In 2023, we also recycled 3.2 tonnes of glass (2022: 1.3 tonnes), 3.1 tonnes of cardboard (2022: 2.0 tonnes) and 10.2 tonnes of food waste (2022: 4.0 tonnes).

Brit recognises that currently we are not disclosing the full scope of our Scope 3 emissions, in particular category 15 financed emissions are not yet disclosed. We have plans to advance this in 2026 and hope to share more in the future, including: insurance-associated emissions using the PCAF methodology and data from our external data provider, investment emissions, employee commuting emissions, and emissions from our major supplier(s), including outsourcing suppliers and technology and data emissions.

Our disclosed emissions figures are replicated below:

Environmental disclosures in Annual report

Emission source ³	2024 CO2 (tonnes)	2023 CO2 (tonnes)	2022 CO2 (tonnes)	2021 CO2 (tonnes)	2020 CO2 (tonnes)	2019 CO2 (tonnes)
Gas (Note 1)	139	196	203	111	339	357
Electricity (Note 1)	199	222	254	222	511	385
Business travel – air (Note 2)	1,621	2,455	1,498	218	959	3,862
Business travel – hotels (Note 2)	33	45	39	10	20	–
Business travel – other (Note 2)	12	17	2	–	–	5
Total carbon footprint before offset	2,004	2,935	1,996	561	1,829	4,609
Offset	2,004	2,935	1,996	1,122	3,373	4,220
Total carbon footprint after offset	–	–	–	(561)	(1,544)	389
Emissions per employee were as follows – CO2 (tonnes)						
Number of employees at 31 December, excluding NEDs	1,045	911	947	804	748	645
Carbon footprint per employee before offset	1.9	3.2	2.1	0.7	2.4	7.1
Carbon footprint per employee after offset	–	–	–	(0.7)	(2.1)	0.6

Note 1: Where Brit operates from offices which form part of a larger commercial development, usage and emission data has been supplied by the building manager. Where data was unavailable, estimates have been used. Where Brit operates out of serviced office suites, it has no control over the management of utilities. Such serviced accommodation is considered out of scope for this purpose.

Note 2: For all travel including air, hotels and rail, data has been provided from our travel agent partner. The figures do not currently include RF (Radiative Forcing).

Note 3: All figures are inclusive of Ki.

Brit's Streamlined Energy and Carbon Reporting (SECR)

Year	2024		2023		2022		2021		2020	
Unit	kWh	GHG (CO2 tonnes)	kWh	GHG (CO2 tonnes)	kWh	GHG (CO2 tonnes)	kWh	GHG (CO2 tonnes)	kWh	GHG (CO2 tonnes)
Scope 1	755,422	139.4	1,072,927	196	1,113,902	203	601,996	111	1,047,392	271
Scope 2	703,248	178.7	1,106,717	222	965,285	197	690,711	177	881,308	409

Note 1: The scope of the table differs from the carbon emissions reported above – it only covers UK-based operations, in accordance with SECR requirements for unlisted companies.

Note 2: All figures are inclusive of Ki.

Note 3: Gas and electricity for the fourth quarter were estimated by using the values from the first quarter as the seasonality of the data for those quarters are closely aligned.

Note 4: All UK electricity used is 100% renewable – we used the GHG conversion factors published by the UK Government on 8 July 2024 for these calculations.

Note 5: For all travel including air, hotels and rail, data comes from our travel agent partner, who arrange travel.

Note 6: In the UK, Brit operates in an office which forms part of a larger commercial development. Usage and emission data has been supplied by the building manager.

Note 7: Includes gas purchased for Brit's UK office – data supplied by the building manager.

Note 8: Includes electricity purchased for Brit's UK office – data supplied by the building manager.





Maintain and enhance a robust reporting regime, processes and internal controls over climate-related disclosures to avoid material errors or material misstatements.

We follow a collaborative approach towards the development of both the ClimateWise report and the ESG/sustainability aspects of annual reporting. To do this we form a cross-functional team made up of members of the ESG steering committee who act as a point of contact for their area. We then divide the sections of the disclosure and assign them to individuals using a RACI methodology. This process is supported by weekly progress calls to track completion and discuss any issues or blockers.

For the ClimateWise report, once a first draft is developed, the report is then verified by internal and external SMEs. This includes external review, challenge and feedback by ESG and Sustainability specialists, an external consultancy who we use occasionally for support. Their feedback is then considered and included in the report.

The ClimateWise report is then signed off by the Head of ESG before final sign-off by EC members as appropriate.

For the annual report, the process follows the same path, excluding support from FTI, as the report is reviewed as part of the sign-off from the Group Reporting Senior Manager, the Group Financial Controller and the CFO. The ESG content, including the carbon emissions figures we currently disclose (Scope 1 & 2, and Scope 3 Category 6), is carefully assessed and challenged throughout this internal process.

Scenario analyses and climate related BVoR developments are overseen by the CCRWP and Risk committee. In addition, we received feedback from the PRA on CBES which helps validate our approach.

We can now begin measuring and disclosing scope 3 category 15 emissions. We are actively investigating how to instigate controls and checks of both the data inputs, and the reported outputs. We are planning that our category 15 figures will also include the PCAF data quality score, and that the data collection and analysis process will be clearly documented and be fully auditable by our internal and external auditors.

Planned activity

In 2025 we performed an internal review of ESG-related reporting, comparing our reporting and disclosures against a range of our peers, both within the London market and in the wider insurance industry. The review was carried out by Grant Thornton and had provided us with clarity of our current reporting capability in terms of TCFD and the expected ISSB S1 and S2 disclosure requirements. This report will be presented to the board in 2026, and an action plan to address the gaps will be developed and delivered.



Annual submission against the ClimateWise Principles.

We submitted our 2024 report on time and in full, covering the 2023 year of account – as we have for all previous reports. The report was submitted following the agreed methodology in Word format, along with an upload of the required evidence, which was referenced in the report and followed a standardised file naming convention.





Annual public disclosure of the climate-related disclosures including ClimateWise Principles as part of annual reporting.

Key elements of Brit's progress against the ClimateWise Principles are included in our annual report, in addition to other ESG matters, including charitable giving, volunteering, and our diversity and inclusion activity.

Starting in 2020, our climate-related financial disclosures have been aligned to those recommended by the TCFD – our aspiration is to be transparent on ESG. Our commitment to aligning with the new IFRS Sustainability Disclosure Standards (IFRS SDS), specifically S1 and S2, will continue after approval from the International Sustainability Standards Board (ISSB) and adoption by UK government. When the ISSB mandates their adoption, we'll incorporate these standards into our reporting practices.

In our ESG roadmap we had planned to perform baseline emissions accounting across scope 1, 2 and 3 in 2024. Unfortunately, as we started to develop category 15 insurance-associated emissions data, we discovered that this task was going to take longer than planned. We have persevered with this and expect to set a baseline, beginning to monitor category 15 insurance-associated emissions in 2026. We are continuing to investigate investment emissions in 2025 with

the aim of setting a baseline in 2026. We have made progress on category 1, 5 and 7 in 2024 and hope to disclose these soon. After this, we will set targets in all these areas and continue to monitor and report progress of these targets periodically.

We publish a sanitised version of all our previous ClimateWise reports (2021, 2022, 2023 and 2024). Our climate risk and nature disclosures – including the scenarios considered and underlying assumptions – are aligned with the reporting period of the financial statements. These cover all the principles but exclude commercial confidential elements. All reports are actively referenced on our website, alongside our published ESG statement (<https://www.britinsurance.com/culture/esg>) and are available for download. Each report is professionally copywritten before publication to ensure it is readable by a wide audience, and reports are enhanced with appropriate visuals, as mentioned in principle 4.6 below.





Ensure reports are easy to understand, accurate, prudently and neutrally presented, well-explained and allow organisations to be held to account.

When we create documents for public consumption, we employ a copywriter and designer to make sure the report meets the standard editorial guidelines that Brit sets out, and to make sure these documents are easy to digest and read. We are supported by our communications and marketing department.

We are actively working on enhancing data disclosure to enable greater disclosure in our reports.

Where possible, we publish previous years' figures to allow year-on-year comparisons. We emphasise that all facts and figures provided are as of the reporting date, and any subsequent events between reporting and publication will be treated consistently.



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