



SUSTAINABILITY

Sustainability Strategy 2022-2025

Creating long-term enterprise
value by doing the right thing

MS  **Amlin**



CEO's Letter



'We live in interesting times' is an overused phrase these days, but it is true today, perhaps like no other point in living memory.

Instability appears to threaten our collective and individual way of life. Whether financially and economically, social and politically, not to mention environmentally. The scale of the challenge is immense, yet there is, as there always must be, hope. Hope in the future, hope in our ability to develop solutions, and hope

for our creativity and desire to work together to secure not simply a stable future, but one where we thrive.

This strategy document is intended to place a marker in the ground, acting as a statement of positive and ambitious intent about how MS Amlin plans to support our clients, partners and our business, as we identify and navigate ourselves on the path towards a brighter tomorrow.

This document and the subject at its heart, sustainability, touches every aspect of our business and rightly so. Its scope is broad, the challenge is sizeable and will not be easily solved in a mere matter of years; however the opportunity ahead of all of us is enormous.

As we all know, insurance is one of the major enablers of growth and trade. Without it investment withdraws, appetite remains unsated and development is hobbled. MS Amlin has a major role to play, agitating for positive change, supporting the transition of the economies and clients we support as we move towards our goal of net zero, enabling the decarbonisation of the value chains and sectors where we are most active, and empowering

our people to make pragmatic as well as challenging decisions to move our business and our clients forwards.

Examples of change are not difficult to find; agriculture, renewable energy and property are sectors that will require product reshape and a keen eye to identify rapidly emerging risks and opportunities.

The path ahead will test us, we will all feel uncomfortable at times because without some discomfort, we will not deliver on our promises to grow our business, as well as that of our clients.

This strategy and the actions we will take over the next three years are significant steps on that path.

I hope you will join us on the journey.

Johan Slabbert

Chief Executive Officer
MS Amlin Underwriting Limited



Building Blocks of our Sustainability Strategy

A clear strategy to deliver our ambition championed by senior management

Net Zero 2050
Sustainability Ambition aligned with Paris Goals

MS Amlin Taxonomy outlining how sustainability applies to our business

TCFD and UNSDG aligned **Metrics and Reporting**

5 GENDER EQUALITY



Climate Scenario Analysis to assess financial risk impacts of climate change on our balance sheet

Robust Governance that embeds sustainability within decision making

Corporate Social Responsibility aligning commercial aspirations with moral obligation

Performance Appraisal / Reward linked to sustainable outcomes

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Underwriting and Investments processes **support fair transition**

Net Zero Operational Emissions by 2030 at the latest

Stakeholder alignment around doing the right thing to create enterprise value

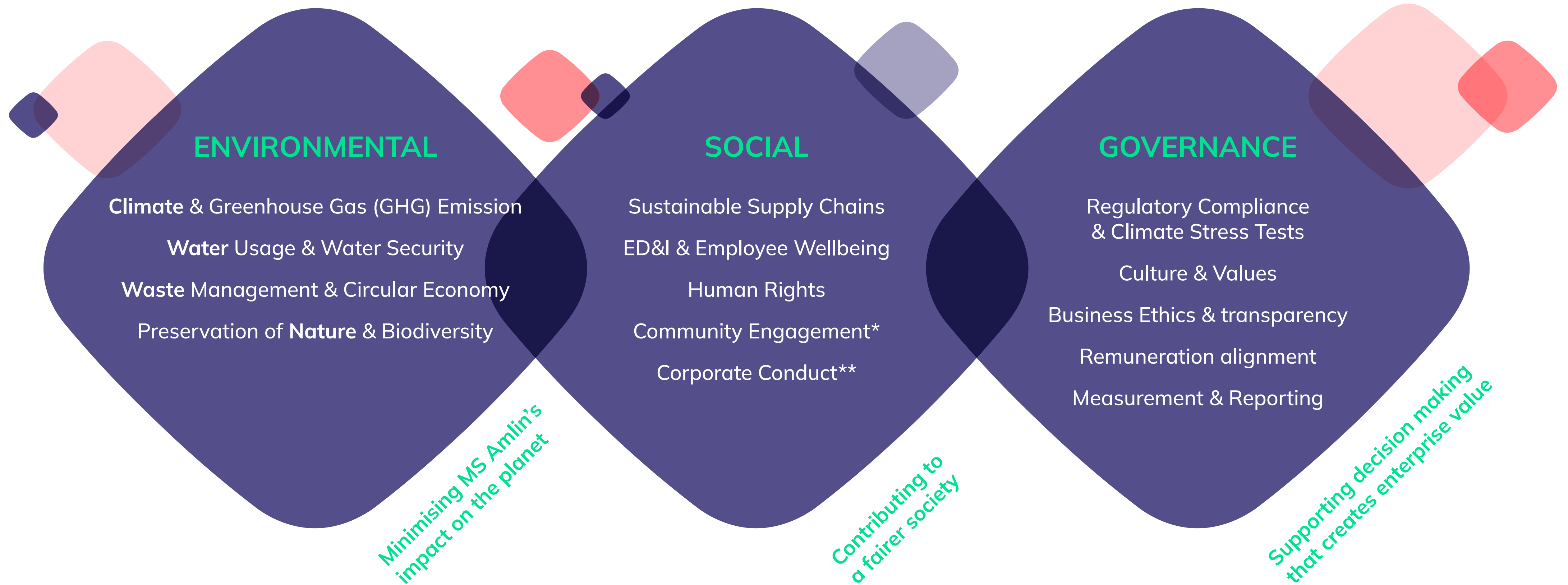
36 month Roadmap of prioritised actions that support delivery of our Sustainability Strategy

13 CLIMATE ACTION





MS Amlin ESG Taxonomy



* Community Engagement includes: CSR, fair taxes and taking public positions on sustainability related matters that affect our key stakeholders

** Corporate Conduct includes: Use of customer data, product design/suitability, responsible underwriting and claims philosophies



Sustainability Ambition

Sustainability Philosophy (Business Strategy Alignment) :

We believe that implementing sustainable business practices will help us to become more socially responsible and create long-term enterprise value. As an (re)insurance business, focused on underwriting complex risks, our business is well positioned to support sustainable economic development; for example, by insuring clean energy installations, schools, hospitals, water sanitation plants, charities and NGOs, supporting the safe decommissioning of brown assets, and promoting the use of decarbonisation technology, where possible.

Net Zero Goal:

In the context of our overarching purpose, The MS Amlin Board (The Board) has set a target to reach net zero* by 2050, at the latest, across all aspects of our business. This includes:

- Direct emissions from company-owned or operated facilities and vehicles (i.e. Scope 1 emissions)
- Indirect emissions from the consumption of purchased energy (i.e. Scope 2 emissions)
- All other indirect emissions within our value chain (i.e. Scope 3 emissions)

Fair Transition:

Equitable, affordable and rational transition that recognises the intrinsic links between Environmental, Social and Governance matters is at the core of our net zero goal. We believe that it is entirely possible, through innovation and collaboration, to build a valuable, profitable and prestigious business whilst addressing society's changing needs, tackling climate change and preserving nature.

(*We are defining net zero as a state where we add no incremental greenhouse gases to the atmosphere, through a combination of reducing our Scope 1, 2 and 3 emission and offsetting any residual emissions via removal of an equivalent quantity of greenhouse gases from the atmosphere.)





Our Role in Society

Our investment in developing and implementing a Sustainability Strategy coincides with an increased appetite of employees, clients, the insurance industry and other stakeholders to talk about sustainability implications and assess more than just financial returns.

We believe that this reflects a broad, cultural change within industry, and represents an evolution within society. Despite being a profit driven enterprise, we recognise and celebrate the fact that MS Amlin's commercial activities are not divorced from its moral and societal obligations.

We also recognise that the financial or market implications of environmental impacts often appear to have a higher priority than the social, even where the same underlying activity is the cause of both.

As well as through our products, investments, taxes that we pay and as an employer, we have set on the following pages further examples of how we are creating value in society.





Responsible Underwriting

INTEGRITY – Our strategy is centred around a desire to do the right thing. We seek to balance the interest of our four main stakeholders – our customers, our owner, our employees and our community. With regard to our strategy on sustainability, community is number one.

TRANSITION – We believe net zero is more likely to be achieved if we responsibly recognise existing fossil fuel infrastructure, work to achieve decarbonisation and realise the UN Sustainable Development Goals (UNSDGs) with our clients, across a transition plan with hard metrics.

DIFFERENTIATION – We recognise there are strong differences in the directions various clients are heading. Our approach may also differ and will be driven by the integrity of our clients' long-term aspirations.

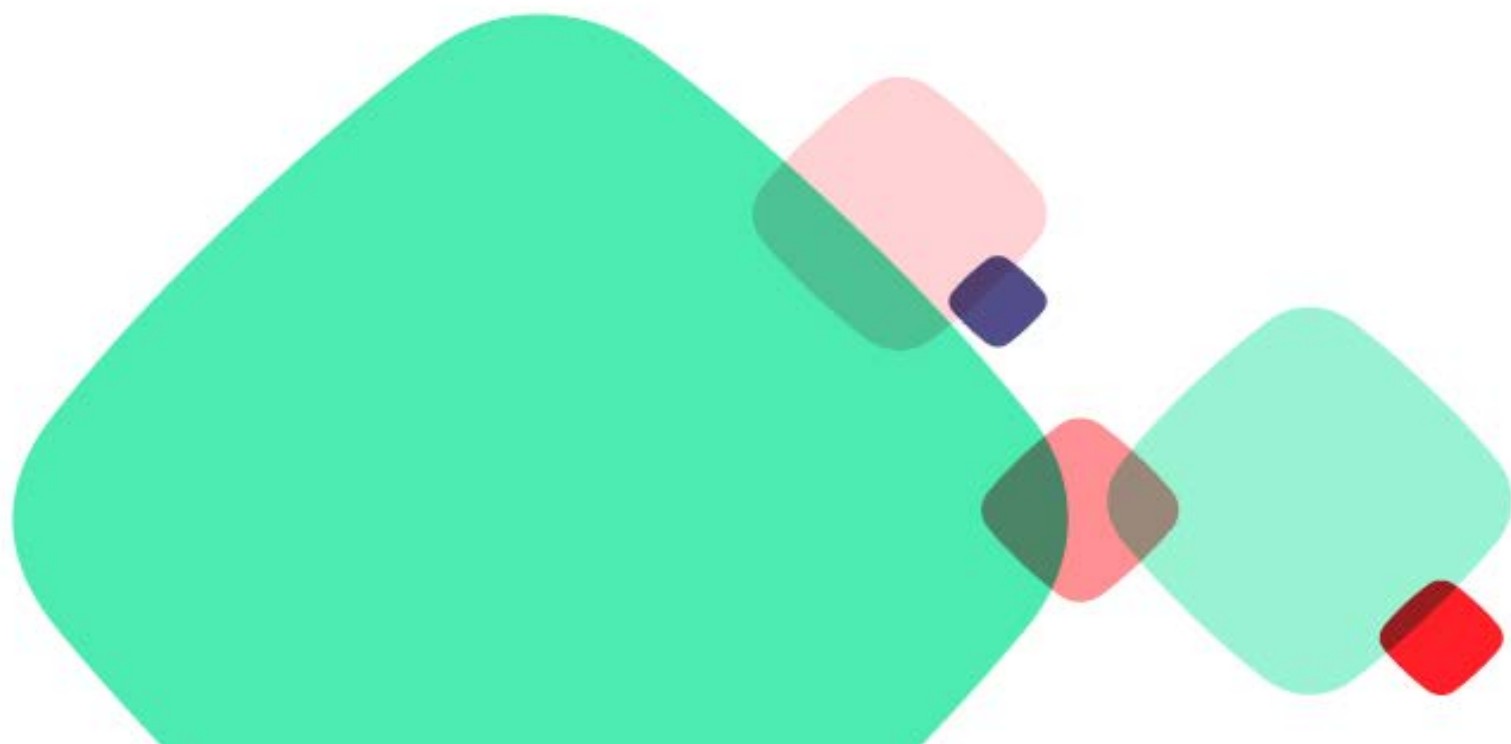
PARTNERSHIP – Equitable and rational transition will not happen overnight. Our goal of net zero 2050 and alignment with the UNSDGs will only be achieved through a true partnership of facilitating decarbonisation and responsible business over a period.

People and Operations

Actions we are taking:

During the period covered by the Sustainability Strategy, we will:

- Review interview competency guides to ensure dedicated sustainability questions (beyond ED&I and ethics, which are already included) are available to hiring managers
- Ensure careers pages, materials, entry level presentations, digital onboarding / induction materials include sustainability messaging
- Review where the sustainability agenda could form part of the mandatory training suite, including training for entry level hires
- Develop training that helps Underwriters to navigate ESG considerations on individual companies or industries that we insure
- Embed ESG within performance appraisal and reward processes, evaluating individuals on their performance AND behaviours
- Review policies, tools and benefits across the employee lifecycle to support our people at home and at work
- Prioritise inclusive workforce listening through engagement surveys and focus groups
- Ensure talent process aligns skills development to business and individual needs
- Offer coaching and support for maternity returners
- 'Nudge' employees, through internal communications, to take up volunteer days
- Enable managers and teams to work together on volunteering opportunities
- Transfer unspent apprenticeship levy cash to charities and social enterprises with a salary bill of less than £3mn
- Update supplier code of conduct and supplier due diligence to ensure sustainable supply chains
- Incorporate circular approaches within the claims philosophy
- Work with facilities management partners to reduce operational emissions (waste to landfill, water / energy use)



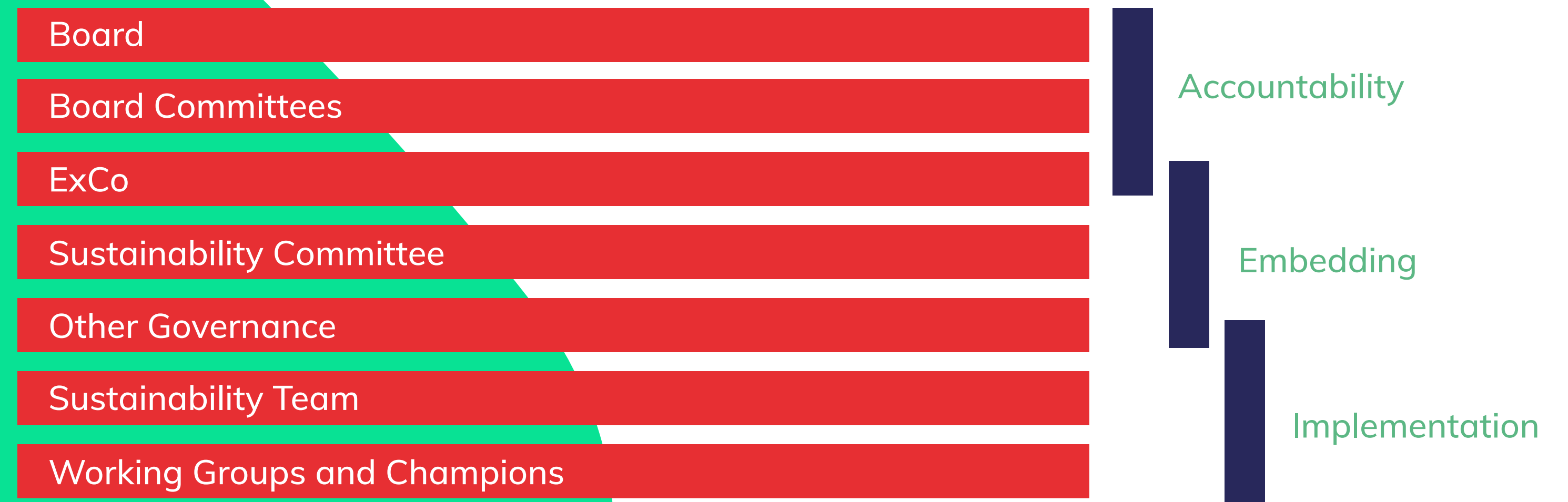


Governance

The Board has overall responsibility for setting and overseeing the implementation of the Sustainability Strategy. The Board has a number of committees, to which it delegates oversight and decision making powers in accordance with documented Terms of References.

The Governance structure for sustainability and climate change is shown opposite, and will continue to evolve as we embed sustainability into MS Amlin's business model.

Sustainability Governance Approach





ESG Metrics

We will use ESG data and metrics to reinforce our "own view of risk" by examining the causal link or correlation between sustainability performance and loss ratios and integrating relevant ESG data points within our underwriting risk / investment selection and portfolio management processes.

Individual metrics not designed to be viewed in isolation given the nascent and nuanced challenges in making effective business decisions in respect of ESG.

