

Sustainability Report

2024

Creating lasting value for
our stakeholders



SUSTAINABILITY

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Sustainability is fundamental to the long-term success and resilience of our business and our clients' businesses. We recognise that how we manage environmental, social and governance (ESG) issues increasingly defines our ability to create lasting value for our customers, communities, shareholder and colleagues, our four key stakeholders.

From peripheral to core

From climate risk and natural catastrophe exposure to the ways we support our people and communities, sustainability touches every part of our business. That's why we view it as a strategic priority – central to our long-term financial performance. Sustainability has rapidly evolved and is now fundamental to our strategy.

Over the past year, we've continued to make meaningful progress in embedding sustainability across our business, and this report offers stakeholders a clear view of our journey toward our core sustainability goal: creating enterprise value for our customers, communities, shareholder and colleagues. Sustainability is a regular feature of Executive and Board meetings and our thought and action orientated leadership in this space is being recognised, both within the wider company network, as well as externally.



Headwinds of change

Alongside this growing activity and engagement, the world gives us constant and sometimes sobering food for thought.

We are seeing the profound impact of climate change, societal change and communities impacted by geopolitical volatility, increase year on year. The increased frequency and severity of this impact is a threat to so many, often in regions of the world where infrastructure and access to basic resources is fragile and scarce. Economic expectations and increasing financial pressures for consumers and corporate clients is leading to heightened challenges to secure adequate insurance protection, even as the risk of experiencing a natural catastrophe increases exponentially. This is moving our sector to a position where the ability to provide suitable cover for those most vulnerable to climate and economic shock, at a price customers believe they can afford and at a rate insurers believe they can afford to offer, is becoming more difficult.

Increasingly, what we see is not simply a protection gap, but more realistically a protection trap.

A brighter future

Yet there are always reasons to be optimistic for the present and the future.

Human ingenuity, and the need to develop solutions to seemingly intractable problems is a frequent source of positivity. You will read about more of these solutions in this report, including meaningful examples of insuring the transition to a low carbon world, supporting adaptation finance and protecting communities whose lives are integrated into the natural environment.

I'm proud of the progress we've made and look forward to continuing to deepen our sustainability commitment and actions across all dimensions of our business. By doing so, we aim to build a more responsible, inclusive, and resilient business.

Andrew Carrier
Chief Executive Officer, MS Amlin

2024 Highlights

Whilst our Strategy applies to all aspects of our business, underwriting is where our sustainability ambitions are most powerfully realised. In 2023, we embedded ESG into decision-making through new underwriting guidelines, exclusions, and referral processes. In 2024, we advanced this by:

- Identifying climate finance as our greatest opportunity;
- Focusing on climate adaptation finance, leveraging specialist lines like Property Treaty, Political and Credit Risk, Agriculture and Crisis Management; and
- Strengthening our partnerships to co-develop blended finance models and innovative risk-sharing solutions.



Our Sustainability Strategy is grounded in a desire to create enterprise value and designed to set in motion a cycle of continuous value creation for all our stakeholders.

During the period covered by this report, several interconnected external factors, geopolitical risks and accumulating shocks have been at play. These issues affect societies, economies, the insurance industry, our business, and key stakeholders which shape our overall approach to sustainability. They include:

Climate Change – causing more frequent and severe extreme weather events, as well as rising sea levels, resulting in infrastructure damage and cascading impacts on societies and economies

Nature and biodiversity loss – triggering increased food and water insecurity, operational disruption, increased competition for fewer resources, and health issues linked to dehydration and malnutrition

Energy security concerns – stalling transition away from fossil fuels, in some markets, whilst promoting decarbonisation efforts in others

Conflicts – generating global and regional instability, fuelling energy and food insecurity, increasing the incidence of strikes, riots, civil unrest, and creating fragility in global supply chains

Increasing nationalism and protectionist policies – slowing the pace of international collaboration, exacerbating supply chain disruptions and increasing barriers to multilateral trade and global progress

Looking forward, it is likely that these factors will be all the more pertinent. At a human level, they affect lives and livelihoods by fuelling social and economic tension, increasing competition for fewer resources and worsening inequality. Applying this to our business, **2024 was the fifth consecutive year in which insured losses from natural catastrophes exceeded \$100bn, coinciding with the warmest year on record.** We are seeing a corresponding increasing frequency and severity of claims. It is becoming increasingly difficult for consumers to find affordable insurance in disaster prone areas. We see this trend as signalling growing risk exposure and pressure to balance affordability with long-term viability.

Against this backdrop, we recognise that climate change, nature loss, global health and other socio-economic challenges are not only material risks but also major growth opportunities. Central to this is the belief that aligning insurance and investment decisions with long-term resilience and sustainability can **support both profitable growth and societal progress.** As such, in 2024 we clarified our definition of “insuring the transition,” acknowledging that climate and social risks are interlinked and present across all lines of business. Our approach explicitly considers geopolitical volatility, biodiversity loss, and socioeconomic drivers alongside climate risks.

A primary focus for us, over the last 12-18 months, has been the development and underwriting of opportunities that enable climate adaptation, building resilience to the physical impacts of climate change, particularly in vulnerable regions of the Global South. These efforts, principally driven by our multi-disciplinary ESG Re team – established to develop adaptation finance and disaster risk reduction strategies – **aim for scalable, commercially viable, long-term solutions that channel capital to where it is most needed.** Recent deals in India, Ukraine, Laos, and several African nations demonstrate a clear shift toward supporting risk reduction and resilience through insurance-led solutions.

By leveraging our risk expertise, we help communities and economies prepare for and recover from adverse climate impacts, while opening up new markets with low insurance penetration and increasing risk exposure. This includes facilitating adaptation through blended finance models, working closely with NGOs, humanitarians, public sector organisations, multilateral institutions, brokers, and other non-insurance actors. The **objective is to address the**

insurance availability vs. affordability conundrum by improving societal resilience and developing innovative insurance solutions that reflect local conditions and needs.

Strategic partnerships are at the heart of our approach, having recognised that no single organisation or country can tackle systemic issues like climate change or inequality alone. Collaborating with partners who offer local insight and on-the-ground expertise, particularly in emerging markets, has and will enable us to create insurance products that are relevant, inclusive, and impactful. We believe that this approach balances stakeholder interests – customers, communities, shareholders, and employees – by promoting inclusive growth, supporting disaster recovery, and enabling sustainable development. Ultimately, **we view sustainability not as a peripheral concern, but as core to our identity and future success.** Through responsible underwriting, strategic investment, and meaningful partnerships, we aim to be a catalyst for adaptation and resilience in the face of global environmental and social challenges.

Looking back on what we’ve accomplished, I feel incredibly proud. **We’ve moved from ambition to action, writing real business that supports adaptation, resilience, and the transition to a fairer, more sustainable world.** These achievements are only possible because of the people and partnerships that have believed in this vision and brought it to life with passion, creativity, and determination. Thank you to everyone who’s been part of this journey so far – our partners, our teams, and our stakeholders. There’s more to do, but I’m confident we’re on the right path and I’m excited about what we’ll continue to achieve together.

Amir Sethu
Head of Sustainability, MS Amlin



Our Approach

This report covers our sustainability performance from 1 January to 31 December 2024, focusing on the topics most material to our business, including climate-related risks and opportunities and the expectations of our key stakeholders.

The report reflects the guidance provided by the Taskforce on Climate-Related Financial Disclosures (TCFD) which outlines 11 disclosure recommendations structured around the four core pillars: Governance, Strategy, Risk Management, and Metrics and Targets. A mapping table is included to help navigate the disclosures (see Table 1).



Our Approach (continued)

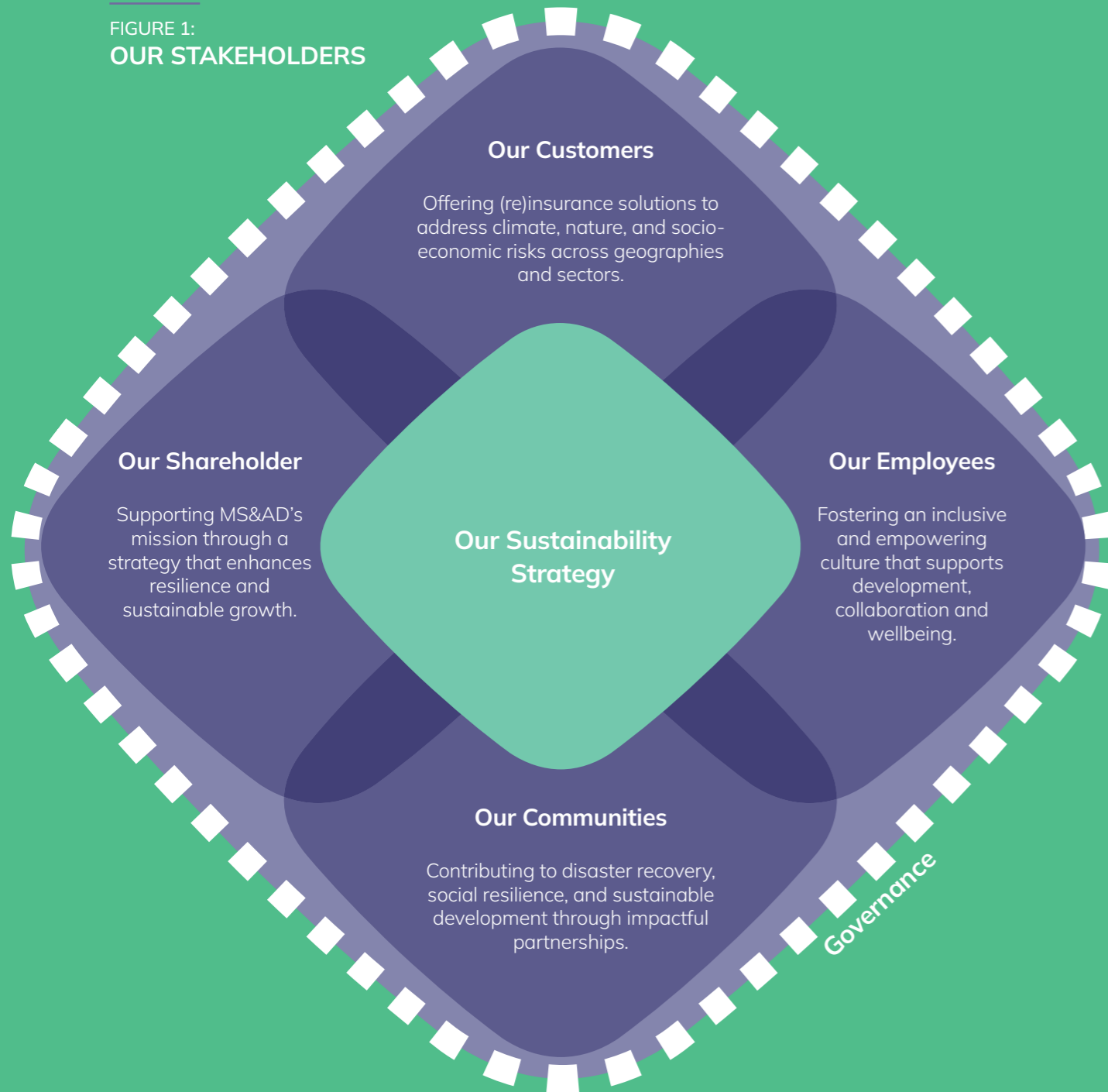
TABLE 1: TCFD mapping table

Pillar	Recommended disclosures	Disclosure Status	Reference
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	Disclosed	Board Oversight (see page 18)
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Disclosed	Management-Level Governance (see page 19)
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Disclosed	Underwriting Sustainability Strategy (see page 11)
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Partially disclosed – work continues to embed impact considerations into strategy and planning	Risk Identification and Assessment (see page 21)
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Disclosed	Climate Scenario Analysis in Underwriting (see page 23) Climate Scenario Analysis in Investments (see page 27)
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Disclosed	Risk Management Process (see pages 21-22)
	b. Describe the organisation's processes for managing climate-related risks.	Disclosed	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Disclosed	
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially disclosed – work continues to develop our quantitative disclosure	Underwriting Metrics, (see page 30) Investment Metrics (see page 31) People and Operations Metrics (see page 33)
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Partially disclosed – work continues to develop our Scope 3 disclosure	Greenhouse Gas Emissions (see page 32)
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Partially disclosed – work continues to develop quantified time-bound targets	Key Goals and Targets (see page 30)

Strategy

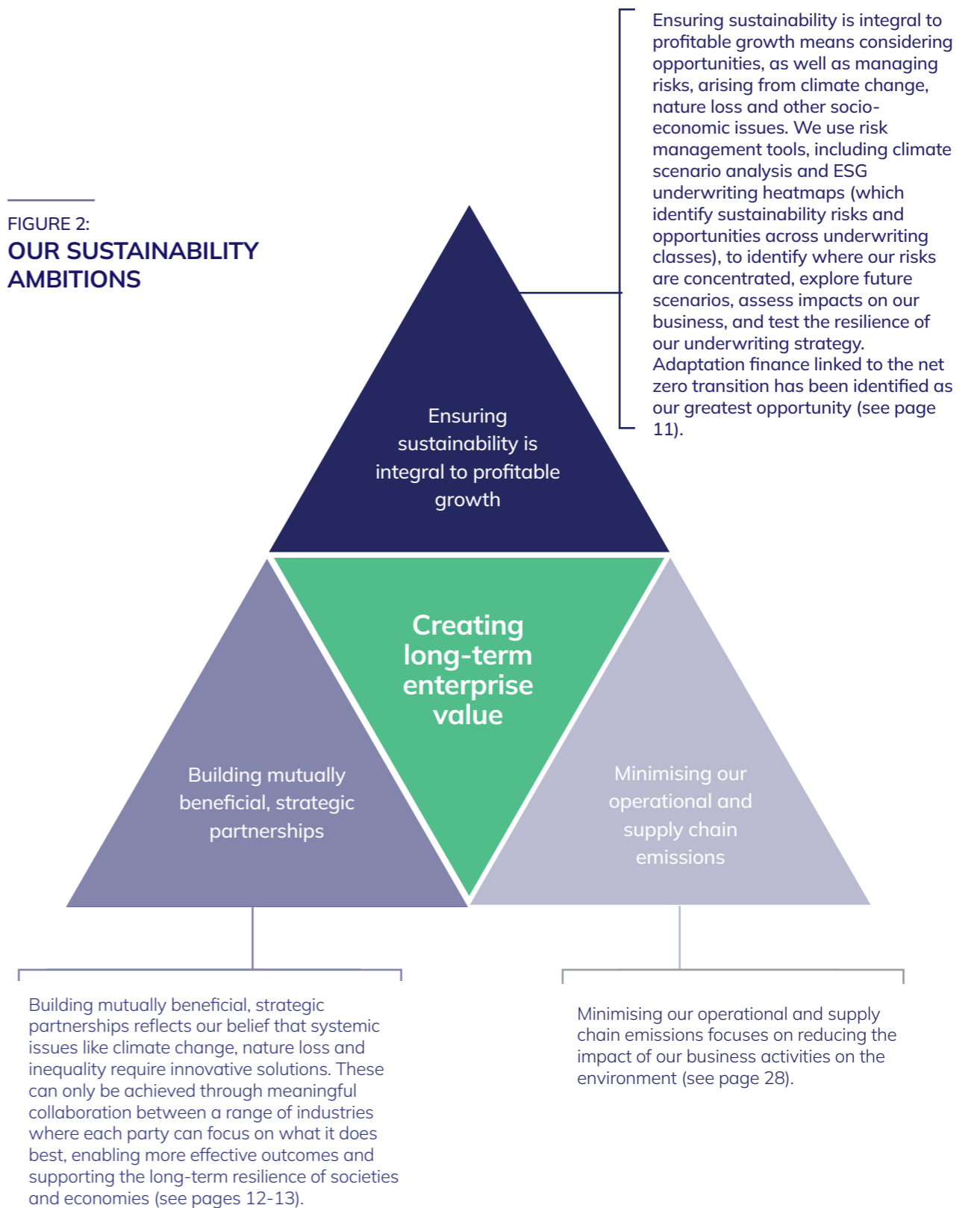
Our approach to sustainability is focused on creating long-term enterprise value and delivering positive impact for our four main stakeholder groups: customers, communities, shareholder and employees. See figure 1. We do this through 3 ambitions, laid out in figure 2.

FIGURE 1:
OUR STAKEHOLDERS



Our Sustainability Strategy

FIGURE 2:
OUR SUSTAINABILITY
AMBITIONS



Our Sustainability Strategy (continued)

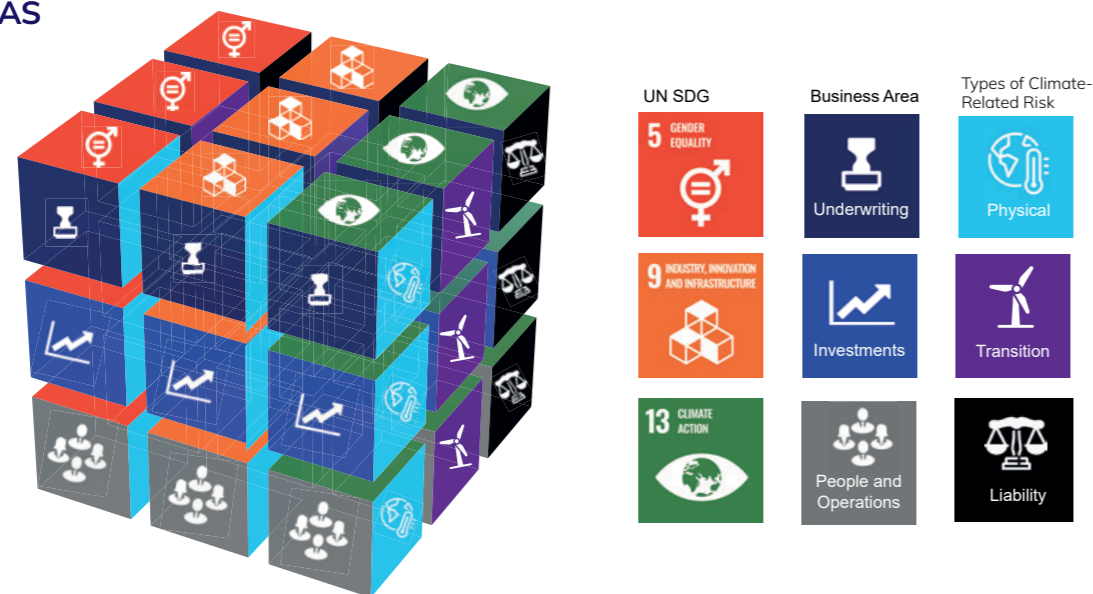
Whilst our sustainability strategy applies across the business, as a (re)insurance company, our underwriting and investment decisions remain the most significant levers to demonstrate sustainability in action. We have adopted ESG underwriting guidelines and have an investment policy that considers the intrinsic links between climate change, nature and biodiversity loss, and social and economic development agendas. Our people and operations also play a vital role in embedding sustainability into our culture and daily business.

Notwithstanding the material risks posed to our business, climate change and the wider sustainability agenda present major commercial opportunities, as the increasing frequency and severity of disasters fuels the demand for our products and services. We believe that we can play a critical and increasingly credible and useful role in driving capital to projects that protect and stabilise societies by responding to the effects of climate change, nature loss, and other socio-economic and geopolitical issues, thereby building resilience into systems and societies.

Prioritisation and Embedding Sustainability

The strategy is anchored around three themes – the UN Sustainable Development Goals (UNSDGs) framework; key business areas; and finally risks associated with climate change – and nine priority areas, as set out in figure 3.

FIGURE 3:
PRIORITY AREAS



Our Sustainability Strategy (continued)

Underwriting Sustainability Strategy

In 2024, we continued to strengthen our integration of ESG factors into our underwriting and financial strategy, responding to the increasing frequency and severity of natural disasters, the expanding insurance protection gap, and leaning into the opportunity presented by climate change, nature loss and other socio-economic factors resulting in increased volatility. Our focus evolved from primarily managing risk in 2023, when we laid the foundations by: embedding ESG Heatmaps (developed in 2022) into business planning; launching ESG Underwriting Guidelines; and delivering ESG training to senior underwriters. In 2024, we identified and enabled transition-related opportunities, which resulted in three key developments, each explored further in this report:

- Defining what “insuring the transition” means to MS Amlin (see below);
- Evolving emissions measurement in underwriting (see page 24); and
- Developing our climate scenario analysis (see page 23).

Insuring the Transition

In early 2024, we redefined our approach to ‘insuring the transition’ across all lines of business. By assessing risk appetite, data insights, and underwriting tools, we concluded that the most effective role MS Amlin can play is in facilitating climate finance to drive capital to where it is needed. This includes adapting insurance products to support resilience-focused and low-carbon projects, addressing insurance affordability and availability, and improving societal resilience. Within this context, we have:

- Helped to mobilise climate finance and drive investment in green projects and emerging market infrastructure, for example political risks insurance for a \$1.6bn Debt for Nature Swap supporting marine conservation in the Galapagos (see page 13);
- Partnered with the European Bank for Reconstruction and Development (EBRD) and Aon on a donor-backed guarantee facility to reinsure war-related risks in Ukraine (see page 13);
- Progressed MS Amlin’s approach to insurance-associated emissions measurement through collaboration with MS&AD colleagues in Tokyo and Lloyd’s of London (see pages 16, 24-25);
- Adjusted our natural catastrophe models to improve capture of acute physical climate risk and shared outcomes with relevant stakeholders (see page 23);

- Commenced a market-wide initiative to explore capital modelling of chronic physical climate risks;
- Ceased underwriting new primary insurance policies covering thermal coal mines, coal-fired power plants and new standalone coal construction projects;
- Implemented a referral process for fossil fuel, oil sands and Arctic drilling risks;
- Analysed the transition plans of our highest emitting customers to help understand how we can support them, including how their insurance requirements may evolve;
- Supported our underwriters with ESG training; and
- Hosted a virtual roundtable in May 2024 on mobilising climate finance, with insights from public, private and humanitarian sectors.

Initial analysis identified three growth areas aligned to MS Amlin’s expertise and risk appetite:

1. Supporting climate finance through political risk, credit risk, agriculture, and property reinsurance;
2. Insuring critical minerals and materials required to develop green technology and transition-related assets; and
3. Developing integrated solutions linking renewables, grid infrastructure and industrial decarbonisation.

Adaptation Finance

During 2024, we focused our efforts on adaptation finance, i.e. addressing the effects of climate change, nature loss and other socio-economic factors. Adaptation finance supports systems and communities to reduce associated vulnerability. MS Amlin’s approach targets geographies with low insurance penetration and rising exposure, especially in the Global South. By partnering with local and regional stakeholders, we aim to:

- Build scalable and sustainable insurance solutions;
- Access emerging markets where asset exposure is growing; and
- Diversify our core risk profile beyond North America.

This work is distinct from climate mitigation efforts, which focus on reducing emissions and are typically more prevalent in the Global North. The adaptation work aims to unlock viable new business opportunities in underserved markets.

Our Sustainability Strategy (continued)

Industry Collaborations and Strategic Partnerships

Aligned with our ambition to build mutually beneficial partnerships, we collaborate with regulators, NGOs, humanitarians, public sector organisations, multilateral institutions, brokers, industry peers and other non-insurance actors to tackle sustainability challenges, leveraging external expertise and capital to drive innovation and enhance underwriting resilience. We also seek to engage diverse stakeholder voices across the public, private and humanitarian sectors to shape inclusive and effective sustainability responses.

Lloyd's of London

As one of the larger syndicates in the Lloyd's of London market, we are keen to help shape the development of future sustainability initiatives. In 2024, we joined the Emissions Accounting Solution Pilot (see page 25) and continued our active engagement through the LMA Sustainability Committee, LMA Climate Risk Working Group, and direct dialogue with Lloyd's. As a responsible Syndicate, we support the latest Lloyd's Sustainability Report and Insuring the Transition Roadmap v2.0.

Lloyd's Market Association (LMA) Committees

Through chairing the LMA Sustainability Committee and membership in the LMA Climate Risk Working Group we help define market-wide approaches to ESG training, sector transition pathways, climate liability risk and scenario analysis and provide feedback on pilot initiatives and emissions measurement frameworks.

Lloyd's Disaster Risk Facility consortium (DRF)

As a member of the DRF, we provide insurance capacity for natural catastrophe risks in protection gap regions. The consortium leverages Lloyd's convening power and the market's underwriting expertise to help developing economies build resilience to climate-driven disasters.

Partnership for Carbon Accounting Financials (PCAF)

As active signatories of PCAF, we contribute to the development of industry standards for measuring and disclosing emissions relating to financing activities, including those relating to our underwriting and investment activities.

Our Sustainability Strategy (continued)

Case Study 2: Ecuador Debt-for-Nature Swap / Blue Bond

MS Amlin supported a landmark Debt-for-Nature Swap in Ecuador, helping to address sovereign debt pressures while enabling long-term marine conservation in the Galapagos Islands. Beginning in 2023, MS Amlin participated in the reinsurance of political risk coverage backing the transaction, helping to reduce investment risk and enhance deal stability. The swap restructured over USD 1 billion in debt and enabled Ecuador to commit around USD 323 million in conservation funding. The initiative supports local employment, climate resilience, and biodiversity, and offers a replicable model for nature-positive finance in other regions.



Case Study 1: Crop cover scheme for Indian farmers

Our Agriculture Reinsurance team writes a global portfolio, with a focus on government-subsidised crop schemes in developing regions. Crop insurance is essential to farming communities in countries like India and across Africa, where events such as drought can severely impact livelihoods.

India is the largest part of our crop portfolio, and we have supported the Indian government's crop insurance scheme, which covers all major perils, including flood and drought, enabling farmers to maintain income continuity and access credit. A recent report investigating farmer suicides in Maharashtra state found that the implementation of the scheme has had a positive impact in reducing farmer suicide rates¹. Our product aims to support this scheme in a meaningful way.



Case Study 3: European Bank of Reconstruction and Development (EBRD) Ukraine Facility

MS Amlin partnered with EBRD and Aon to launch a war risk insurance facility for Ukraine, helping businesses access insurance coverage for conflict-related risks. The initiative aims to boost investor confidence, promote economic recovery and support Ukraine's reconstruction. For MS Amlin, it represents both a strategic market opportunity and leadership in delivering innovative risk solutions. The facility encourages investment, business continuity and cross-sector collaboration to achieve sustainable development outcomes in a conflict-affected region.



Our Sustainability Strategy (continued)

Investments Sustainability Strategy

MS Amlin's investment portfolio totals approximately £2.2bn and is structured as a diversified multi-asset strategy with a focus on fixed income. External managers, selected for their expertise in specific asset classes, implement security selection. These managers typically operate global mandates, with a concentration in developed 'G10' markets.

MS Amlin has adopted a Responsible Investment Philosophy that balances long-term investment performance with broader sustainability outcomes. This approach reflects our belief that companies, issuers and sovereigns with strong ESG practices are better positioned to deliver consistent long-term returns and is aligned with the UN Principles for Responsible Investment.

We continue to explore ways to align investment decision-making and the allocation of external mandates with our wider sustainability goals, without compromising risk-adjusted returns. Climate-related physical and transition risks are recognised as material factors, and both risks and opportunities are considered as part of the investment process, particularly in relation to issuers that may benefit from the transition to a low-carbon economy.

People and Operations Sustainability Strategy

Our People Strategy focuses on four key deliverables

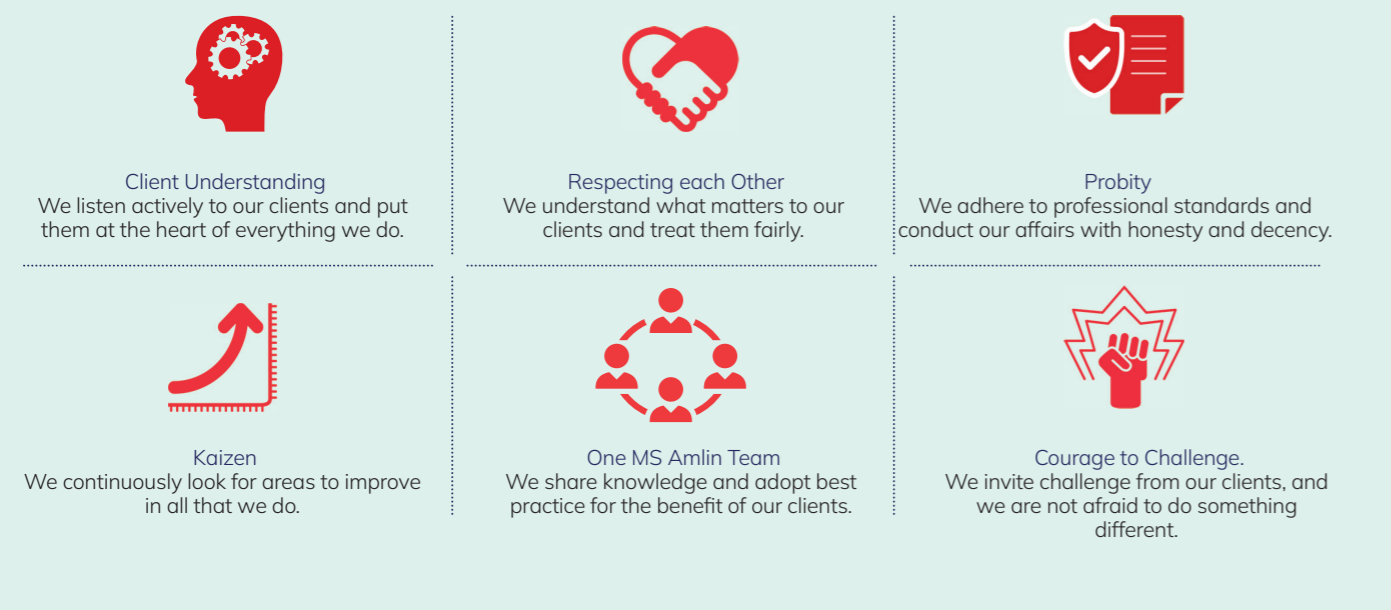
1. Supporting high performance;
2. Ensuring we have simple and efficient policies and processes;
3. Supporting organisational change; and
4. Developing our Employee Value Proposition (EVP).

All People activities are guided by our six core values unique to MS Amlin – see figure 4 below. These values shape our culture and business improvement.

We continue to focus upon improving our workplace culture and employee experience, supported by a defined strategy, ongoing implementation, and efforts to review and evolve current practices. We have established three leadership groups focused on culture and employee experience, supporting our commitment to inclusion, and well-being and equal opportunity.

In 2024, we continued to invest in our employee experience and culture through targeted initiatives. Examples include a refreshed internal engagement survey enabling two-way conversations, expanded wellbeing benefits and enhanced workplace environment and IT investment.

FIGURE 4:
Our core values



Our Sustainability Strategy (continued)

Charity Partnerships and Corporate Social Responsibility

We recognise that our societal contributions are as important as our commercial objectives and we aim to contribute meaningfully to the communities in which we operate.

Our Corporate Social Responsibility (CSR) strategy takes into account employee feedback, and focuses on long-term partnerships and employee involvement, going beyond one-off donations and aims to put real skin in the game, through sustained engagement, shared goals and active collaborations.

Core strategic charity partner

In early 2023, we launched a three-year partnership with the British Red Cross, supporting the global work of the Red Cross and Red Crescent Societies. Our partnership focuses on empowering women and building climate resilience in Bangladesh - one of the world's most climate affected countries. Our funding provides sustainable, community-led solutions that reduce disaster risk and help women and girls adapt to the impacts of climate change.

Local charity partners and other CSR activities

We also support a range of smaller, local charities by giving them access to our people, networks and resources. One of the local charities we have worked with is a major London children's hospital charity, for children with rare or complex diseases.

In October 2024, we partnered with Nuveen Asset Management to host an event in support of another of our local charity partners, The Felix Project. The Felix Project is dedicated to tackling food waste and hunger in and around London by preparing delicious and healthy meals with surplus food that would otherwise go to waste. Over 80 business partners attended to support the event, raising funds for more than 33,000 meals.

Each of our colleagues has three volunteering days available to support a charity of their choice, contributing to a range of community initiatives and charitable causes. To encourage employee participation in giving back, MS Amlin matches funds raised by employees for eligible causes, up to a set limit.

In 2022, we launched the MS Amlin Forest through a partnership with Ecologi (a social enterprise), with the objective to support communities by restoring nature, creating jobs and promoting gender equality. To date, we have funded the planting of over 100,000 trees through Ecologi's range of reforestation and ecosystem restoration projects.

External Recognition and Awards

Examples of external recognition and awards received in 2024 include the 2024 **Women in Insurance Award (Insurance Insider Honours) which celebrates women in leadership; the Trailblazer Award (Women in Insurance)** recognising transformative contributions by our women leaders; and the **Insurance ERM CRO of the Year** awarded to our CRO in recognition of embedding a strong risk culture and driving strategic business impact.



Alignment with our Shareholder

MS&AD, our parent company, is committed to building a resilient, sustainable society and promoting decarbonisation by addressing global challenges and safeguarding social stability.

Further details are available on the Sustainability section of the [MS&AD website](#).

MS Amlin maintains active engagement with MS&AD to align underwriting and broader sustainability goals. This includes sharing knowledge, collaborating on best practices, and identifying joint opportunities that support both commercial and sustainability ambitions.

In early 2025, the MS&AD Global Sustainability Leadership Forum was launched as a key next step in delivering the ambitions set out in 2024. Co-chaired by MS Amlin's Head of Sustainability and the General Manager of MS&AD Holdings Corporate Sustainability Department, the Forum aims to:

- Provide unified leadership, decision-making and support on sustainability matters;
- Share ideas and pool capabilities across the Group; and
- Accelerate sustainable, profitable growth while meeting societal responsibilities.



MS&AD INSURANCE GROUP

Governance



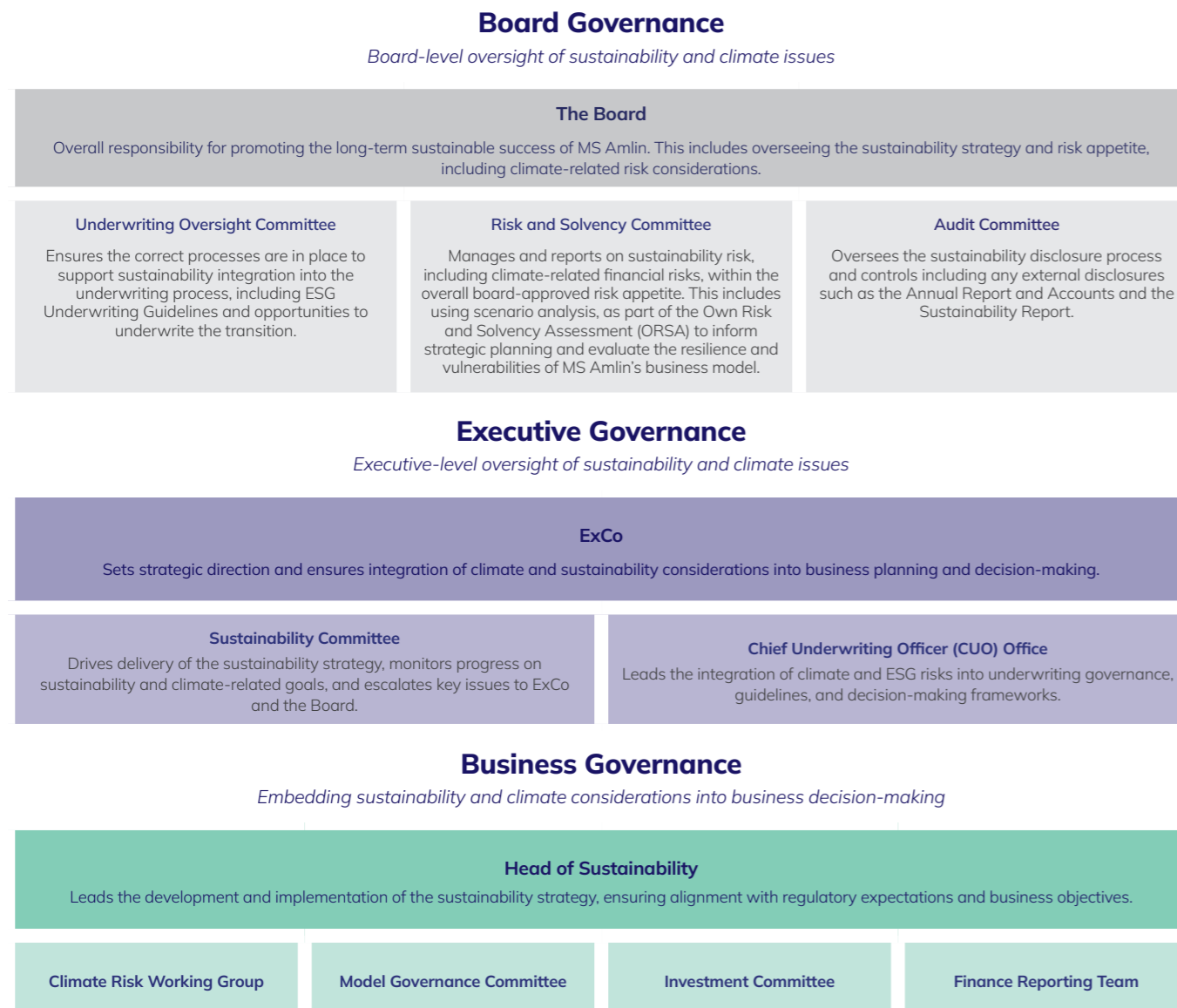
Board Oversight

The MS Amlin Board has overall responsibility for setting and overseeing the company's strategy, risk management and corporate governance, including sustainability-related matters. It approves the Sustainability Strategy and has ultimate oversight of material sustainability-related risks and opportunities, particularly those related to climate change. 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 in figure 5 below.

The Board receives quarterly sustainability updates and holds an annual deep dive with the Head of Sustainability. It actively considers trade-offs between climate risk and opportunity when making decisions on strategy and product development. The Board also oversees sustainability metrics and target setting to ensure alignment with strategy and effective progress monitoring.

The Risk and Solvency Committee is a Board-level committee responsible for the effectiveness of the Risk Management Framework (RMF), including oversight of capital adequacy and emerging risks such as climate-related financial risks.

FIGURE 5: SUSTAINABILITY GOVERNANCE APPROACH



Management-level Governance

MS Amlin's Executive Management Committee ("ExCo")

The ExCo is responsible for delivering our strategy, including sustainability and climate-related elements. It reviews and challenges the Sustainability Strategy, receives regular updates, and ensures these considerations are integrated into strategic decision-making. Chaired by the CEO, the ExCo oversees overall operations and embeds sustainability into the business.

MS Amlin's Sustainability Committee ("the Sustainability Committee")

The Sustainability Committee oversees the implementation of our Sustainability Strategy and plays a key role in balancing long-term enterprise value creation with our societal and regulatory obligations. The committee is responsible for embedding ESG factors across underwriting and investment, overseeing sustainability-related KPIs, and ensuring effective risk management, reporting and communications.

Members of the committee are drawn from underwriting, claims, operations and the ExCo, and are supported by working groups detailed below. Recommendations and key outputs from the committee are reported to the ExCo and the Underwriting Oversight Committee (UOC) to ensure strategic alignment and board committee and executive-level oversight.

A 2024 year-end review of the Sustainability Strategy confirmed that progress is on track. The review also served to reassess and reprioritise actions in response to a changing external environment.

Other Management Committees and Working Groups

Climate Risk Working Group (CRWG)

During 2024, the CRWG focused on the development of Climate Scenarios across Physical, Transition and Liability Risks. Focus was also given to the review of metrics and supporting ongoing regulatory engagement. The CRWG will be leveraged, going forward, to further embed Climate Risk across our RMF and to take forward outputs of the scenario analysis completed to date. The insight of the working group is regularly sought as we continue to drive forward our sustainability strategy. An example of a decision made by the committee includes the sign-off of responses to an external survey related to climate risk.

MS Amlin Model Governance Committee (MGC)

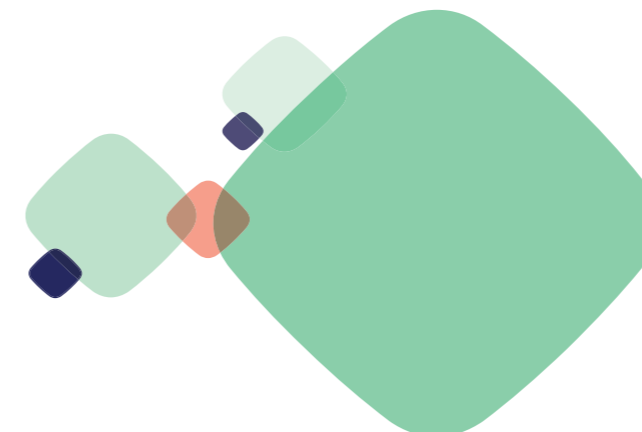
The MGC is responsible for oversight of catastrophe model usage and reviewing exposure data across climate-sensitive perils. The MGC reviews and approves changes to modelling assumptions and the Internal Model where there may be capital implications from climate risk. The MGC is chaired by the CFO and reports to the Risk and Solvency Committee.

MS Amlin Investment Committee (IC)

The IC oversees ESG risks in the investment portfolio, reviews ESG metrics provided by external managers, and ensures investment practices are aligned with our risk appetite and performance expectations.

ESG Reporting Horizon Scanning

We actively monitor regulatory developments. This includes the UK Government's consultations on the UK Sustainability Disclosure Standards (based on ISSB's IFRS S1 and S2), transition plans, and assurance over sustainability reporting.



Risk Management

We recognise the need to manage sustainability-related risks in a proactive and strategic manner. Climate change, in particular, represents a significant and evolving risk to us and our customers given the nature of our business model and potential magnitude of its impact. While this creates risks (both physical and transition), it also presents opportunities, as outlined on page 11. In this section, we focus on the risk dimensions and the importance of balancing ambition with accountability.

Risk Management Process

MS Amlin operates an embedded, enterprise-wide Risk Management Framework (RMF) and Three Lines of Defence Model to manage internal and external risks, including those related to sustainability and climate change. The RMF supports the achievement of strategic objectives, promotes long-term resilience, and ensures risk ownership across all levels of the organisation.

Sustainability and climate-related risks are assessed alongside other strategic risks and reported through established channels, including the Quarterly Risk Review (QRR) and Risk Register, where a dedicated ESG risk entry is maintained. The MS Amlin Risk Register has climate risk drivers incorporated across relevant risk categories. MS Amlin has also developed Risk Appetite Statements for Physical, Transition and Litigation Climate Risks, which are being strengthened as data and methodologies evolve.

Key components include:

- Oversight from the Board, Risk and Solvency Committee, ExCo, and other governance bodies;
- Clearly defined risk policies, standards, appetites, and tolerances;
- Risk identification, assessment, and emerging risk processes; and
- Internal controls and reporting mechanisms.

Risk Identification and Assessment

Sustainability-related risks are identified through ongoing engagement across the three lines of defence and with senior management and assessed using MS Amlin's RMF methodology, which considers both likelihood and the potential impact. Where appropriate, these risks are discussed with Internal Model Validation and Exposure Management teams to determine inclusion within the scope of the Internal Capital Model and whether adjustments are required.

Our Risk function maintains the RMF, leads the identification and assessment of emerging risks, and engages with first-line teams to ensure sustainability risks are addressed consistently.

MS Amlin regularly reviews the materiality of sustainability-related risks on a short, medium and long-term basis. The sustainability risks considered most financially material to the business are outlined below.

Sustainability and climate risks are considered by Compliance and Internal Audit through the integrated assurance plan. In addition, under Lloyd's Principles-Based Oversight (PBO), MS Amlin provides an attestation demonstrating how sustainability is embedded in underwriting strategy and governance.

TABLE 2: The sustainability risks considered most financially material to the business

E/S/G	Topic	Description	Department(s) Impacted	Time Horizon	Expected Size of Impact
E	Climate physical risk	Increasing frequency and severity of natural disasters (e.g. hurricane, floods, wildfires) leading to higher claims and financial losses.	Underwriting, Claims, Investments	Short (0-5 years) Medium (5-15 years) Long (15-30 years)	High
E	Climate transition risk	Shifts towards a low-carbon economy altering insurance demand (e.g. rise in renewable energy projects) and requiring adaptation of insurance products and strategies.	Underwriting, Investments	Short (0-5 years) Medium (5-15 years) Long (15-30 years)	Medium
E	Climate litigation risk	Legal action against businesses for failing to mitigate or disclose climate-related risks, resulting in fines and reputational damage.	Underwriting, Claims, Investments	Short (0-5 years) Medium (5-15 years) Long (15-30 years)	Medium
E	Biodiversity and nature loss risk	Degradation of ecosystems, species extinction, and reduced natural resources disrupting supply chains and increasing underwriting risk.	Underwriting, Claims, Investments	Short (0-5 years) Medium (5-15 years) Long (15-30 years)	Medium



Risk Management Process (continued)

The following sections provide a more detailed overview of the most material sustainability-related risks.

Climate-Related Risks

Climate-related risks are viewed through three lenses:



Physical Risk

Physical risk, from the increasing frequency and severity of extreme weather events, is the most material sustainability-related risk for MS Amlin. This includes acute perils such as hurricanes and wildfires. Our largest exposure is to North American hurricanes, measured via Tail Value at Risk (TVaR) at a 1-in-100 return period. While other perils like North America convective storm, winter storm and California wildfire are currently ranked below 1% materiality, our exposure in US and Caribbean hurricane reflects a targeted risk-reward strategy.

Scenario analysis and catastrophe modelling are used to assess the potential impact of climate change on these exposures (see page 23). Insights are used to refine pricing and product development and support customer resilience.



Litigation Risk

MS Amlin defines climate litigation risk as legal action linked to failures in mitigation, adaptation or misrepresentation of climate commitments. In line with the Bank of England's 2021 CBES findings, Directors and Officers (D&O) and Professional Indemnity (PI) are the primary exposed business lines in our portfolio. General Liability (GL) is also now recognised as increasingly susceptible and has been included in MS Amlin's Climate Scenario Analysis.

The CRWG is focused on monitoring litigation trends, building scenarios and supporting clients in managing litigation exposure. The MS Amlin Legal function also monitors climate-related litigation issues.



Transition Risk

Transition risk arises from legal, regulatory, and societal shifts toward a low-carbon economy. MS Amlin evaluates these risks via climate scenario analysis and by assessing the transition plans of high-emitting clients. The findings inform underwriting appetite, capital adequacy and product innovation. This helps identify which clients are best prepared and where the business may face heightened exposure. It also supports targeted engagement and the development of risk management strategies aligned with long-term decarbonisation trends.

exposure in sectors such as agriculture and marine. Ecosystem degradation also amplifies risk by reducing natural resilience. Examples include: coastal erosion worsening flood risk, or prolonged flooding accelerating erosion. Future work will expand our risk review to include nature and biodiversity risk assessments.

Nature and Biodiversity Risks

Biodiversity loss, particularly related to water, presents growing risks to MS Amlin's underwriting and claims profile. Water-related risks are assessed through the lenses of too much, too little, and polluted water. These intersect with natural catastrophes and increased

Sustainability Risk Management in Underwriting

We recognise that effective risk management is central to delivering our sustainability strategy and promoting long-term resilience. Sustainability-related risks are embedded into strategic planning, and work is ongoing to translate risk insights into opportunities, including through our new ESG Re division. This section outlines the levers used to manage sustainability-related risks across the business.

Exposure Management

The Exposure Management function monitors natural catastrophe exposure and assesses the impacts of climate change using vendor models, internal analysis and model validation to inform underwriting and capital decisions. Key activities include:

- **Climate Scenario Analysis and Realistic Disaster Scenarios (RDS):** We use scenario analysis and RDS to understand the impact of different climate change severities on risk, inform business planning, and adjust underwriting strategies. These insights support adoption of updated model rates and strategic responses to climate-related shifts;
- **Model Completeness Framework (MCF):** The MCF assesses the representation of natural catastrophe risk across the portfolio and drives capital model adjustments. Uplift factors are applied to account for under-modelled risks, including hurricane clustering and climate-induced severe weather shifts;
- **Natural Catastrophe Modelling:** We license advanced vendor models (e.g. Moody's RMS) and incorporate the latest scientific understanding to model tropical cyclones, wildfires, floods, and other perils. Proprietary models allow us to adjust event frequency and apply internal views of risk, particularly where third-party model updates lag behind evolving science;
- **Non-Modelled Perils:** For under-modelled regions or perils, we develop internal frequency-severity curves. As with the MCF, this ensures that material sources of non-modelled risk are captured and thus capital allocation can occur effectively, shaping underwriter appetite. The Non-Natural Catastrophe Taxonomy Framework also supports the modelling of man-made perils;
- **Vendor Model Validation:** We validate new and updated vendor models through sensitivity and stress testing which ensures alignment with internal experience and scientific consensus. This includes tuning model settings (e.g. post-event loss amplification) and incorporating climate-driven event sets when appropriate. By communicating model validation outcomes to underwriters, this enables underwriting teams to plan portfolio composition or underwriting appetites;

- **Monitoring Metrics:** Catastrophe exposures are assessed using a range of metrics that are tracked quarterly and monitored against Board-approved tolerances. These inform regulatory reporting and ensure we remain within risk appetite;
- **Research and Expertise:** Our Exposure Management team includes PhD-level scientists and research specialists who contribute to peer-reviewed literature and support in-house model development. Their work informs risk assessments for offshore renewables, infrastructure, and communities across EMEA and APAC.

Climate Scenario Analysis in Underwriting

Climate Scenario Analysis (CSA) is used to assess the financial risk impacts of climate change on our balance sheet under severe but plausible scenarios. These scenarios are embedded in the Own Risk and Solvency Assessment (ORSA) and support strategic planning, capital allocation and underwriting decisions. They are assessed across three key climate risk types: physical, transition and litigation.

Acute Physical Climate Risk

We have developed bespoke scenarios focused on North Atlantic hurricane exposure, identified as the most material peril in our underwriting portfolio. We obtained external data from a market provider to assess the impact of warming scenarios (1.5°C, 2.0°C and 3.0°C above pre-industrial levels) on hurricane landfall frequencies and resulting loss projections. Adjustments to in-force catastrophe model rates were applied to estimate portfolio losses and gross industry loss estimates. Potential increases in severity and frequency could be managed through pricing and portfolio rebalancing. These insights are expected to be incorporated in future vendor model updates.

Chronic Physical Climate Risk

We are advancing analysis of chronic physical risks such as sea level rise and climate tipping points. Working in collaboration with a university and market stakeholders, the focus is on understanding broader societal and systemic implications, including forced migration, food insecurity and economic disruption. These long-term risks may affect non-damage classes and require strategic foresight in underwriting.

Sustainability Risk Management in Underwriting (continued)

Transition Climate Risk

We have modelled the impacts of an orderly transition scenario over a 5–10 year horizon across select lines of business most exposed to decarbonisation. These include Natural Resources, Marine, Property and Political Violence. Scenario outputs reflect changes to underwriting profitability and resilience, assuming no proactive adjustments are made to portfolio composition. Initial analysis suggests that, given the strength of our balance sheet, the business is well positioned to manage the capital implications of the transition. Key transition risk themes include:

- **Silent transition** (e.g. evolving building risks not captured in policy terms);
- **Prototypical technologies** (e.g. insuring emerging energy assets with limited loss history); and
- **Portfolio shifts** (e.g. declining fossil fuel exposure and increasing renewable energy coverage).

These results support forward-looking capital planning and may inform future strategic decisions. Further iterations of the scenario analysis will incorporate broader business input and regulatory developments.

Litigation Climate Risk

We define climate-related litigation risk as legal disputes arising from:

- **Doing Harm** – direct contributions to climate change;
- **Not Doing What Was Said** – misleading disclosures or greenwashing; and
- **Not Doing Enough** – insufficient climate action or liability from associated financial activities.

Bottom-up analysis was carried out across Directors and Officers (D&O), General Liability (GL) and Errors and Omissions (E&O) policies, assuming conservative outcomes (i.e. claimant success) and excluding reinsurance mitigation. Our largest exposures are in SME business and sectors such as financial services and real estate.

Strategic Integration and Ongoing Development

Scenario insights are shared across governance forums including the CRWG, Sustainability Committee and UOC. Results are integrated into strategic reviews and are expected to guide further development of transition and litigation scenarios throughout 2025, with potential implications for capital planning and broader business decision-making. We remain committed to developing

technical expertise, working with external partners, and supporting underwriting resilience in a changing climate.

ESG Underwriting Guidelines and Referrals Process

In 2023, ESG Underwriting Guidelines were introduced and mandated across the insurance portfolio. These require consideration of material ESG factors in underwriting decisions. They also include engagement with the Head of Sustainability on complex issues, adherence to referral protocols to ensure appropriate scrutiny; and compliance with baseline exclusions.

ESG Underwriting Heatmaps

Our ESG Underwriting Heatmaps, aligned to the UNSDGs, assess sustainability performance across underwriting classes. They identify concentrated sustainability risks and opportunities, ranging from “causes harm” to “contributes to solutions.” Carbon-intensive and broader ESG hotspots are highlighted alongside positive impact underwriting such as renewable energy, critical electrification metals, NGO and educational institutions, vaccine cargo, and refugee health cover. Updated in 2024 and modelled against the 2025 business plan, the heatmaps monitor sustainability trends and inform business planning.

Emissions Measurement

Our internal analysis has concluded that of our Scope 1, 2 and 3 emissions, the majority of our emissions footprint is associated with the clients we insure (“insurance-associated emissions”), followed by the emissions of the entities in which we invest (“financed emissions”), followed by the emissions of our supplier base (which is included in our operational emissions) and finally, our direct operational emissions (which exclude suppliers).

Managing these emissions is a priority. Our immediate focus is on the emissions most under our control - our direct operational emissions. We are taking steps to measure and understand our insurance-associated emissions, engage with clients on their carbon footprints and transition plans, and align underwriting decisions with ESG underwriting guidelines and policies. In parallel, we continue to track emissions linked to our investment portfolio, including through scenario analysis and ESG metrics.

Sustainability Risk Management in Underwriting (continued)

Lloyd's Emissions Accounting Solution Pilot

Beginning in Q3 2023 and continuing in 2024, we participated in an emissions accounting pilot through the Lloyd's Lab, in collaboration with Lloyd's of London and Moody's Analytics. We were one of ten syndicates selected to test the feasibility of a standardised, market-wide approach to measuring insurance-associated emissions, aligned to the PCAF standard.

This pilot provided a first-look at our insurance-associated emissions footprint and marks a significant step in our understanding of the environmental impact of our portfolio.

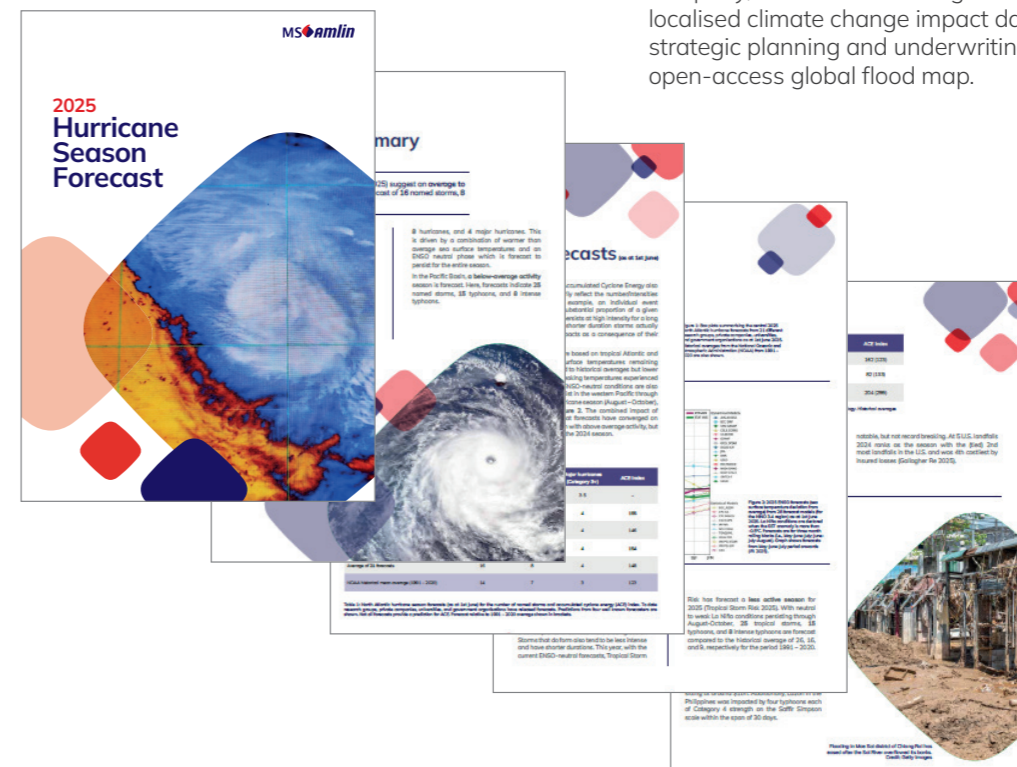
Transition Plan Analysis

In 2024, we reviewed the transition plans of high-emitting clients, such as those in the oil and gas industry, using insights from the Lloyd's and Moody's emissions pilot. This involved assessing published transition plans against Transition Plan Taskforce-aligned criteria to prioritise client engagement and monitoring. Since 2022, transition-related discussions have been part of the underwriting process, with a standard set of questions used at inception and renewal. Underwriters score and comment on transition performance in file notes.

Research

We actively contribute to industry initiatives to enhance understanding of sustainability risks and strengthen resilience. We support clients in assessing their risks through publications, products, and participation in bodies such as Lloyd's and the Lighthill Risk Network. Key research activities include:

- **Lighthill Risk Network** (<https://lighthillrisknetwork.org/>): As a founding member and sponsor, we support projects that bridge academia and insurance to improve risk data and insights;
- **Hurricane Insights**: We provide clients with seasonal hurricane outlooks and reviews, including climate change impacts;
- **Academic Collaboration**: We work with academic institutions and startups and are currently involved in the supervision of a PhD student whose research focuses on flood risk. Our team also contributes to scientific publications, including a paper currently in review on U.S. hurricane losses in a 2°C warmer climate;
- **Open Access Publishing**: We helped establish the Journal of Catastrophe Risk and Resilience, a diamond open-access publication that supports global access to research on catastrophe risk and resilience. This journal aims to break down financial barriers to publishing and accessing world-leading science; and
- **MS&AD's Risk Research Company Engagement**: Through collaboration with MS&AD's risk research company, we are contributing to the development of localised climate change impact datasets for strategic planning and underwriting, including an open-access global flood map.



Sustainability Risk Management in Investments

Our investment portfolio is exposed to sustainability-related risks, primarily physical climate risks, such as floods, wildfires, and droughts, and transition climate risks, driven by policy, technology, and market shifts towards a low-carbon economy. These risks can impact asset valuations, returns, and overall portfolio resilience.

Most investments are managed by external investment managers who integrate ESG considerations alongside traditional financial analysis. While mandates are not explicitly branded as ESG-focused, ESG is a fundamental component embedded throughout research, engagement, monitoring, and reporting. Climate scenario analysis is also integrated into our investment risk framework.

ESG Integration and Oversight

External managers identify and assess financially material ESG risks and opportunities. For instance, a company with a high carbon footprint may remain investable if it demonstrates a credible transition plan towards renewable energy. ESG integration extends to active engagement and stewardship, including voting on matters such as executive remuneration where transparency is inadequate.

We engage with external managers across a range of ESG themes, including:

- ESG resourcing and internal capabilities;
- Integration of sustainability and climate risks into investment processes;
- SFDR classifications and regulatory alignment (e.g. Article 8 funds);
- ESG investment policy and governance frameworks; and
- Stewardship strategies and collaborative engagement initiatives.

ESG forms a dedicated pillar in our quarterly external manager reviews, which ensures ESG is a fundamental consideration informing our engagement and capital allocation decisions.

Monitoring, Stewardship and Voting

Stewardship is central to influencing long-term sustainability outcomes. External managers are expected to maintain transparent stewardship policies and regularly report on ESG engagement and proxy voting activities. All external equity managers are UN PRI signatories and utilise Institutional Shareholder Services (ISS) for proxy voting, with discretion to override ISS recommendations when justified.

As long-term investors, we encourage managers to integrate sustainability within governance and investment strategies, aligning with evolving consumer expectations, regulatory developments, and global sustainability goals such as decarbonisation and renewable energy growth.

ESG Reporting and Disclosures

To ensure transparency and facilitate ongoing oversight, we have established a structured ESG reporting framework for external investment managers.

Annual submissions should consist of (but are not limited to) the following:

- ESG and stewardship policies;
- PRI signatory status and assessment results;
- ESG resourcing and organisational structure;
- Internal ESG initiatives;
- Summaries of company engagement and proxy voting activity; and
- ESG-related research, collaborations and partnerships.

Quarterly submissions focus on ESG performance metrics and include:

- ESG scoring methodology and data vendor coverage;
- Portfolio-level ESG scores and benchmark comparisons;
- Leading and lagging ESG and climate risk contributors; and
- Carbon-related metrics, such as weighted average carbon intensity (WACI).

These disclosures are reviewed alongside qualitative assessments and form part of the ESG pillar in the manager review process, underpinning performance monitoring and capital allocation decisions.

Sustainability Risk Management in Investments (continued)

Investment Restrictions

In line with MS&AD Group policies, external managers are subject to sector exclusions. These are incorporated into manager guidelines and breaches are escalated for review.

Climate Scenario Analysis in Investments

Climate scenario analysis is a core part of our investment risk oversight. It is used to test the resilience of portfolios against future climate pathways in line with TCFD and Lloyd's Principles for Doing Business.

We participated in the Bank of England's 2021 Climate Biennial Exploratory Scenario (CBES), a cross-industry regulatory exercise. The Investments team led the assets submission, developing a top-down model using scenario variables and sector-level economic impacts. This effort improved data infrastructure and established consistent climate assumptions across risk modelling.

To reflect current holdings, the analysis was re-run using December 2024 portfolio data. The updated results reflected the evolving portfolio composition and reinforced the importance of ongoing scenario analysis to track climate risk exposure. These are shown opposite.

Scenario Overview

The three climate scenarios model different potential future climate pathways and their economic impacts:

- **No Additional Action** assumes no new government-enacted or global climate policies beyond those already enacted, leading to escalating physical risks and the most significant long-term portfolio value decline.
- **Early Action** models a gradual, smooth transition starting immediately, aiming to limit risks through timely mitigation.
- **Late Action** assumes a delayed, abrupt transition beginning around 2030, causing more disruptive economic impacts later. Although Late Action initially performs better than Early Action, the abrupt transition ultimately results in greater portfolio losses over time.

	Early Action	Late Action	No Action
2025	-0.69%	0.00%	-1.75%
2030	-1.06%	0.00%	-3.50%
2035	-3.53%	-6.28%	-6.63%
2040	-3.76%	-6.74%	-10.05%
2045	-4.26%	-7.61%	-13.73%
2050	-4.41%	-7.85%	-17.39%

TABLE 3: RELATIVE STRESS RESULTS CBES RERUN (2021) VS COUNTERFACTUAL

	Early Action	Late Action	No Action
2025	-0.81%	0.00%	-1.48%
2030	-1.31%	0.00%	-3.02%
2035	-2.86%	-5.69%	-5.58%
2040	-4.59%	-7.55%	-9.90%
2045	-6.13%	-9.18%	-14.05%
2050	-7.40%	-10.29%	-17.93%

TABLE 4: RELATIVE STRESS RESULTS CBES RERUN (DEC 2024) VS COUNTERFACTUAL

In both the 2021 and 2024 analyses, all three climate scenarios led to a reduction in portfolio value relative to the counterfactual scenario of no further climate change. The 2024 re-run showed larger negative impacts across all scenarios compared to 2021, reflecting portfolio changes and heightened sensitivity to transition dynamics. This highlights the importance of ongoing scenario analysis to track evolving investment risks.

Application and Limitations

Scenario outputs are incorporated into internal dashboards and reviewed as part of our ongoing investment oversight. Despite their usefulness, these analyses remain constrained by limitations, including data gaps and uncertainty around economic and climate model assumptions.

To address this, we supplement scenario analysis with ESG metrics such as Weighted Average Carbon Intensity (WACI), which are used internally and in discussions with external managers.

Sustainability Risk Management in People and Operations

Identification, assessment, and ongoing monitoring of people and operations-related sustainability risks are integrated within the RMF. Sustainability-related risks within People and Operations are also managed through the MS Amlin Conduct Framework, Consumer Duty requirements and internal assurance mechanisms. As sustainability expectations rise, ongoing oversight and cross-functional collaboration remain essential to effectively manage social and governance risks.

A key focus is the Conduct Framework, which outlines our approach to treating vulnerable customers fairly under the Consumer Duty Act. Increasing regulatory scrutiny, reporting demands, and the risk of greenwashing highlight the need for transparent and credible sustainability practices. This is especially relevant with the growing use of AI in underwriting, where ethical data practices and responsible use are vital to maintaining trust and ensuring fair outcomes for clients.

Operational Emissions Management

Although operational emissions represent a small portion of our total footprint, targeted efforts continue to drive reductions across three priority areas: internal operations, travel, and suppliers. While significant gains have been made, current initiatives focus on achieving incremental improvements, particularly through supplier engagement.

Our sustainable business travel policy mandates less carbon-intensive travel modes where available. While we recognise that some business travel and commuting are essential for conducting business effectively and efficiently, we continue to seek ways to minimise the environmental impact.

Supplier-related emissions constitute the largest and most complex element of our operational emissions footprint. To address this, governance is supported by a Procurement Policy, Supplier Code of Conduct, and due diligence and contracting standards. ESG factors are now integral to third-party risk management, with supplier ESG scores monitored according to their criticality.

Examples of areas we have developed include:

- Biannual sustainability monitoring of strategic partners, providing a model for broader supplier engagement;
- Collaboration with data centre partners to reduce energy consumption; and
- ESG criteria incorporated in the selection of a new travel services provider, leading to improved reporting standards.

Sustainability Metrics and Targets

Our approach to sustainability metrics is evolving to create clear accountability, drive impactful outcomes, and focus resources on priority areas. We aim to improve data accuracy and consistency to develop metrics that reflect the full scope of our sustainability efforts and are decision-useful.



Key Goals and Targets

We use a range of internal targets to support decision making and monitor our progress beyond the focus of net zero. They help to shape our strategic direction but we are cognisant that we operate within a broader ecosystem where we often have limited direct control over certain outcomes, particularly in reducing the emissions of our underwriting portfolio. As such, our approach aims to balance our internal ambitions with

creating the conditions to enable government, industry and regulatory targets to be met, through collaboration, engagement and innovation.

We are collaborating with colleagues in our parent company, MS&AD, on our contribution to their overall targets, in support of MS&AD's published net zero commitments.

Underwriting Metrics

We track a range of ESG metrics in our underwriting process to monitor factors affecting risk selection, sustainability risk management, and insureds' sustainability progress, including:

- **Potential losses from natural disasters:** We assess financial exposure to key perils, primarily North Atlantic hurricanes and European windstorms, based on a gross 1-in-30 year natural catastrophe loss. Using our internal models, we factor in current exposures and the latest risk insights. These metrics provide a precise understanding of location and hazard-specific underwriting risk, directly informing our physical risk scenario analysis (see page 23).
- **ESG referrals:** We monitor the number of cases flagged for ESG concerns under our underwriting guidelines that are reviewed by the Head of Sustainability and Chief Underwriting Officer to ensure consistent handling and identify emerging issues. This tracking provides insight into how ESG factors influence underwriting decisions.
- **Transition planning of our top emitting clients:** We analysed the transition plans of 215 clients, representing approximately 80% of underwriting portfolio emissions. We assessed these clients against four criteria aligned with the Transition Plan Taskforce (TPT) guidance. We will use the findings to inform future target setting and client engagement strategies.
- **Insurance portfolio ESG hotspots:** We identify ESG hotspots, regions or sectors associated with heightened environmental or social risk, for enhanced due diligence and monitoring. This ensures we understand and manage these exposures appropriately and strengthen our risk selection, particularly in high-risk areas. See page 24 for further details.

- **Climate-related transition and litigation financial exposure:** We evaluate potential losses from litigation risk across three scenarios and three key lines of business. For transition risk, we analyse potential losses across four lines of business under varying regulatory and market conditions. These results help us understand how evolving climate risks could affect our portfolio. See page 24 for further details.
- **Climate-related litigation cases:** We track climate litigation cases, in particular those in the United States, that could set legal precedents or trigger new claims that may impact MS Amlin directly or indirectly. We use this metric to inform our climate litigation scenario analysis. See page 24 for further details.
- **Portfolio ESG score:** We generate a composite ESG score for our underwriting portfolio using third-party data and methodologies. These scores support portfolio screening and guide risk-based pricing decisions.

We are actively expanding this metrics suite to deepen our sustainability risk management. Building on our participation in the Lloyd's and Moody's emissions accounting pilot, we are refining our approach to measuring insurance-associated emissions in line with the PCAF standard. This work will enhance emissions measurement consistency across our underwriting portfolio and support scenario analysis, hotspot assessments, and external reporting.

Investment Metrics

We monitor climate and ESG risks in our investment portfolio through a core set of metrics that support oversight of external managers, inform engagement and contribute to strategic reporting. These metrics are used to identify emerging trends, support investment decisions, and assess alignment with long-term sustainability goals.

ESG is treated as a key pillar of the external manager review process, alongside financial performance, compliance and risk. ESG and climate data are included in all regular reporting to governance forums and form the basis of dialogue with external managers. This serves to support ESG considerations over and above the formal exclusion policies applied to specific sectors.

We use a combination of internal metrics and external data to monitor climate and ESG risk. These include:

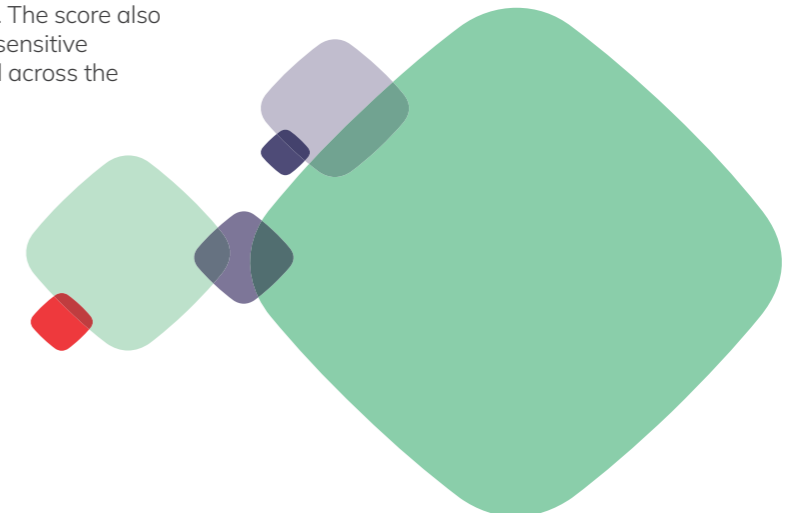
- **Weighted Average Carbon Intensity (WACI):** We calculate WACI in line with the PCAF standards per issuer and country. For Scope 1 and 2, we use data from Bloomberg, MSCI, and the World Bank which covers 99.91% of assets under management (AUM) in 2024. As of 2024, we began estimating our WACI for Scope 3 emissions and we use data from the PCAF online database and Bloomberg, covering 96.66% of AUM. As at Q4 2024, the WACI of our portfolio implies a "medium" sustainability risk on the indicative MSCI scale, which classifies carbon intensity levels and associated exposure to climate-related transition risks.
- **Portfolio ESG Score:** We partner with Sustainalytics, a leading independent ESG data and research provider, to track composite ESG risk scores by asset type, currency, country, and sector. As at Q4 2024, our portfolio's ESG score implies a "low" sustainability risk, based on Sustainalytics' published scale, which categorises issuers according to their exposure to, and management of, ESG issues. A low score indicates limited unmanaged ESG risk. The score also helps us monitor exposure to climate-sensitive sectors, which remains relatively small across the portfolio.

- **External Manager Scores:** Our independent ESG and WACI scores are considered alongside the external managers own ESG scoring analysis, which they provide on a periodic basis to support the biannual manager meeting process. The submissions and meetings aim to review any material changes with regards to ESG including (but not limited to):
 - ▶ Broad company ESG Investment policy;
 - ▶ Signatures to any other significant worldwide sustainability organisations;
 - ▶ ESG resourcing including key personnel;
 - ▶ Internal company ESG initiatives, this includes sharing DE&I initiatives, metrics and targets; and
 - ▶ Summary of ESG related research, collaborations, and partnerships.

We also monitor temperature alignment metrics, which translate company and country-level climate pledges into implied warming outcomes. While not yet embedded in manager mandates or remuneration, these metrics support long-term risk oversight and portfolio resilience.

A broader investment data transformation project is underway to strengthen analytical due diligence and better evaluate manager performance against our sustainability goals. This will enable us to:

- Set interim and long-term sustainability targets;
- Support informed investment decisions; and
- Improve performance tracking against climate and ESG objectives.



People and Operations Metrics

Greenhouse Gas Emissions

We report Scope 1, Scope 2 (location-based and market-based), and selected Scope 3 greenhouse gas (GHG) emissions in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004). Emissions are reported using an operational control boundary, are calculated using the emissions factors published by the UK Department for Energy Security and Net Zero (DESNZ) and cover our footprint related to London and Chelmsford, UK offices only. The Chelmsford office was closed at the end of 2023 with an immaterial impact to total emissions. The figures

are, where possible, based on actual data (e.g. gas meter readings and travel booking data), and where not available, estimated using documented methodologies.

Scope 3 disclosures currently include business travel, employee commuting, waste, and water. Category 1 (Purchased Goods and Services) and Category 15 (Investments and Insurance-Associated Emissions) are not yet reported due to ongoing data and methodology development.

TABLE 5: MS AMLIN HISTORICAL CARBON EMISSION PERFORMANCE – ABSOLUTE AND INTENSITY METRICS

Scope	Unit	2024	2023	% change
Scope 1	tCO ₂ e	206	173	19%
Scope 2				
Location-based	tCO ₂ e	140	142	-1%
Market-based	tCO ₂ e	-	-	0%
Total Scope 1 & 2 Location-based	tCO₂e	346	314	10%
Total Scope 1 & 2 Market-based	tCO₂e	206	173	19%
Scope 3				
Waste (category 5)	tCO ₂ e	3	3	-10%
Business Travel (category 6)	tCO ₂ e	1,110	788	41%
Employee Commuting (category 7)	tCO ₂ e	116	120	-3%
Total selected scope 3 (categories 5, 6, & 7)	tCO₂e	1,229	911	35%
Total reported Location-based GHG emissions	tCO₂e	1,575	1,226	28%
Total reported market-based GHG emissions	tCO₂e	1,435	1,084	32%
Location-based scope 1,2 & 3 intensity metric	tCO₂e/FTE	2.8	2.2	31%

Trend Analysis for 2024

- **Scope 1:** 19% increase vs 2023 driven by a higher allocation of office floorspace due to an increase in permanent desk usage.
- **Scope 2 Market-based** reflects emissions linked to renewable energy purchased due to REGO-based renewable sourcing.
- **Scope 3 Business Travel:** 41% increase vs 2023 reflects the gradual return to normalised business travel following the pandemic.

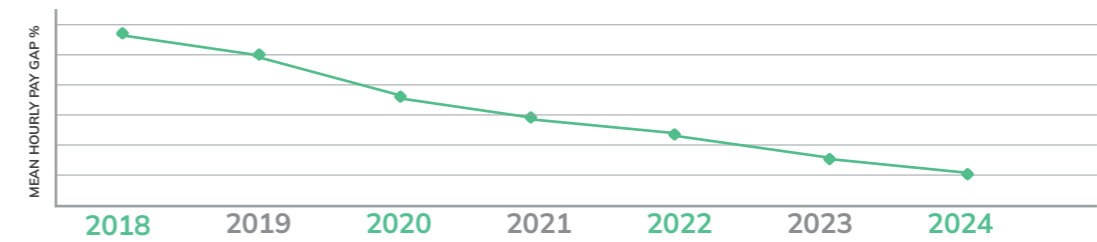
People and Operations Metrics (continued)

People Metrics

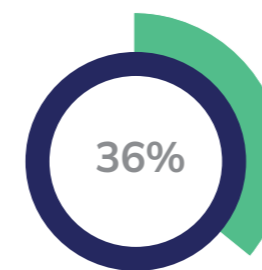
Our People metrics provide insight into the diversity and engagement of our workforce. They help us to track progress against our inclusion goals, understand key trends and ensure we are fostering a supportive, equitable work environment.

Our hourly gender pay gap

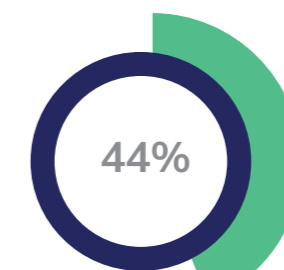
Reduced for the seventh year running, showcasing the success of our women in leadership initiatives.



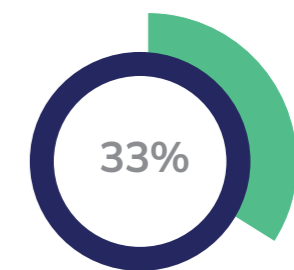
Leadership Roles (Q4 2024)



Women in leadership

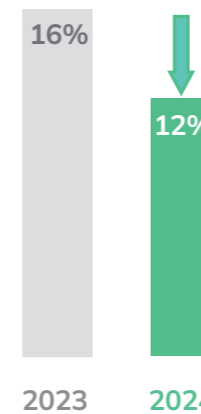


Women on ExCo



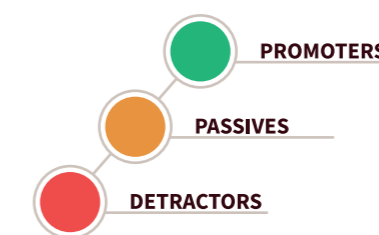
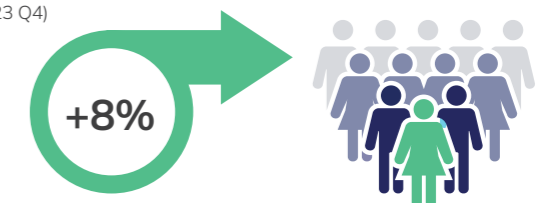
Women on the Board

Voluntary Turnover rate



Employee Engagement Survey Participation

Year-on-year (2024 Q4 vs 2023 Q4)



Employee Net Promoter Score

Year-on-year (2024 Q4 vs 2023 Q4)

