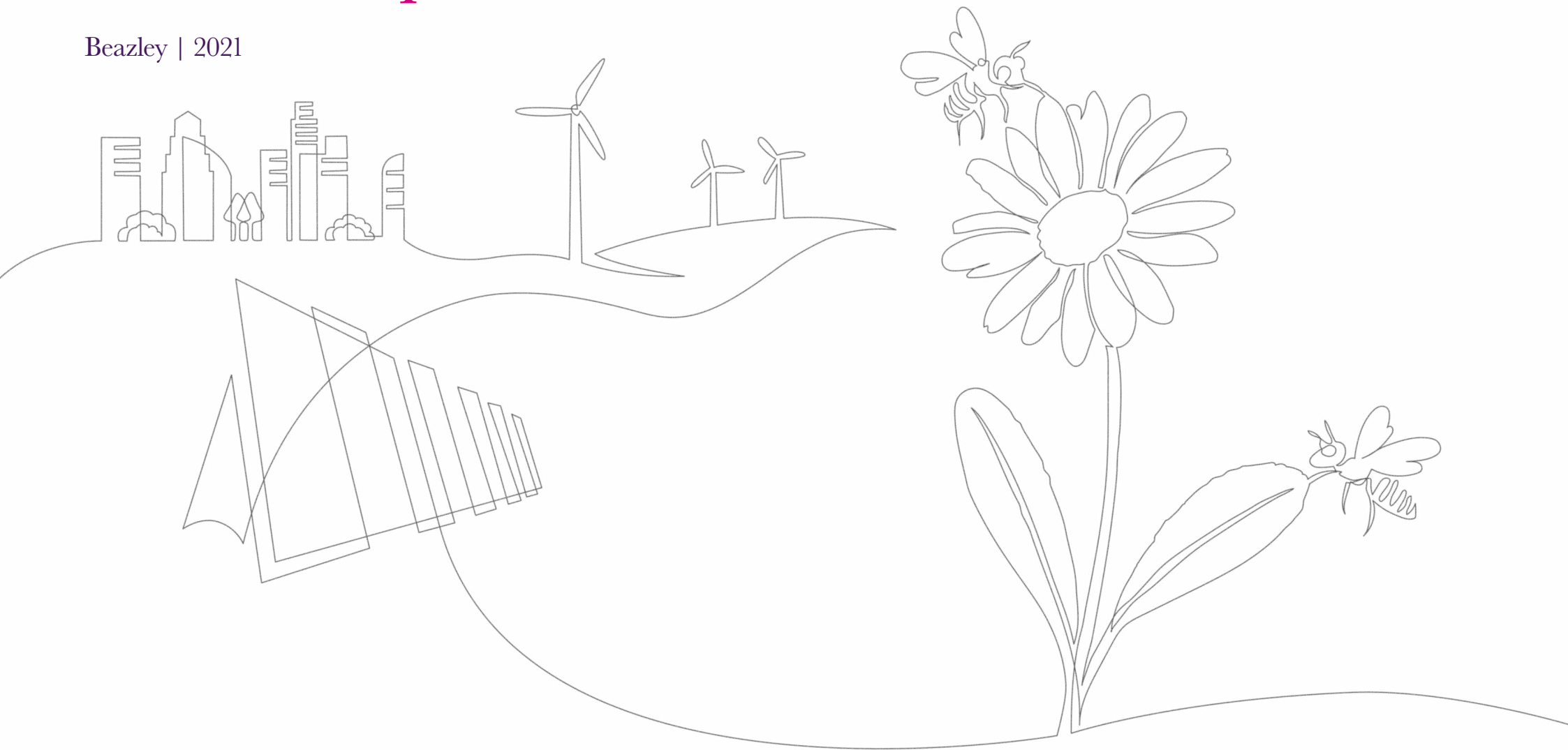


Responsible business report

Beazley | 2021



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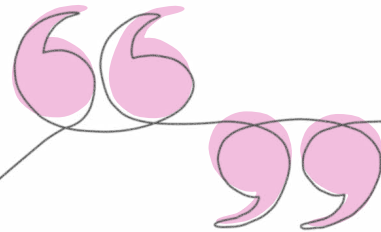
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Introduction of the Chair and CEO

Prior to the onset of the COVID-19 pandemic we had begun to understand that we are in a period of profound change in the interaction between business, the environment and society. During 2021, environmental concerns came to the forefront, not least due to another year of unprecedented natural disasters from flooding to wildfires and hurricanes, with the COP26 summit bringing focus to the urgency of tackling global climate change.



David Roberts
Chair



Adrian Cox
Chief Executive Officer

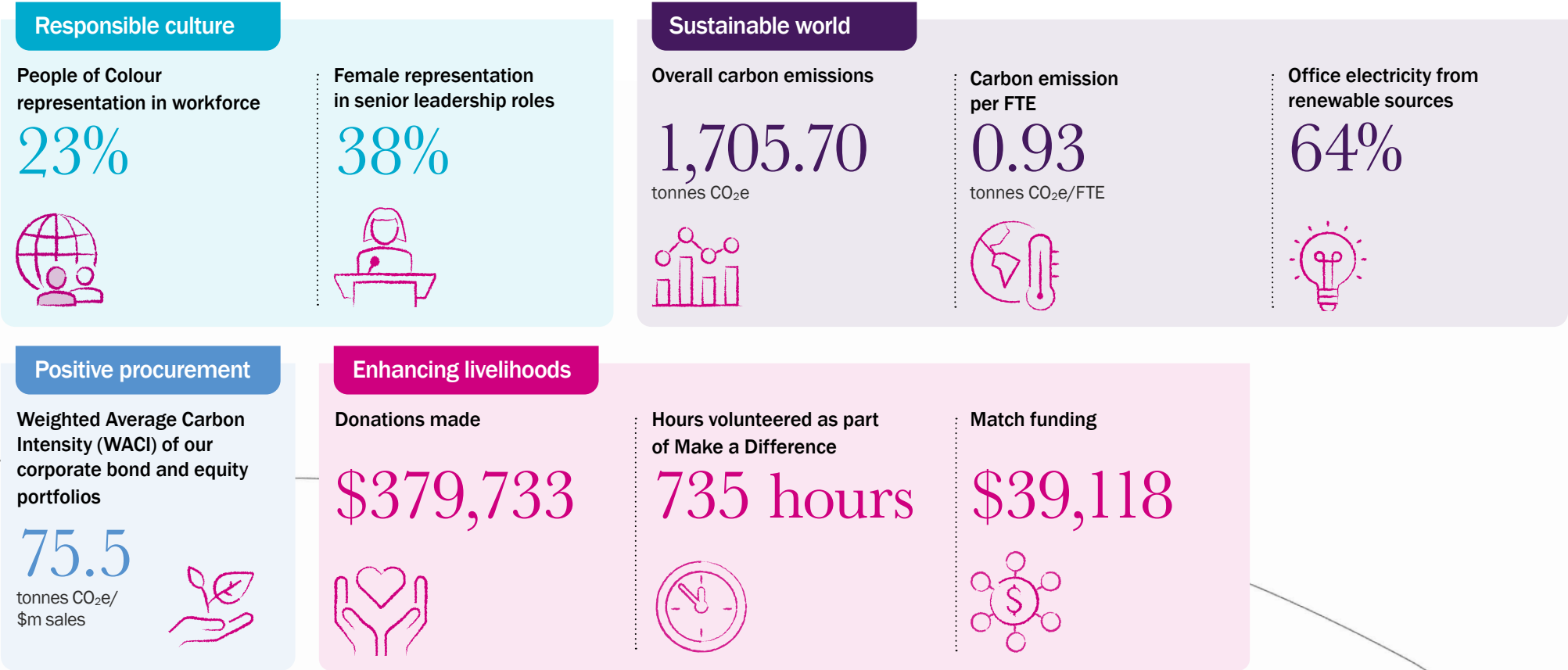
Environmental, societal and governance (ESG) concerns are now front and centre of business thinking. Beazley's vision is to be the highest performing sustainable specialist insurer and we believe we must demonstrate our commitment to this with a series of measurable and bold steps to incorporate ESG into every aspect of our business. These are the guiding principles of our approach to being a responsible business. We understand that we are on a complex journey that will only deliver results over time with the goal of building better resilience for our clients, staff, the communities we are part of and all our stakeholders.

Responsible business is not something for the future, but the here and now. This is why in 2021 we invested in creating Lloyd's first ESG syndicate and why we made a market leading commitment to 25% of our staff being People of Colour by 2023.

We are proud that we have made significant progress but recognise that there is much more to do. Key to our thinking is the importance of using data to understand where we are on our journey, what our next steps should be and how we can learn lessons and adapt to improve.

In the following pages we have outlined the interconnected ways in which we approach responsible business, the ambitious goals we have set ourselves and the tangible measurements we have in place to ensure we deliver.

Responsible business highlights for 2021



Beazley is a member of the following:



ClimateWise
Insuring a sustainable future



PSI
Principles for Sustainable Insurance



Sustainable Markets Initiative



PRI
Principles for Responsible Investment



BUSINESS FOR SOCIETAL IMPACT
CORPORATE CITIZENSHIP

External Disclosures we submit to:

ESG Rating	2020 Score	2021 Score	Improvement
S&P	38	43	Yes
Sustainalytics	23.9	14.7	Yes
Carbon Disclosure Project	C	C	No change
Climatewise	46	72	Yes
Workforce Disclosure Initiative	35	57	Yes

Key responsible business objectives for 2022

Responsible culture

Achieve a workforce of

25%

of People of Colour
by end of 2023



Achieve

45%

of female representation
in senior leadership roles
by the end of 2023



Sustainable world

Work to further embed

ESG

within the underwriting
process



Achieve

40%

reduction in carbon emissions
for our operations compared
to the 2019 baseline



Positive procurement

Work to align the investment
portfolio to a well below

1.5°

world



Embed

ESG

decision-making into
the supply chain



Enhancing livelihoods

Target

1,000 hours

of volunteering during our
Make a Difference month



Continue to support our

charity
partner

Renewable World



Being a responsible business

Being a responsible business is at the core of our company values and one of the five pillars of our business strategy. We are committed to doing the right thing for our people, partners and the planet. Beyond our deep understanding of specialist risks, we are defined by our culture that values being bold, striving for better, and doing the right thing. The commitments set out within this document apply groupwide, and therefore, to all entities.

Being bold

Striving for better

Doing the right thing

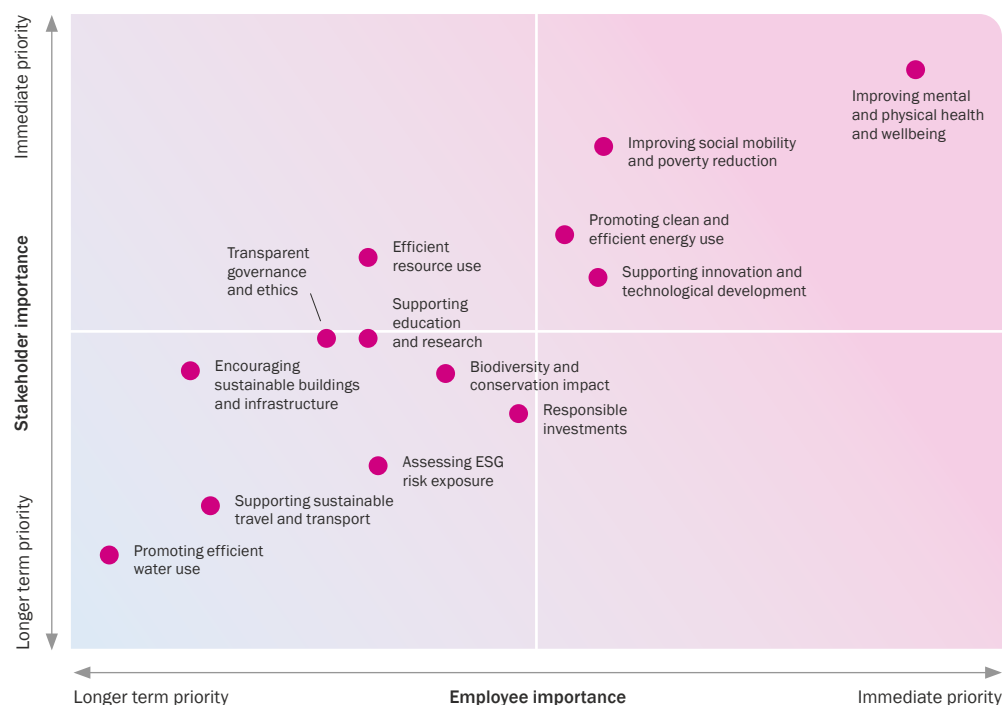
How we established our responsible business priorities

In 2020, prior to developing our first Responsible Business Strategy, we undertook a materiality assessment, surveying internal and external stakeholders in order for us to understand what the relevant issues were. From a list of 65 topics, which support the UN Sustainable Development Goals (SDGs), we grouped these topics together to create 17 material issues across the four key areas at the centre of our ambitions; responsible culture, sustainable world, positive procurement and enhancing livelihoods.

To help us prioritise these 17 issues, we surveyed both our employees and external stakeholders such as clients and brokers asking them to rank the importance of each aspect. The outcomes, and thus the priorities are set out within the below materiality matrix. Four material issues were not surveyed as they were considered to be integral to our business strategy going forward. These are as follows:

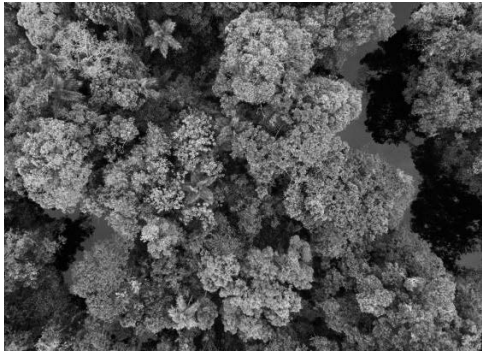
- Climate change and the delivery of greenhouse gas (GHG) reductions
- Inclusion and diversity
- ESG governance and disclosure
- Safeguarding human rights in our supply chains.

Materiality matrix

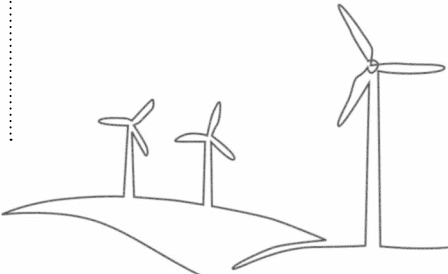


Being a responsible business
continued

We have grouped the 17 Beazley priorities into nine key topic areas which are detailed within the outer ring of our responsible business wheel, which is designed to demonstrate the interconnected nature of our approach to responsible business.



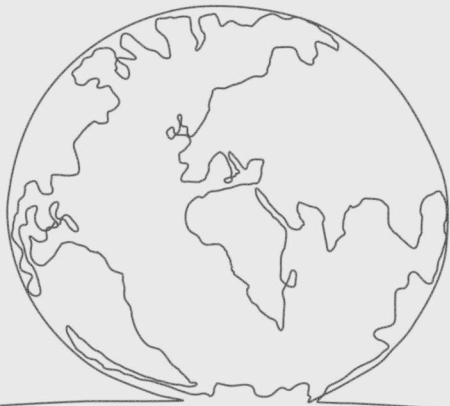
The outputs of the materiality issues assessment and the priorities set out by our stakeholders have informed the objectives set within this document. They are integral to continuing to demonstrate ongoing improvement on responsible business matters going forward. The objectives take us to the end of the first three year cycle of our strategy in 2023, providing the business with strong foundations from which we can set further more ambitious targets for 2024 and beyond.



Being a responsible business

Alignment with the UN Sustainable Development Goals

As part of the wider insurance industry, Beazley has a meaningful role to play in encouraging the transition to a decarbonised future as well as in building social value via our insurance products.



As a specialist insurer, many of our products support the delivery of the 17 UN SDGs, for example, our healthcare products support institutions and companies which are contributing to SDG 3 – Good Health and Wellbeing. While our property products help to support

the delivery of SDG 11 – Sustainable Cities and Communities, and our environmental products help to support the delivery of SDG 15 – Life on Land. There is of course more we can do, which is why we continue to set ambitious objectives across a whole range of ESG related issues.



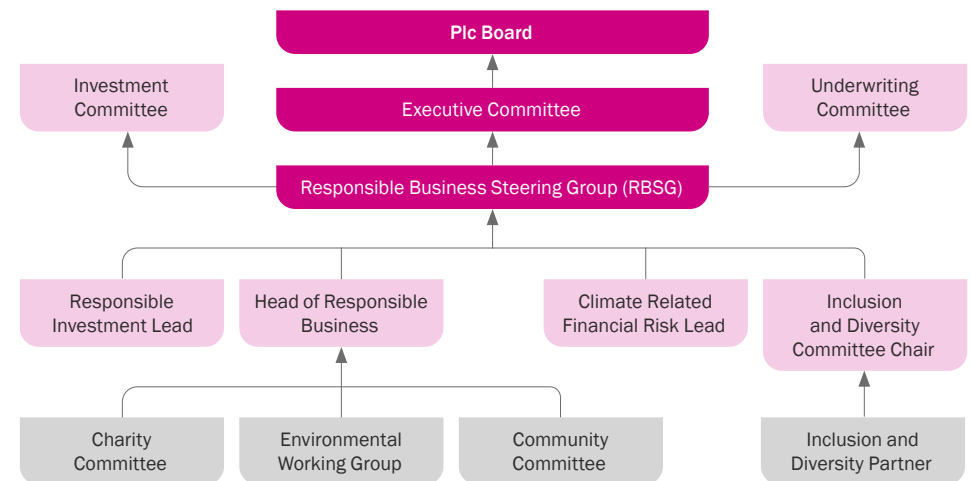
Reporting structure

The ultimate responsibility for the delivery of responsible business matters lies with the plc Board and executive committee. To support them in their decision-making we created the Responsible Business Steering Group, which met for the first time in August 2021. This group was created to drive the delivery of the responsible business strategy forward, guarantee all aspects of responsible business are joined up and ensure appropriate governance is in place to oversee key regulatory returns such as the Bank of England's Climate Biannual Exploratory Scenario (CBES) Stress Test.

The Responsible Business Steering Group (RBSG), is chaired by the Chief Executive Officer and attended by the CRO and CUO, as well as key representatives from across the business. On a quarterly basis, directors from across the Beazley Boards including Non-Executive Directors of Beazley plc are also in attendance.

The RBSG meets on a monthly basis to receive updates from the technical leads on progress against the objectives within the strategy. The RBSG, has therefore, complete oversight over all responsible business matters, and acts as a forum for discussion and debate on ESG issues. The RBSG provides recommendations for courses of action, to the underwriting committee or executive committee.

Within Beazley, our approach to the management and governance of responsible business is summarised in the diagram below.



Being a responsible business

Reporting structure

continued

Climate risk reporting structure

As an insurer we have a complex and interrelated relationship between managing climate risk, meeting our climate responsibilities and reflecting climate change in our underwriting. To aid the delivery of the climate related actions, we have delineated climate into two parts – climate responsibility and climate related risk.

Climate responsibility encompasses all the actions we take as a business to reduce our impact on the environment, and includes collaborative efforts across the business to reduce our carbon emissions and environmental impact as well as our charity and community efforts, which help to protect against and reduce the impact of climate change.

Climate risk is the financial risk arising from climate change, with a focus on how we understand the impact of both the physical and transitional aspects of climate change within our underwriting and investment portfolios.

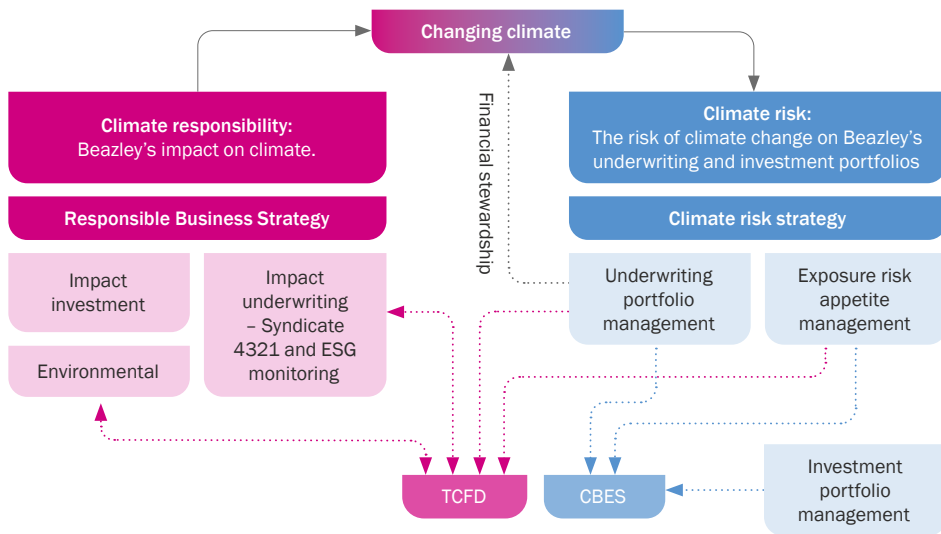
Key outputs from both strands of our climate related work is our disclosure, whether this be a regulatory return such as the CBES return to the Prudential Regulatory Authority (PRA), for Beazley Furlonge Ltd, reporting on our progress against the Task Force on Climate Related Financial Disclosure (TCFD) principles, or our voluntary returns to ESG rating agencies or Climatewise.

To ensure the Board and sub committees have the knowledge to challenge the progress of our climate related work, throughout 2021

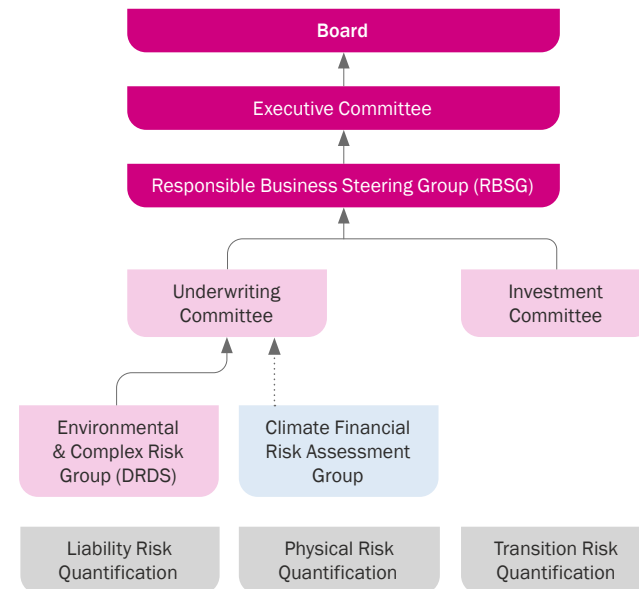
we delivered several detailed Board training sessions, led by respected third parties on climate related risks and forthcoming regulatory requirements, as well as providing comparisons of Beazley with its peers.

In 2021 we completed the PRA's Climate Biennial Exploratory Scenario (CBES) stress test for Beazley Furlonge. The findings of the scenario analysis were presented to the Beazley Furlonge Board, executive committee and underwriting committee, the role of these committees is to challenge the results and put in place a plan to act on them in terms of risk mitigation and in realising business opportunities across the group over the coming years. The interaction between the committees and governance is as follows:

Beazley climate change framework



Beazley reporting structure for climate risk



Being a responsible business

Climate and ESG risk

As a specialist insurer, climate change presents changes to the risk environment for a number of our classes of business. We aim to manage the resulting risk to Beazley as climate change impacts our clients over time.

Understanding risk

Beazley has a risk management framework to appraise risk. This framework which is embedded across the business, covers all of our risks, including climate change. The framework delivers the following:

- Enables Beazley to determine the risk management strategy, objectives, risk culture and risk language;
- Identifies risk categories and risk events and sets the risk appetite to help achieve its vision and ambition;
- Allocates responsibilities for each risk event to a risk owner who is a senior member of staff, usually a member of the Board;
- Establishes the relevant oversight committee for the reporting of risk and escalation of risk related issues;
- Establishes the process of identifying areas of heightened risk, new and emerging risk and removing risk events that are no longer relevant; and
- Introduces a common risk language across the Group.

As detailed on page 65 of our annual report and accounts 2021, central to the risk framework is the risk register, providing details of the risk, and summarising the appraisal and appetite for the risk. The categories of risk we have defined have either a direct or indirect climate related risk associated with them, whether they be physical, transitional or liability in nature.

Beazley runs Realistic Disaster Scenarios (RDSs), with natural catastrophe and cyber being run on a monthly basis, in order to determine the impact of different risks. This modelling process is overseen by the exposure management team, which has developed a complex and emerging underwriting risks protocol. This sets out the activity in place to review the potential/complex/or emerging risks relating to underwriting and there are circa 60 deterministic realistic disaster scenarios (D-RDSs) used to monitor the most significant. A recent focus has been on testing and stressing assumptions. Following this is a series of activities that has been initiated to embed good practices, ensuring that the risk landscape is frequently reviewed using claims trends, early warning flags, and external expert input. These include:

- Challenging and stretching of risk assumptions that are documented and articulated to the relevant oversight committee.
- Regular review of all D-RDSs.
- External expert intelligence and challenge.
- Consideration of reserving peer review trend analysis and observations.
- Test potential application of different policy wordings.

These scenarios are either modelled, using data drawn from third party modelling partners, or non-modelled, where experts across Beazley collaborate to determine the impact. An example of our approach to non-modelled risks is our approach to wildfires, an increasing event due to the impacts of climate change. The modelling takes into account the impact of sector, geography and business segment, in order to determine Beazley's exposure. In turn this helps to drive decision-making across the business.

Beazley is currently enhancing the number of scenarios it runs to ensure we further understand the financial impact of climate related risk on the business.

On a bi-annual basis, the risk team reviews Beazley's risk assessment. These assessments are a collaborative effort with all the business functions, and are an opportunity to identify emerging risk, review existing risks, and provide appropriate mitigation measures to reduce/manage the risk. This assessment is inward looking and primarily concentrates on operational processes, whilst helping to encourage open dialogue with risk owners. This assessment is where Beazley's own response to climate change is noted, with the appropriate action to deliver improvements detailed.

On an annual basis, Beazley's risk appetite is reviewed and is informed by outputs from the RDSs and capital model, as well as having input from the trading teams. This helps guide the trading teams for the following year, before being reviewed against the capacity available. This appetite is agreed and set by the Board, before being tracked by the exposure management team on a monthly basis, which escalates to the business where we are close to the limits set. Capacity is obviously impacted by the number of physical weather events which occur throughout the year, therefore, the impact of climate change is considered and felt within this risk appetite.

Being a responsible business

Climate and ESG risk *continued*

Understanding risk *continued*

Beazley uses risk profiles to take a deeper look at particular areas of the business. These are undertaken on a quarterly basis and subject matters include reviewing trading areas, or the impact of emerging trends. These profiles are undertaken to provide additional assurance across the business.

The exposure management team has the responsibility for developing approaches to monitor the aggregation of exposure to natural catastrophes. Part of this work involves assessing the latest views on climate change and reporting to the business on the impacts this could have on insurance portfolios. The exposure management team reports to the Chief Risk Officer, who in turn provides regular updates to the Board on these matters. The Head of Capital also provides an update, using modelled and non-modelled information to help

determine the impact of climate change on the business. This has been included in annual Board sessions for the last two years. We also set out a view on more material hurricane risk as part of this process.

Climate change risk

The changing global climate is recognised as an important emerging risk due to its widespread potential impact on the global population, environment and economy. A key aspect of Beazley's business model is to support our clients that have been affected by natural catastrophes, helping them return to pre-catastrophe conditions as soon as possible. As part of the underwriting process, we work with our insureds to understand the risks facing their organisations, including applicable climate-related risks. These are as follows:

Pricing risk: This is the risk that current pricing levels do not adequately consider the prospective impact of climate change, resulting in systemic under pricing of climate exposed risks. The group's business planning process establishes how much exposure in certain classes of business or geographic areas we wish to accept. We benefit from a feedback loop between our claims and underwriting teams to ensure that emerging claims trends and themes can be contemplated in the business planning process, the rating tools and the underwriter's risk-by-risk transactional level considerations. Our underwriters are empowered to think about climate risk during the underwriting process in order to determine the implication on each risk.

Catastrophe risk: This is the risk that current models do not adequately capture the impact of climate change on the frequency, severity or nature of natural catastrophes or other extreme weather events (e.g. wildfires) that could drive higher-than-expected insured losses. The group utilises commercial catastrophe models to facilitate the estimation of aggregate exposures based on the group's underwriting portfolio. These catastrophe models are updated to reflect the latest scientific perspectives. Catastrophe models are evolving to include new or secondary perils which may be related to climate change. In addition, the group runs a series of natural catastrophe RDSs on a monthly basis which monitor the group's exposure to certain scenarios that could occur. These RDSs include hurricanes in the US, typhoons in Japan, European windstorms and floods in the UK.



Being a responsible business

Climate and ESG risk *continued*

Climate change risk *continued*

Reserve risk: This is the risk that established reserves are not sufficient to reflect the ultimate impact climate change may have on unpaid losses. This includes unanticipated liability risk losses arising from our clients facing litigation if they are held to be responsible for contributing to climate change, or for failing to act properly to respond to the various impacts of climate change. With support from our group actuarial team, claims teams and other members of management the group establishes financial provisions for our ultimate claims liabilities. The group maintains a consistent approach to reserving to help mitigate the uncertainty within the reserves estimation process.

Asset risk: This is the risk that climate change has a significant impact, across a number of industries, which may negatively impact the value of investments in those companies. The group considers the impact of climate change on its asset portfolio by seeking to incorporate an assessment of environmental risks in the investment process. We subscribe to the research services of a specialist company in the field of environmental, social and governance research and have integrated their proprietary ratings into the internal credit process applied to investments in corporate debt securities.

A minimum standard for environmental, social and governance performance is defined and companies not meeting the required standard will be excluded from the approved list of issuers. The analysis also includes consideration of the sustainability of each company with regard to the potential decline in demand in specific sectors.

External event risk: This is the risk that the physical impact of climate-related events has a material impact on our own people,

processes and systems, leading to increased operating costs or the inability to deliver uninterrupted client service. The group has business continuity plans in place to minimise the risk of an interrupted client service in the event of a disaster.

Commercial management risk: The group aims to minimise where possible the environmental impact of our business activities and those that arise from the occupation of our office spaces. As we operate in leased office spaces, our ability to direct environmental impacts is limited. However, we do choose office space with climate change mitigation in mind, and engage with our employees, vendors and customers in an effort to reduce overall waste and our environmental footprint.

Credit risk: As a result of material natural catastrophe events, there is a risk that our reinsurance counterparties are unable to pay reinsurance balances due to Beazley. If the frequency or severity of these events is increased due to climate change, this could cause a corresponding increase in credit risk. An important consideration when placing our reinsurance programme is evaluation of our counterparty risk. Every potential reinsurer is evaluated through detailed benchmarking, which considers financial strength ratings, capital metrics, performance metrics and other considerations.

Regulatory and legal risk: Regulators, investors and other stakeholders are becoming increasingly interested in companies' responses to climate change. Failure to appropriately engage with these stakeholders and provide transparent information may result in the risk of reputational damage or increased scrutiny. Beazley regularly monitors the regulatory landscape to ensure that we can adhere to any changes in relevant laws

“Beazley is currently enhancing the number of scenarios it runs to ensure we further understand the financial impact of climate related risk on the business.”

and regulations. This includes making any necessary regulatory or statutory filings with regard to climate risk.

Liquidity risk: Linked to the underwriting and credit risks noted above, there is a risk that losses resulting from unprecedented natural disasters or extreme weather could erode our ability to pay claims and remain solvent. The group establishes capital at a 1:200 level based on the prevailing business plan.

Strategic risk: This is the risk that our strategy fails to effectively consider climate change, resulting in our business planning not adapting fast enough to respond to changes in wider claims trends. This would create a transition risk that our underwriting portfolio might not keep pace with the changes, being heavily exposed to declining industries and failing to capitalise on the opportunities. Our emerging risks analysis and business planning process seeks to mitigate this risk through horizon scanning for our longer tail book, while we are able to be more flexible in responding to events impacting our short-tail exposures.

Being a responsible business

Climate and ESG risk

continued

Overlap with ESG risk

Beazley wishes to further embed ESG decision-making within the underwriting process. For us, ESG matters go well beyond the predominantly environmental focus of our approach to climate related financial risk.

Of course, both positive ESG impacts and positive climate related action are intrinsically linked, therefore, it is important to communicate to our stakeholders our approach to both.

The different key aspects of ESG which are being addressed in 2022 to aid underwriters in their approach to ESG matters, are as follows:

Environmental	Social	Governance
Climate Related Financial Risk	Human Rights Compliance	Health and Safety
Climate Responsibility	Financial Stewardship	Cyber Security
Biodiversity & Land use	Inclusion and Diversity	Corporate Governance
Wider Environmental Considerations		



Being a responsible business

Beazley community

The heart of our overall Beazley strategy is our people and culture. It is one of our five strategy pillars and is focused on attracting and nurturing talented colleagues who champion diversity of thought. We approach this through the provision of a progressive and enhanced benefits package, as well as a wide range of initiatives and opportunities for colleagues to enhance their health, wellbeing, and education.

Employees and wellbeing

Engagement from our colleagues is hugely important to us as a business, and we utilise a wide range of communications, whether that be weekly written updates, podcasts and video calls with individuals from the Executive Committee, or interactive sessions with senior leadership. We also held our annual How Are We Doing (HAWDL) event, with the focus this year on the launch of our new business strategy. Across September, key personnel responsible for each of the five pillars of our strategy delivered presentations and workshops highlighting the work being delivered in support of the business plan. This enabled colleagues to be updated on progress, as well as catching sight of forthcoming plans and initiatives which will be delivered over the coming months. Highlights of the HAWDL included the launch of our new benefits strategy, an outline of Syndicate 4321, and further details on our transformation plans.

Employee engagement score

86%

6 months

parental leave

To capture and measure staff feedback, we undertake regular pulse surveys. We also undertook an employee survey, which historically has been conducted every two years, but will become an annual process in the future. For our 2021 survey, we had a completion rate of 79%, with an engagement score of 86%. This is significantly higher than the score we received in 2019, and whilst the methodology differs slightly, is a good indicator of engagement. It is also above the global benchmark. The survey has enabled us to identify colleagues' opinions of strengths, as well as areas for improvements, and we will be working to develop action plans to make tangible changes through 2022.

Our benefits

Following on from feedback from our colleagues, we launched a review of our benefits to ensure they are relevant for a post pandemic world. After consultation with a number of focus groups across the year, we have been able to update our benefits strategy to be more flexible and inclusive. As a result, our benefits now include; six months fully paid parental leave regardless of how our employees come to parenthood, flexible religious holidays where colleagues can swap existing national holidays for times that make more sense to them, the cost of lunch when within our offices and a reimbursement of travel for commuting to our offices, a monthly lifestyle reimbursement which staff can use to spend on items which support their mental, physical and financial wellbeing.

Being a responsible business

Beazley community

continued

“Network members created a suite of training for the company including ‘Managing for Mental Health’ and ‘Champion’ training delivered directly to teams encouraging more discussion on mental health.”

Beazley Wellbeing

Colleague wellbeing has never been more important than throughout the COVID-19 pandemic. Wellbeing is about how we are feeling and how well we are coping with day-to-day life.

Our focus has been on doing the right thing for our staff, ensuring they are well, healthy, both mentally and physically in their work while at home and in the transition phase as we return to a ‘new normal’ way of hybrid working.

This work is supported by Beazley Wellbeing, an internal network focused on promoting the importance of positive mental wellbeing and raising awareness of mental health conditions. This is achieved through sharing ideas, education, and training to cultivate positive mental wellbeing, as well as the development of a support network to help our employees cope with their mental health, whether they need support for themselves, for a member of their family, or a colleague.

Its members have written articles, hosted several global webinars, trained 30+ mental health first aiders across the UK, US and Canada and has been instrumental in the launch of Thrive, the wellbeing app available to all employees internationally. Network members created a suite of training for the company including ‘Managing for Mental Health’ and ‘Champion’ training delivered directly to teams encouraging more discussion of mental health.

A number of events have also been run across the year, combining our approach to wellbeing, with charity and community initiatives. This has included colleagues leading meditation and yoga sessions, providing staff with not just the opportunity to switch off and relax, but also to raise money for important causes.

The success of our approach to smart working was demonstrated in 2021 when we were proud to be the only insurance company shortlisted by the Employers’ Network for Equality & Inclusion at their Excellence Awards and were awarded highly commended recognition in the category for Progressive, Agile & Flexible Working Practices. The award recognises companies for implementing agile and flexible approaches to how, when and where people can work and prioritising talent over traditional working practices.

Thrive App

This global tool provides 24/7 support on a range of mental wellbeing topics. Not only that, but it can also help colleagues in recognising symptoms early on, and aims to prevent conditions from developing. From mindfulness activities to exercise, Beazley colleagues are able to tailor their personal goals to create a confidential programme that works for them.



Education and learning

The learning development of our employees is also really important to us. We deliver this through the utilisation of learning platforms, availability of formal training and leadership courses such as MBAs, as well internal mentoring to help our colleagues grow and develop.

Beazley's Accelerated Training Program

Our accelerated training program is an extensive and fast-paced training programme for those seeking a career in underwriting. The one year programme is carefully tailored for talented individuals, aiming to educate them on business practises and products, direct hands-on experience, and further development opportunities through mentoring and feedback.

Individuals who successfully complete the process are placed into an Underwriting position at Beazley. To date, Beazley has hired 67 people into the programme and are currently training 10 individuals from our 2021 cohort who will join underwriting teams at the end of June.



Responsible culture



Responsible business – Compliance & governance

Ensuring that appropriate governance and correct management of ESG matters are in place is paramount to enabling us to embed ESG decision-making into our business-as-usual approach.

The UN SDGs this relates to is:



Achieved 2021 objectives

Review of 2021 objectives	Achieved?
Increase the number of ESG policies we publish externally through channels including the annual report and accounts, standalone responsible business reports and our website. The aim is to make it easy for our stakeholders to view our approach, determine our progress against our strategy and understand Beazley's responsible business values.	✓
We will develop an environmental management system (EMS) in accordance with ISO14001. The EMS will build on Beazley's top-down approach to leadership on responsible business matters and will provide the framework by which the responsible business strategy is delivered and developed over the coming years. The scope of the management system will cover Beazley's key environmental impacts and will deliver a robust mechanism for continuous improvement.	In progress
Publish a standalone report detailing our progress against the Taskforce on Climate Related Financial Disclosures (TCFD) at the end of 2021.	✓
Become a signatory to the UN Principles for Sustainable Insurance.	✓

Summary of 2022 objectives

Objectives
Beazley will work to ensure our reporting measures and metrics align with recognised reporting indices such as SASB and/or UN GRI. Work is being undertaken within the market to provide consistency across these reporting metrics, therefore, we will continue to monitor progress and align our reporting metrics with formats that demonstrate progress against ESG matters at Beazley.
Delivering the EMS within the business will take time. Only after the initial round of audits will we know that it has embedded successfully. In 2022, we will begin the process to achieve formal certification of the EMS to ISO14001 and work with an independent external audit body to commence the certification process. We will then build on this process in subsequent years ensuring continuous improvement.
Become a signatory to UN Global Compact.

Responsible business – Compliance & governance *continued*

Delivering transparency in our ESG approach

Our focus is centred around increasing the transparency of our approach to responsible business. This has started by publishing our ESG related policies on our website. Further policies such as our approach to human rights issues within our supply chains, will be published externally in 2022.

From a climate perspective, this document and our annual report and accounts are where we are publishing our first disclosures against the TCFD guidelines. This builds on the annual disclosures we undertake as part of our Climatewise membership, a report we will also publicly disclose for the first time in 2022. At the back of this report, we also publish our performance against the Sustainable Accounting Standards Board (SASB) disclosures for the first time. We are aware that a number of standards are working to better align themselves with each other, therefore, we will review the emerging guidance on disclosure and ensure we continue to meet the requirements and stakeholder expectations going forward.

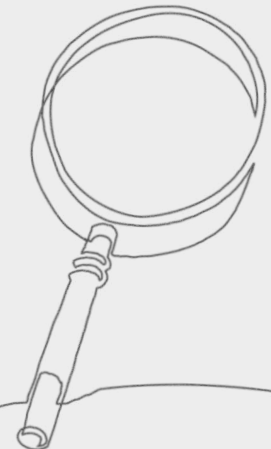
These disclosures will also support the disclosure exercise required by being a signatory to the UN Principles for Sustainable Insurance, which we signed in 2021. Our first round of disclosures will be in 2022 and complements the other UN backed initiatives. We have become signatories of the UN Principles for Responsible Investment and are committed to signing up to the UN Global Compact during 2022.

Providing structure to our approach to responsible business

Underpinning our approach to responsible business is our Environmental Management System (EMS), which has been designed in accordance with ISO14001:2015. Our EMS continues to evolve, as we progress with our objectives set out within our responsible business strategy. We use the EMS as the framework and governance process by which we ensure our approach to responsible business is supportive of the wider business strategy. The structure the EMS affords us will become even more relevant as we begin to tackle the more complex elements of the objectives we have set over the next two years, especially as we work to embed ESG considerations within our underwriting processes.



“Our focus has been centred around increasing the transparency of our approach to responsible business.”



Responsible business – Compliance & governance

continued

We believe in doing business in a manner that follows applicable law and regulation and pays due regard to the interests of our stakeholders.



Compliance framework

We operate a group-wide compliance framework designed to measure risk exposure, govern decision-making and monitor performance.

Our framework includes the following systems and controls:

- Senior management oversight;
- Risk assessments;
- Group-wide policies and procedures;
- Staff training and awareness;
- Compliance monitoring; and
- Compliance reporting.

Senior management oversight

Beazley's executive management has ultimate responsibility for the operation of our compliance framework. There is top-down commitment to ensuring good conduct and regulatory compliance across the group. Compliance monitoring reviews provide assurance on the performance of our systems and controls and enable us to identify areas of improvement. Through regular reporting of our monitoring activities, we ensure that senior management maintain oversight of regulatory risk across the group.

Staff training

The compliance framework is supported by an annual staff training programme covering topics such as our approach to financial crime, underwriting due diligence, conduct risk and data security. We provide training to staff when they join Beazley and annually throughout the course of their employment to ensure that we continue to operate in a responsible manner.

The responsible business team lead regular training sessions about opportunities for employees to be involved in our responsible business strategy. Sessions range from tailored workshops for underwriters to presentations for new employees. These sessions are often recorded and saved in our intranet for all employees to access.

Knowing our customers

Knowing our clients and business partners is central to doing business responsibly. It is key to managing risk and ensuring we transact only with reputable intermediaries, agents and suppliers. We maintain various policies, procedures and controls to ensure compliance considerations are embedded in our business processes.

Sanctions

As a responsible business, we adhere to all applicable financial and trade sanctions. We closely monitor sanctions developments and are primed to respond when changes occur. To ensure compliance with applicable regimes, we have embedded sanctions due diligence procedures into our underwriting and claims processes and ensure continued understanding of sanctions developments through staff training. We work closely with our business partners to ensure our approach to financial and trade sanctions is reflected in our business relationships, achieved through extensive due diligence and communication of our expectations.

Responsible business – Compliance & governance *continued*

Anti-bribery and corruption

A strong belief in ethical business practices underpins our relationships with our customers and business partners. To keep us connected to this core value, we operate within strict guidelines that govern the payment of commissions, the exchange of gifts and entertainment, and all circumstances capable of leading to a conflict of interest. In particular, we maintain the following policies and procedures which ensure compliance with anti-bribery laws in the jurisdictions in which we operate:

- gifts and hospitality record and approval process;
- conflicts of interest policy;
- customer conduct protocol; and
- acquisition costs and broker-provided services protocol.

The exchange of gifts and hospitality is closely monitored to ensure that business decisions are free from improper influence. Where there is a risk of potential impropriety, staff are able to make use of various avenues for reporting instances of attempted bribery, corruption or conflicts of interest.

In addition to our policies, our approach to anti-bribery and corruption includes annual staff training and an annual risk assessment.

This assessment analyses our business for exposure to high-risk jurisdictions, our distribution channels and the classes of business we write.

Political donations

Beazley has a policy to not provide political donations in any jurisdiction, nor to undertake any political lobbying of governments. We can confirm we made no political donations during 2021.

Anti-money laundering

We have no appetite for Beazley being used as a vehicle for financial crime. Our controls include transaction monitoring and ascertaining the identity of our counterparties. Instances of suspicious activity are acted on in accordance with our group-wide financial crime policy, which reflects the requirements of money laundering and tax legislation in the jurisdictions in which we operate.

Staff are trained to refrain from entering into suspicious transactions and to report all such activity to the compliance team for investigation and onward notification to relevant enforcement agencies where necessary.

Conduct

We pride ourselves on how well we can meet the needs of our customers; conduct is therefore a core aspect of our business. It permeates our culture and informs how we design, market and service our products. We ensure the application of good conduct principles by:

- promoting a top-down culture that places the customer centre stage;
- ensuring rigorous assessment, design and review of our products;
- clearly and fairly marketing all products and services;
- insisting on transparent commission and remuneration structures;
- maintaining oversight of delegated authorities and other distribution channels;
- operating a fair and responsive claims and complaints handling process; and
- safeguarding our customer data.

The standards we require of our staff are set out in the Beazley Customer Conduct Protocol. The protocol is supplemented with periodic conduct-related training.

Responsible business – Compliance & governance *continued*

Data security

We have a robust approach to information security and privacy comprising organisational, human and technical controls designed to safeguard data and the rights of data subjects. The following policies govern our management of data:

- information security strategy;
- information security policy;
- information security risk assessment and management policy; and
- global privacy policy and privacy notice.

These policies are well embedded in our business processes and staff are trained annually to apply principles of information security in their day-to-day work. To ensure consistent compliance with data requirements, we undertake frequent security testing and annual data security/privacy audits. Our governance structure enables the information security and privacy function to escalate and report data-related matters without restraint, thereby ensuring senior management oversight of data risk management at all times. We are committed to upholding the rights of data subjects, informing them of the information we collect and process, and ensuring that we only collect what is required to deliver our services.

We observe the legal and regulatory requirements of the various jurisdictions within which we operate and have a global privacy policy aligned to European, North American, Canadian and Singaporean privacy requirements. In all, our information security and privacy programme is built around a framework of prepare, protect, detect, respond and recover. This enables us to take precautions, act decisively and protect the interests of our data subjects. There have been no cases of a data breach that has had a material impact on our clients or our business, nor one that has necessitated any need to report the matter to our clients or any of our regulators.

Whistleblowing

In line with our values, we actively promote a culture that encourages staff to speak up and escalate concerns. In support of this, we operate a whistleblowing policy and process that allows for anonymous reporting of concerns without fear of reprisal, harassment, retaliation or victimisation.

Such reports are treated with the utmost confidentiality and in accordance with all applicable legal and regulatory requirements. Annual reports are presented to the Boards of Beazley Furlonge Ltd and Beazley Insurance Designated Activity Company (BIDAC), as well as the Plc Audit and Risk Committee on the effectiveness and operation of our whistleblowing procedures. Over the past 12 months there has been no whistleblowing cases.

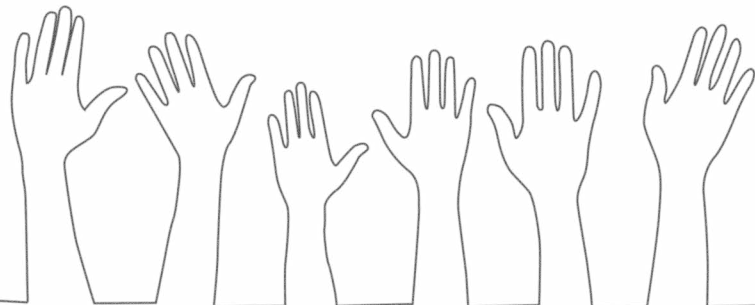
“In line with our values, we actively promote a culture that encourages staff to speak up and escalate concerns.”



Inclusion & diversity

Inclusion and diversity are vital elements of Beazley's business strategy. Our commitment was demonstrated by our 2021 launch of a bold target of achieving 25% of our team being people of colour by 2023.

The UN SDGs this relates to are:



Achieved 2021 objectives

Review of 2021 objectives	Achieved?
Continue our focus on race and, ethnicity, using our race and ethnicity strategy, to work towards achieving a workforce of 25% People of Colour by end of 2023.	In progress
Support departments to set their own objectives in terms of race and gender.	✓
Embed data collection methods for sexuality, religion and disability.	✓
Continue to ensure leadership and sponsorship of our inclusion and diversity commitments at the most senior levels of our organisation.	✓
Continue embedding the strategy for gender equality to help us reach our target of 45% female representation in senior leadership roles by end of 2023.	In progress
Working alongside departments, leaders and managers, deliver bespoke solutions encouraging the setting of their own objectives in regards to diversity metrics for their team.	✓
Support our employee-led networks, encouraging them to continue to raise awareness and contribute to our strategy and policy changes.	✓

2022 objectives

Objectives
Continue our focus on race and, ethnicity, using our race and ethnicity strategy, to work towards achieving a workforce of at least 25% People of Colour, with 25% of this figure specifically focused on Black People by end of 2023.
Continue embedding the strategy for gender equality to help us reach our target of 45% female representation in senior leadership roles by end of 2023.
Continue to support departments to meet their own objectives in terms of race and gender.
Embed data collection methods for sexuality, religion, and disability in possible locations.
Continue to ensure regular internal and external reporting of progress against our race and gender targets.

Inclusion & diversity *continued*



Inclusion & diversity

We continued to make progress in 2021, against our bold target of achieving 25% of our team being people of colour by 2023, increasing from 19% to 23%, attracting some high quality talent into Beazley. This early success does not make us complacent, however, and turning workforce participation into senior management positions will need our continued focus.

In taking on this challenge, we were able to draw lessons from the progress we have made in addressing our gender imbalance. In 2017 Beazley had a 50/50 gender split, the challenge was therefore to increase women's representation in management and senior roles. With a strong talent pool to draw from, we've moved from 28% to 38% in four years and then recalibrated our target to 45% of our senior team being women by the end of 2023.

To deliver on our goals we have used data to back up our assumptions on these issues and they will continue to underpin the targets and goals we set on inclusion and diversity.

Network activity

Our 4 active employee networks play an important role in embedding our inclusion and diversity strategy, ensuring that colleagues across the company have clear channels through which their voices can be heard and they can help the business tackle some of the complex issues that will lead to us creating an even more inclusive culture.

Beazley Proud

Our LGBTQ+ employee network celebrated Pride in June with a global charity fundraiser, presentations and a number of articles including the importance of sharing our pronouns openly. In December they held a Trans awareness education event in conjunction with the charity, Mermaids.



Beazley RACE

Focused on raising awareness and celebrating People of Colour, our Beazley RACE network held action-packed black history months for both the UK and the US and has continued to share stories, articles and webinars on a wide range of topics including celebrating Judaism, explaining Islamophobia and highlighting senior role models of colour within the company. The network held its first in-person event in October sharing African and Afro-Caribbean food with colleagues in the London office.



Beazley SHE

Focusing on Successful, High-potential & Empowered women in Insurance, our SHE network continued Beazley SHE Book Clubs & Golf Academies, as well as discussion circles and forums. The network hosted a global mentoring workshop in conjunction with the Insurance Supper Club with Executive leaders from both Beazley and other insurance companies acting as mentors.



Beazley Wellbeing

Our Wellbeing network continues to create supportive content to help break the stigma around talking about mental health. They've written about the experience of speaking to a therapist and shared stories about balancing wellbeing in a hybrid working environment. With our mental health first aiders continuing to offer educational sessions with teams. The network also worked with Thrive, the wellbeing app, to deliver a global event on the importance of setting and maintaining boundaries.

The gender pay gap

Beazley annual UK gender pay gap analysis, performed in line with UK legislation that came into force in April 2017 showed an improvement in the median gap to 32.4% in 2021 from 35.9% in 2020. In addition, we also report our Global gender pay gap which in 2021 decreased by 2.9% to 26.3%, from when we began recording in 2018. Beazley is actively analysing this data to better understand the causes of our gender pay gap, to better inform initiatives we are implementing to improve our gender position.

Beazley Families

Our networks are run for employees by employees, and we are excited to see a new network, Beazley Families launch in 2022. The network will support families and parents-to-be across the company and provide buddies, mentors and shared experiences for our colleagues.



Sustainable world

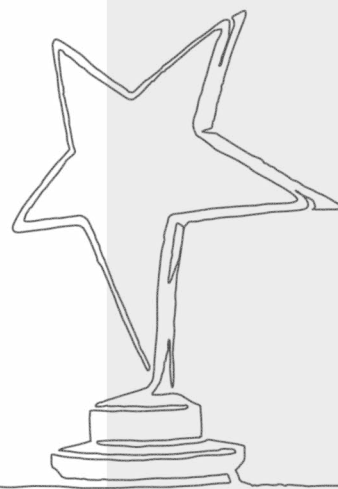




Underwriting

Whether it is supporting the transition to net zero, addressing climate change, or considering wider ESG issues, our underwriting approach is an important part of influencing insureds on responsible business matters.

The UN SDGs this relates to are:



Achieved 2021 objectives

Review of 2021 objectives	Achieved?
Work to integrate ESG data metrics into the underwriting process.	✓
Continue to progress appraisal of climate-related risk via the TCFD process, working to progress opportunities identified within the process to help tackle ESG issues, particularly climate-related products.	✓
Use innovative underwriting solutions to help our clients to transition to a low carbon future.	X
Provide a review process to discuss socially sensitive topics and how our practices may change.	✓

Summary of 2022 objectives

Objectives
Use innovative underwriting solutions to help our clients to transition to a low carbon future.
Develop and support research and thought leadership in ESG and climate-related risks to help broaden our approach and inform decision-making. We will share the outputs of these findings with the industry through interactive seminars and workshops.
Harness opportunities where we can add value to social initiatives as part of our underwriting process, either through the provision of additional services, or creating of awareness of key ESG issues from an insurance perspective.
Continue to embed climate change decision-making into the underwriting process, building upon the work undertaken to date, as well as the increasing amount of new data and information on climate-related risk.
Expand our understanding of the financial impacts of other environmental issues such as biodiversity and land use and pollution, working to identify a suitable risk framework by which to assess these impacts.

Underwriting *continued*

“Our role is to support and encourage those clients, as they transition towards net zero. We actively want to support as many of our clients as we can throughout this process.”

Our approach to ESG within underwriting

In 2021 we began to add ESG considerations to our underwriting process; we believe that a responsible insurer does not judge a company only on their current ESG metrics (for example carbon intensity), but on how they plan to transition to a more sustainable position and how we can help them. Our role is to support and encourage those clients, as they transition towards net zero. We actively want to support as many of our clients as we can throughout this process.

We are very much at the start of this journey, and the outcomes of this work will take time to deliver. To ensure this happens each focus group has committed, within their annual business plans, to further embed ESG within the underwriting process.

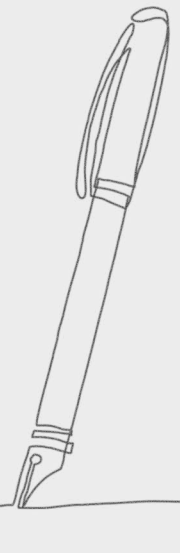
Syndicate 4321

Alongside this work, we have also created Lloyd's first specialist ESG syndicate 4321, which starting from 1 January 2022 offers additional capacity to clients that perform well from an ESG perspective. We believe that companies that are good performers against ESG rating criteria should have greater access to our high-quality insurance capacity. We hope to be able to use the data we gather to prove the hypothesis that better ESG performers have a lower risk profile. The data and experience we gain from our new syndicate will be used to inform how we bring the consideration of ESG issues across our underwriting portfolios going forward. These actions will further support our engagement with our insureds on ESG matters.

The syndicate utilises ESG data from 3 external data providers, with minimum thresholds set for each to determine the eligibility for syndicate 4321. We also apply an additional screening process, which is aligned with our approach to responsible investments.

ESG innovation

In 2021, we set a objective to use innovative underwriting solutions to help our clients to transition to a low carbon future. This action was delayed so we could work further with the industry to help develop a methodology for assessing the transition. We will revisit this objective in 2022 and use our learning from the working groups established to look at this and deliver solutions which provide further value to our insureds.

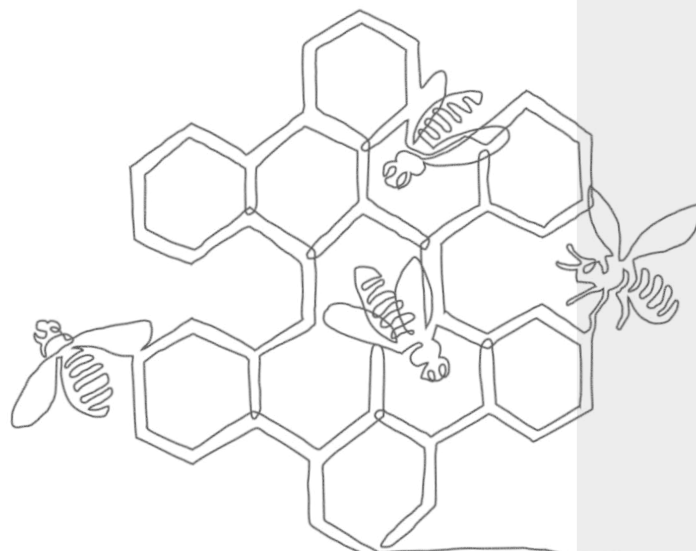




Climate change

As a specialist insurer, naturally, a number of the classes of business we underwrite are vulnerable to the impact climate change brings to the risk environment. For example, supporting clients impacted by natural catastrophes and helping them return to pre-catastrophe conditions as soon as possible is key.

The UN SDGs this relates to are:



Achieved 2021 objectives

Review of 2021 objectives	Achieved?
Undertook our CBES return to the PRA.	✓
Member of the Sustainable Markets Initiative (SMI).	✓
Contributed to research led by Climatewise on measuring the transition to net zero.	✓

Summary of 2022 objectives

Objectives
Further develop the pricing of climate change within our underwriting process.
Further develop our climate scenarios, specifically focusing on liability risk.
Utilise the development of different climate scenarios to further our understanding of our exposure to non modelled climate related risks.
Continue our participation in industry initiatives which are investigating the best approach by which to measure the transition to net zero.
Become a member of the Net Zero Insurance Alliance.
Ensure continued progression against the TCFD guidelines.

Climate change *continued*

“We believe it is in all our interests for a smooth transition to occur, and that we use our influence to help facilitate it.”

Scenario analysis

During the year, we were part of the Bank Of England's pilot on climate change related liability risk, which subsequently formed part of the wider Climate Biennial Exploratory Scenario (CBES), for which we also provided a return. This return was undertaken to ensure our business met the material thresholds set out by the PRA, and we were required to undertake the modelling of physical, transitional and liability (litigation) risks over a 30-year time horizon within three different scenarios of severity, as follows:

Early policy action (EP)

This approach is where an early and orderly transition occurs, commencing in 2021. The outcomes of this approach was an increase in global temperatures of 1.8 degrees Celsius and a mean level sea rise 0.16m by the end of the time horizon. Financially this scenario would result in early, but temporary lower growth.

Late policy action (LP)

This approach is where an late and disorderly transition occurs, commencing in 2021. The outcomes of this approach still mean an increase in global temperatures of 1.8 degrees Celsius and a mean level sea rise 0.16m by the end of the time horizon, however, financially this scenario results in a sudden contraction in the economy.

No additional policy action (NAPA)

This approach is where a late and disorderly transition occurs, commencing in 2021. The outcomes of this approach still mean an increase in global temperatures of 3.3 degrees Celsius and a mean level sea rise 0.39m by the end of the time horizon, however, financially this scenario results in permanently lower growth and uncertainty.

The modelled change to both underwriting liabilities and investment assets for all three scenarios at four time intervals is applied as a 'shock' to the December 2020 balance sheet, with physical risk primarily manifesting in underwriting liabilities (GI Liabilities) and transition risk in investment assets.

Alongside our CBES return, we also engaged with a third party to map over a million of our insured assets, utilising the data outputs to be able to begin to understand the impact of climate change on individual insureds. This tool will be valuable in 2022 to further our understanding of different climate change scenarios and support our engagement with insureds on the topic.

The climate transition

We believe it is in all our interests for a smooth transition to occur, and that we use our influence to help facilitate it. In our approach to the transition, we must however, adopt a degree of financial stewardship, and ensure that all elements of ESG are considered when making decisions, especially in higher carbon intensive sectors. Some of the businesses in the most carbon intensive sectors, are also the biggest advocates of the transition, and it is therefore, important that we support them to ensure that the basic requirements of day to day living continue to function during transition.

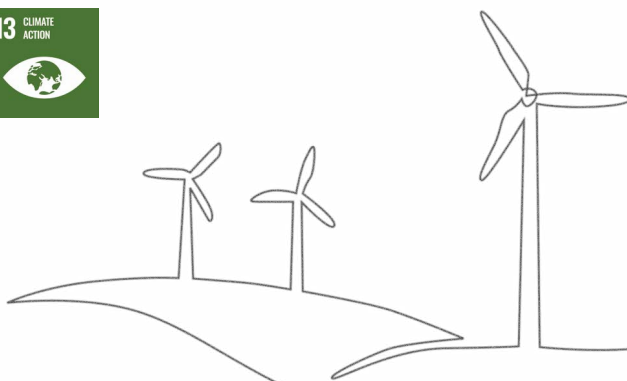
Measuring the transition, within the insurance sector is still an unknown, and something which Beazley and its peers need to address to more clearly demonstrate the positive role insurance can play in supporting the transition to net zero. Across 2021, we have been part of two separate initiatives led by Climatewise, and HRH Prince of Wales' Sustainable Markets Initiative, to support the development of methodologies that can be used to track the transition and show demonstrable progress on decarbonisation. These methodologies are still very much in development, however, we intend to undertake further testing of them in 2022 and use the outputs to feed back into both the projects themselves, as well as our approach to underwriting.



Environment – Greenhouse gas emissions

Beazley and the wider financial sector have the opportunity to influence action on climate change and encourage the transition to a decarbonised economy. We, therefore, wish to lead by example through the delivery of a reduction in our GHG emissions.

The UN SDGs this relates to are:



Achieved 2021 objectives

In 2021, we set a reduction target of 30% in Green House Gas (GHG) emissions, when compared to the 2019 baseline. To drive this reduction, we set the following objectives:

Review of 2021 objectives	Achieved?
Raise awareness of carbon emissions associated with travel, requesting that employees consider the environmental impact of proposed trips prior to booking.	In progress
Introduce an internal carbon index to encourage reduction of our Scope 3 emissions.	In progress
Offset through certified carbon offsetting schemes are within reported Scope 3 emissions.	✓
Achieve external verification for our emissions to ISO14064 or similar.	✓

Summary of 2022 and 2023 objectives

To achieve a 40% reduction in our carbon emissions, we have also set a number of further objectives for 2022, as follows:

Objectives

Introduce an internal carbon budget per team to encourage reduction of our scope 3 emissions.

Focus on expanding our scope 3 GHG inventory, working with our major suppliers to improve data accuracy.

Work to increase the percentage of electricity in offices which comes from renewable sources, by working with landlords to encourage the transition to decarbonised energy sources.

Set out the process to follow science based targets for the emissions associated with Beazley and demonstrate we can follow a 1.5 degree trajectory, using the information to develop a transition plan to set out how we will achieve net zero.

Commit to an ambition to be net zero by 2050 across our operations, underwriting and investments.

For 2023 we have set a target for 50% reduction in our carbon emissions, and our objectives are as follows:

Objectives

Target 100% renewable energy use within all our office locations.

Align our emission reduction targets with a 1.5 degree trajectory for GHG emissions.

Environment – Greenhouse gas emissions *continued*

Delivery of GHG reductions – Carbon emissions

Our Green House Gas (GHG) emissions normalised for full time equivalent (FTE) were 0.93 tonnes carbon dioxide equivalent (tCO₂e/FTE) in 2021. This equates to an 84% reduction when compared to our 2019 baseline. This sizeable reduction is a reflection of the COVID-19 travel restrictions reducing Beazley's business travel. These emission calculations have been verified in accordance with ISO14064, by independent third party auditors.

Beazley operates from offices which form part of a wider commercial development. This means that our operational control over our office differs by location. The scope of our carbon emissions cover office locations where Beazley pays our utility bills independent of any service charge. It does not include any serviced office suites we operate from. All shared offices and serviced office suites are excluded from the scope of Beazley's GHG reporting. We expect emissions to be reported from these locations by our landlords. Our 2021 reporting covers 94% of Full Time Equivalent (FTE) staff. The same parameters apply for the reporting of Transmission and Distribution losses within our Scope 3 inventory.

Our Scope 3 emissions also cover our global operations from all offices which include; business travel, i.e. flights, car hire, hotel stays, as well as transmission and distribution losses from our electricity consumption.

Beazley's overall corporate Green House Gas (GHG) emissions for 2021 are detailed in the table below, with data from previous years provided for comparison:

Location-based carbon emissions

Total tCO ₂ e				Total
2021	Scope 1	8.14		1,705.70
	Scope 2	905.87		
	Scope 3	791.69		
2020	Scope 1	16.5		2,852.89
	Scope 2	1173.26		
	Scope 3	1663.14		
2019	Scope 1	21.08		8,368.55
	Scope 2	1,420.08		
	Scope 3	6,927.39		

Normalised for Full Time Equivalent (FTE) of staff, performance is as follows:

2021

0.93

tCO₂e/FTE

2020

2.01

tCO₂e/FTE

2019

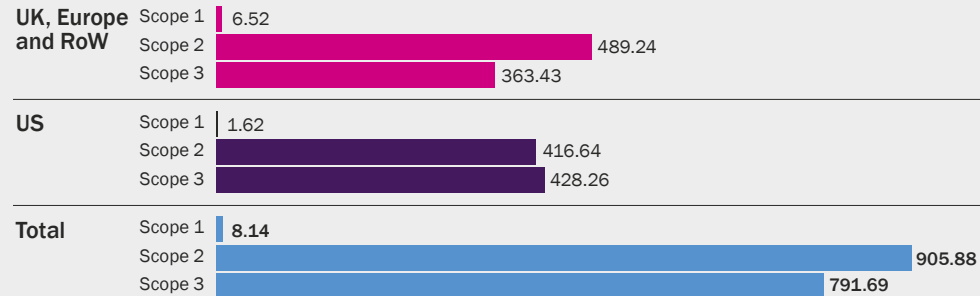
5.98

tCO₂e/FTE

Environment – Greenhouse gas emissions *continued*

Our emissions can be broken down by geographical region as follows:

Breakdown Carbon by location



Full details of the methodology we use to report our carbon emissions can be found on our website.



beazley.com

Electricity for utilities

Beazley delivers business from two locations in the UK – Birmingham and London. Additional offices are located across the globe, many of which are considered shared space and serviced office suites. Beazley pays a service charge for their use, however, has no control over the operation or use of utility provisions. Responsibility for energy consumption and carbon emissions, therefore, falls to the landlord, and is considered out of scope for the purpose of these calculations. The Global Emissions reported do not include data for the following office locations: Houston, Los Angeles, Minneapolis, Scottsdale, Rio de Janeiro, Sydney, Miami, Singapore, Shanghai, Vancouver and Seattle. These offices make up 6% of Global FTE in 2021.

Environment — Greenhouse gas emissions *continued*

Energy report

Beazley has a total of 1,826.34 FTE staff (including contractors) as at 1 January 2022, 94% (including contractors) of which are considered in scope for the global energy consumption reported in the tables below. Within the UK, Beazley has 887.83 FTE (including contractors). This is the equivalent of 49% of our global workforce.

Energy for heating, cooling and small power

Our calculations include the GHG emissions arising from imported heat. This is provided by gas boilers or district heating systems within a number of the offices we occupy. This plant is operated by our landlords, and is not directly under Beazley's operational control.

We were able to procure energy from certified renewable sources for the following locations in 2021, London and Dublin, this equates to 1,676,882 kWh of electricity consumption, and a saving of 441.85 tonnes of CO₂:

Electricity

Energy consumption kWh

			Total
2021	UK	1,452,758	2,615,521
	Europe	396,014	
	US	766,749	
2020	UK	1,950,688	3,072,481
	Europe	379,139	
	US	742,654	
2019	UK	2,732,644	3,876,696
	Europe	400,498	
	US	743,554	

% of reported electricity
consumption from renewable
sources

64%

GHG savings through the procurement
of electricity from renewable sources

441.85
tonnes of CO₂e

Environment – Greenhouse gas emissions *continued*

Summary of performance in 2021

The pandemic's continued progress in 2021, aided our efforts as international air travel is one of our biggest carbon emitting activities. This resulted in Beazley achieving the targets set, without the need for further initiatives which we set in 2021 such as the carbon budgeting, and focusing on travel reductions to be delivered.

Carbon reduction initiatives

These initiatives are being rolled into 2022, as we know that to deliver the targets set in 2022 and beyond, we must maintain our focus, to ensure we do the right thing for our clients, people and the climate. The work to deliver these initiatives has already commenced, with each division having worked to identify how they can reduce their global travel in order to meet the carbon emission targets we have set for next year. To drive these reductions, we have partnered with our travel provider to develop a dashboard and supporting documentation so employees can be aware of the carbon emissions associated with their travel prior to booking their travel.

We will also report, the carbon emissions generated, per division on a monthly basis so individuals and teams are aware of the performance across the year, as well as performance against the carbon budget being set.



Carbon offsets

Whilst we voluntarily offset our carbon footprint, we do not believe that offsets should be used as a mechanism by which to ignore the greenhouse gases arising from our business operations. We are committed to delivering gross reductions in our greenhouse gas emissions across the organisation and are actively working to deliver initiatives to achieve this.

Through our global charity partnership with Renewable World, we did offset all our remaining 2020 carbon emissions. This is something we will undertake again in 2022 for the 2021 emissions detailed in this report. More details on our relationship with Renewable World can be found later on in this report.

Summary of targets for 2023 and beyond

As part of our three year strategy, we are setting out the following reduction targets for 2022 and 2023 against 2019 levels:

2022

40%

Carbon emissions targets for location based emissions
tCO₂e/FTE

2023

50%

Carbon emissions targets for location based emissions
tCO₂e/FTE

We also want to begin to understand the impact of homeworking on carbon emissions and how they differ when colleagues are working at home as opposed to in the office. Starting in London, we will undertake a study to determine what impact this has on overall emissions, with a view to incorporating the outputs into our overall carbon footprint in subsequent years.



Environment – Wider environmental initiatives

We are striving for better on multiple fronts and playing our part in addressing the issue of climate change and the environment is vital. Our approach to environmental matters is defined by our environmental policy which is available through our website, and aligned with ISO14001:2015, the internationally recognised standard for environmental management.

The UN SDGs this targets to are:



Achieved 2021 objectives

Review of 2021 objectives	Achieved?
Set out a programme of internal and external events that provide stakeholders with the knowledge and insight to make informed sustainability decisions both within a business and individual setting.	✓
Review opportunities to provide incentives to encourage behavioural change.	✓
Identify potential opportunities across our offices to collate data on key environmental impacts i.e. waste, water consumption, printing in order to improve the measurement of our environmental footprint.	✓
Review opportunities to help reduce our environmental footprint, implementing initiatives where appropriate.	✓

Summary of 2022 objectives

Objectives
Set out a programme of internal and external events for the year that provide stakeholders with the knowledge and insight to make informed sustainability decisions both within a business and individual setting.
Review opportunities to provide incentives to encourage behavioural change.
Where data is available to monitor wider environmental KPIs, set targets and monitor our impacts to reduce, reporting regularly on our progress.
Review further opportunities to help reduce our environmental footprint, implementing initiatives where appropriate.

Environment – Wider environmental initiatives *continued*

Key metrics for 2021 are as follows:

Global office printing

127,275 pages

London office water consumption

304.83m³

London office waste recycled

1,183 tonnes

Environmental impacts

Beyond our carbon emissions, the biggest areas of environmental impact arise from our own operations within our offices. We want our offices to be collaborative and flexible spaces, which is why we have a policy of activity based working (ABW), which we introduced in 2019. This means our Beazley colleagues are empowered to work from a location of their choosing, whether it is in the office or remotely. To deliver this we have provided energy efficient and flexible IT equipment, whilst also investing in collaborative, and quiet spaces to allow our staff to work in a comfortable and productive manner. This approach also served us well throughout the COVID-19 Pandemic, enabling our colleagues to transition to a 100% home based working pattern. As restrictions have loosened across the world, our staff have also had the flexibility to continue to work from a location of their choosing, and balance their office/home based working to fit in with their lifestyle as well as having a positive environmental impact due to colleagues commuting to the office less frequently.

Our new office in London, 22 Bishopsgate, embodies our ABW approach, as it does our approach to reducing our environmental impact through the selection of high performing environmentally friendly office space. We can also measure a wider range of environmental performance indicators, which we will monitor over the coming years to determine whether it is applicable to set targets to help drive reductions, where necessary. We also hope to expand the measurement of these data sets out to our other offices, where data is available, over the coming years.

Environmental working group

As we work towards net zero, and support the transition, it is important that our colleagues can play their own individual role. Key to this is increasing awareness of important issues, and highlighting methods and practical measures which our colleagues can implement to have an impact.

The environmental working group has run a number of initiatives across the year to help make informed decisions. Two highlights from the year, stand out, the first was 'Plastic Free July', with the committee organising and delivering a number of workshops and seminars highlighting the impact of plastic on biodiversity, and providing advice and practical solutions for colleagues to try to reduce their use of single use plastics. As part of the month, the committee also sourced a number of plastic free alternatives for products commonly used by colleagues. These were distributed across the offices, with staff free to take them away and use them at home and compare them to the standard versions.

Feedback from colleagues indicated overwhelming support for the initiative and resulted in behaviour change.



Digital waste also has a significant environmental impact, and was the choice of the committee's second month of events, held in November. The energy consumption associated with the cloud storage of items such as emails, photos, music files and videos, is significant. This means that measures we can take such as good data management plays an impactful role in the reduction of energy consumption. A number of initiatives were run to create awareness of this, to highlight how to reduce the data footprint. Due to the significance of this work, we expect to rerun key sessions on this in 2022.

“As we work towards net zero, and support the transition, it is important that our colleagues can play their own individual role.”

A black and white photograph of a modern office lounge. In the foreground, there is a large, tufted sofa with patterned cushions. Behind it, a long planter box filled with various plants sits on a wooden floor. In the background, there are more sofas, a dining table with chairs, and large floor-to-ceiling windows offering a panoramic view of a city skyline. A blue rectangular overlay box is positioned on the right side of the image, containing the text 'Positive procurement' and a circular logo.

Positive procurement





22 Bishopsgate

A highlight of 2021 was the fit out of our new office environment at 22 Bishopsgate where we used three procurement principles: locally sourced and made, environmental sustainability and quality.

The beautiful and inspiring work environment we have created at 22 Bishopsgate is informing our thinking as we return to the office.

Locally sourced and made

Global does not mean uniform at Beazley and we have applied this approach in the fit out of our new London office and looked for locally based designers, makers and retailers for the furniture and fittings of our new office space.

This approach is often characterised as an expensive indulgence, in fact we found that when we actively engaged with local creative and interiors businesses in London, the opposite was true. An order for furniture or fittings was an important driver for local retailers that had suffered during the pandemic and they were highly responsive and able to source or make beautiful individual pieces that met or exceeded our design, quality and most important environmental requirements.

Environmentally sustainable

Across our purchasing decisions for 22 Bishopsgate environmental sustainability has been at its heart. In one example of how this worked we rejected new leather pieces, because we could not purchase it in an environmentally appropriate way, instead we opted for sustainable vinyl which looks beautiful in situ and is durable and long-lasting.

The UN SDGs this targets to are:



Water quality is also vital to Beazley and we made sure that our team have access to the highest grade filtered water for both cold and hot drinks, serving these in glasses and mugs rather than paper cups.

22 Bishopsgate is a new building with innovative and effective monitoring systems that will allow us to gain greater insight into its impact on the environment and implement changes and improvements as needed.

Quality

This is a value that Beazley has always championed and buying decisions before our move to our new office showed how this principle has served us well. We are able to retain a significant proportion of our existing furniture, in some instances repairs and updates were needed but alongside the thrill of the new it has been comforting to come back after the pandemic recedes to some familiar surroundings.

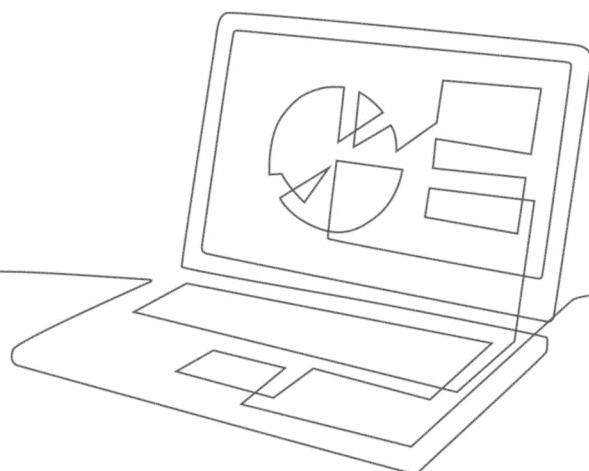
In creating an exciting new office space we have not lost sight that the wellbeing of our staff and visitors is vital. Perhaps the most vivid demonstration of this has been the addition of birdsong to our rest and eating areas. There is nothing more sustainable than the soothing sound of birdsong.



Investments

A consideration of ESG risks is an integral part of Beazley's investment process and we believe this helps to protect our investments against the risks arising from climate change.

The UN SDGs this relates to are:



In 2021 we published our Responsible Investment Policy which sets out the specific details of our commitment to incorporate ESG into our process. This reflects our view that companies that are committed to a sustainable business strategy enjoy competitive advantages over time with the ability to generate stronger and more stable returns.

Achieved 2021 objectives

Review of 2021 objectives	Achieved?
Publish our Responsible Investment Policy detailing our approach to investments and the exclusions we apply.	✓
Calculate the carbon intensity of the investment portfolio (using Scope 1 & 2).	✓
Sign up to UN Principles for Responsible Investment (UN PRI).	✓
Set a target for carbon intensity reduction and increased coverage of ESG compliant investments.	✗

2022 objectives

Objectives

Produce our first UN PRI report, demonstrating the progress we have made against the principles.

Set a target for carbon intensity reduction and increased coverage of ESG compliant investments.

Re-base our carbon intensity calculation to include Scope 3 emissions and set a target for reduction in 2023.

Work to align the investment portfolio to a well below 1.5 degree world.

Investments *continued*

Early in 2021, Beazley published its Responsible Investment Policy, with the purpose of providing transparency. The policy outlines the measures taken to incorporate ESG into our investment analysis and decision-making process. A key part of this policy is the measurement of the average weighted carbon intensity of the portfolio. Understanding the carbon footprint of the portfolio is the first step towards prioritizing investments which will accelerate transition to decarbonisation. To support our approach to responsible investment, we also became a signatory to the UN Principles for Responsible Investment.

Also in 2021, we made a further commitment towards our strong ESG policy with the decision to allocate \$100m to a portfolio of impact investments. These investments will provide capital to fund projects that have a measurable environmental and social impact as well as a financial return. The portfolio will have a global reach and include funds focused on improving outcomes in locations local to our offices as well as overseas in emerging countries. Whilst the amount allocated is relatively small as a proportion of our total portfolio, we believe this commitment will make a big impact to the enterprises we will invest in and the target impact. It is intended that we will make our first investment during the first half of 2022.

At the beginning of 2021, we started to measure the carbon intensity of our fixed income and equity investments and include it for the first time in this report. At present the weighted average carbon intensity number includes scope 1 & 2 emissions and covers our corporate bond and equity investments. This will be extended to cover scope 3 when data is consistently available. We use this information to understand the scale of the impact of our investments on the environment and help us set targets for reduction. As at December 2021



our portfolio of corporate bonds and equities had a weighted average carbon intensity of 75.5 (tonnes CO₂e/m\$ revenue), more than 68% lower than the broad universe (without ESG selection criteria) of such investments.

It is important to note that the current carbon intensity of our investments is not a comprehensive measure of our commitment to responsible investment. Global demand for many carbon intensive products will remain high in the medium term and supporting producers who are committed to reducing their

carbon emissions will be key to our responsible strategy: We have incorporated an assessment of issuers transition pathway into our internal credit process and will be expanding this to the majority of portfolio assets over the next 12 months.

Target for carbon intensity

In 2021, we set the objective to set a target for carbon intensity reduction and increase our coverage of ESG compliant investments. This work is almost complete, however, we are not currently in a position to set the target. This work will be completed early in 2022.

Weighted Average Carbon Intensity (WACI) of our Equities and Corporate Bonds

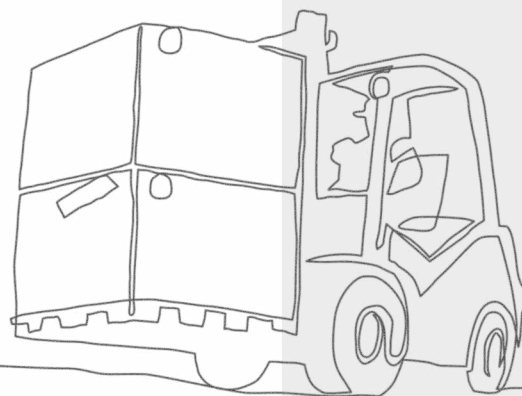
75.5
tonnes CO₂e/\$m



Supply chain

Our supply chains are hugely important to us when delivering our products and services to our policyholders. We can divide our supply chains into two, the first is suppliers who are associated with our business operations, many of which are service providers, with only a small part being related to material items i.e. with the fit out of office space, the procurement of office supplies, or the delivery of events. The second area is the supply chain within our claims process where we have opportunity to help promote a more sustainable world.

The UN SDGs this targets to are:



Achieved 2021 objectives

Objective	Achieved?
Use the environmental management system (EMS) to ensure we appraise key environmental issues as part of the procurement process.	In progress
Utilise ESG data to help inform procurement decisions.	In progress

Summary of 2022 objectives

Objectives
Continue to embed the use of environmental management system (EMS) to ensure we appraise key environmental issues as part of the procurement process.
Continue to embed the utilisation of ESG data to help inform procurement decisions.
Embed ESG decision-making into the supply chain, creating a framework by which we review supplier performance against relevant ESG issues and helping it to inform procurement decision-making. We will utilise the environmental management system (EMS) to provide the governance mechanism by which this is delivered.
Work to map our biggest suppliers in our supply chain, identifying where improvements in carbon emissions can be delivered.
Become a signatory to the UN Global Compact.
Work to further understand how we can influence our supply chains within our claims process to encourage more positive procurement.

Supply chain *continued*

“As a responsible global business, doing the right thing is always at the heart of what makes us Beazley.”

ESG within procurement

The EMS has been developed across the year, with further work needing to be undertaken in 2022 before it is ready to be fully embedded across the business. As part of this initial work, mapping exercises have been undertaken to determine how we can further improve the environmental performance of the products and services we procure. This approach goes beyond the work we put in when selecting the offices we conduct our business from, focusing instead on the supply chains necessary to deliver high quality operations for our stakeholders. In 2021, we undertook an exercise to map these key suppliers, identifying the top 15 tech and non tech suppliers by spend, before then determining the key environmental issues which can influence performance or supplier selection. We also identified how the decisions we make impact smaller suppliers, acknowledging that these potentially have bigger consequences for the employees of these SMEs, when compared to the bigger corporations we conduct business with.

As part of this work, we have identified a number of opportunities to reduce the environmental impact of some of the products we procure, this includes focusing on products which add value, as well as reducing single use plastics. The next phase of this work is to further develop our sustainable procurement approach, with a view to sampling the emerging methodology with a number of suppliers across 2022.

The use of ESG ratings, we believe, is also an important factor in the procurement process. Through access to a number of ESG data providers, we have been able to determine both the top level ESG ratings for the supplier, as well review more detailed information on particular elements of the ESG score such as the alignment with the net zero transition, or human rights records. This information is invaluable to being able to further our approach to responsible procurement in 2022.

Human rights

As a responsible global business, doing the right thing is always at the heart of what makes us Beazley. We hold ourselves to the highest standards of ethical conduct and this includes recognising that we have a responsibility to utilise our skills, resources and expertise to respect and uphold human rights. We are committed to supporting and respecting internationally proclaimed human rights and seek to avoid complicity in human rights abuses. To achieve this, we adhere to the principles as defined by the United Nations ('UN') Guiding Principles on Business and Human Rights, the UN International Bill of Human Rights and the International Labour Organisations (ILO) Declaration on Fundamental Principles and Rights at Work. We do not tolerate the violation of human rights within Beazley and seek to establish relationships with those who share the same principles and values. We aim to prevent any action that has an adverse impact on human rights, either by Beazley or those acting on our behalf, and will remedy any adverse impact if it occurs. We also seek to promote human rights awareness and respect along our value and supply chains.

To better communicate our approach to human rights and build on our modern slavery policy, we have undertaken a significant amount of work to further communicate our approach externally, which will culminate in the publication of our human rights policy on our website in 2022.

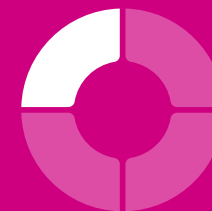
Alongside this work, we have also completed a gap analysis to identify what additional measures were required for us to become a signatory to the UN Global Compacts. Through our internal governance process we have received sign off to do so, and are seeking membership of the UN Global Compact in 2022.

Claims

As an insurer, one further area of impact of procurement is through our claims process. In 2021, we undertook an initial appraisal of how we could embed ESG within our approach to claims. This work identified a number of actions which we will begin to deliver. A key component of this work will be to further understand how our claims process can influence positive change in respect to ESG matters.



Enhancing livelihoods





Our approach to charity and community



Our approach

Charity and community initiatives at Beazley are delivered through the respective committees. We consider our charity initiatives to be those which primarily support our charitable partner, raise money through match funding or grant nominations by our employees as well as responses to disaster relief efforts. Our community initiatives, which are quite often delivered in partnership with charitable organisations, are much more focused on the communities around our employees' homes and offices. This flexible approach means that employees can pick the community initiatives dear to them. Beazley encourages this by providing staff with up to 2.5 days of charity leave during the year, as well as the organisation of an annual Make a Difference month, where there is particular focus on encouraging employees as individuals and teams to get out and support charity and community initiatives.

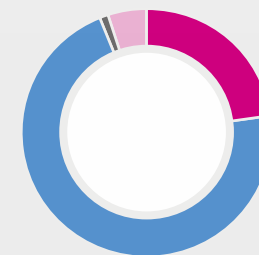
To better measure the impact of our charity and community engagement, we signed up to the Business for Societal Impact (B4Si) Corporate Citizenship. This provides a robust and global framework to help companies from all industries and sizes, to properly and carefully measure charity and community investment data, and share this in a transparent and responsible manner. To help us deliver this, the B4Si provides a rich library of tools, resources and support for the involved businesses. Beazley signed up to the framework and will be working with B4Si to structure and report against its guidance. This year we have started the implementation of some of their guidance in our 2021 report.

Charity & community grants

Since the start of the pandemic, the charity and community sector has been significantly negatively affected, particularly with fundraising efforts. To support them and help our employees with causes close to their hearts, we asked our people to nominate their favourite charities. As a result, we received 39 nominations and have donated over \$60,000 to local charities.

Across both our charity and community initiatives, we have donated a total of \$39,118 as well as providing over 800 hours of employee time in kind to worthy causes. The breakdown of our efforts in respect to the sectors we support is as follows:

What we support



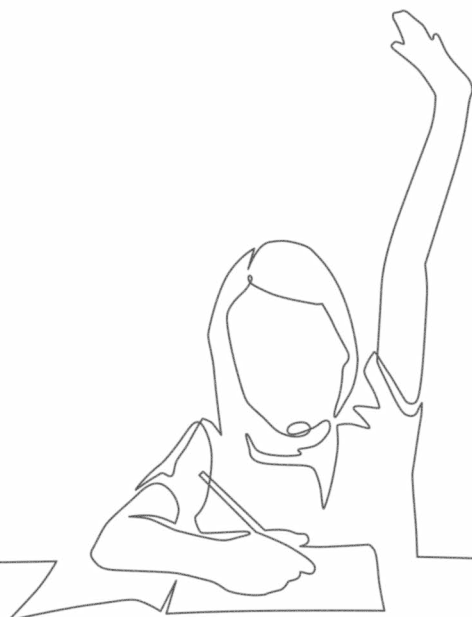
Education	23%
Economic development	71%
Arts/culture	1%
Emergency relief	5%



Community

The community committee is responsible for overseeing and delivering the community-led initiatives across all our offices.

The UN SDGs relevant to this work are:



Achieved 2021 objectives

Objective	Achieved?
Volunteer and support our formal community partners year-round to help drive a positive impact in our communities.	✓
Engage with organisations, particularly those that work with children and young people, to deliver hands-on help through mentoring and reading.	✓
Expand the community committee to have a representative in each office location who will drive local engagement with community organisations.	✓
Participate and drive engagement for Charity & Community week.	✓
Launch and drive engagement for Make a Difference, our annual focus on driving positive change in our communities.	✓
Provide support, promotion and engagement with sustainability efforts.	✓
We will introduce processes to measure our involvement in more detail to provide data that will help us to set targets in subsequent years.	✓

Summary of 2022 objectives

Objectives
Volunteer and support our communities near and far, year-round to help drive a positive impact in our communities.
Engage with organisations to deliver support in the areas of socio-economically challenged youth and the broader community, with particular focus on inclusion and diversity and environmental challenges.
Continue to have a representative(s) in each office who actively engages their office, drives activity and deepens our presence.
Host quarterly global activities that are supported by our representatives, with a view that there is substantial participation in Make a Difference and another event of choice.
Provide support, promotion and engagement with other responsible business workstreams and groups.
Begin to increase our scope by bringing brokers and clients along on the Beazley community journey by creating inclusive events for internals, brokers and clients and getting involved in broker/client community events.

Community *continued*



We have recruited a number of Beazley employees to the Community Committee, so we now have a representative from each office. This is essential to ensuring we can deliver initiatives across as many of our offices as possible.

Make a Difference

Core to our approach to community, since September 2014, has been volunteering. During the month Beazley employees volunteer all over the world to support their local communities. The Make a Difference event, offers colleagues up to one full work day to physically (or virtually) volunteer. This year we recorded 735 hours with organisations ranging from food banks, food drives and animal shelters in the US to virtual calls with the elderly in the UK.

During that time, pupils have benefited from visits to Lloyd's of London, reading partners, writing partners and various donations which have supported the school to enrich the educational offer that pupils receive.

The relationship with Beazley is very important in raising awareness of the City of London and the finance sector for future job opportunities for pupils and their families.

Impact of our efforts

“Beazley partners with a number of educational partners which focus on educational and work opportunities for young people from lower socio-economic backgrounds. We launched the ‘COVID-19 Emergency Grants’ to help over 1,300 children have access to technology for remote learning and food.”

735 hours volunteered during Beazley's 2021 Make a Difference month from virtual calls with the elderly in London to supporting food banks in Atlanta and Chicago

735 hours

Distributed grants to **39 employee-nominated** charities including local hospices, youth organisations, animal welfare groups and mental wellbeing organisations all around the world

39 employee-nominated charities

Hackathon challenge

Earlier this year our global IT team, supported by the overall company, signed on to their partnership with Code First Girls – an organisation dedicated to transforming technology by providing the skills, space and inspiration for women to become developers and future leaders in the field.

Code First Girls began with a 9-week free course, aimed at getting more women interested in coding, and has now expanded with over 25,000 women taught to code.

Our partnership has given us the opportunity to share our insider knowledge on careers in tech, help develop exciting new skills and encourage more women to get involved in the tech world.

The UN SDGs this targets to are:



As part of our engagement, we launched a Hackathon Challenge, with the current cohort of Code First Girls tasked with working collaboratively in small groups to provide solutions which could help Beazley reduce our carbon footprint. The focus of this challenge was to provide tech solutions which could be used to firstly raise awareness of how Beazley employees generated their carbon emissions, and then provide recommendations by which they could be reduced.

Ten teams took part in the challenge, all of whom received mentoring from several Beazley employees from a range of different departments. The outputs they developed were shortlisted to a top three, who progressed forward to a final to deliver final pitches for their ideas. The winner was determined by a judging panel which included our Head of Culture and People – Pippa Vowles.

Throughout the project the guidance and learning by both the cohort and our mentors has been received very positively. Several of the members of the cohort have also been approached to apply for employment positions with Beazley, as we continue to expand.

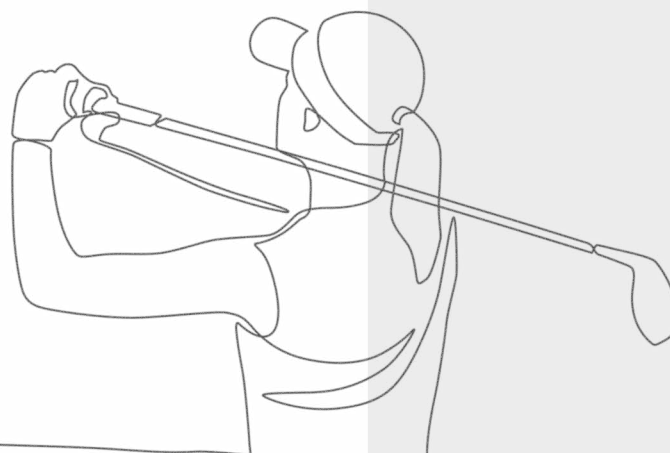
“The winner was determined by a judging panel which included our Head of Culture and People – Pippa Vowles.”



Charity

Beazley's original responsible business efforts started over 15 years ago, with our desire to support our communities in need. Whether it's the communities based around our offices or those impacted by natural disasters, we wanted to make a difference. We also want to ensure our charity efforts go beyond just making a financial donation and so we aim to integrate our professional skills and expertise into our charitable initiatives.

The UN SDGs this targets to are:



Achieved 2021 objectives

Objective	Achieved?
Continue our partnership with Renewable World.	✓
Measure the impact of our time and resources enabling us to set a baseline from which to set targets in subsequent years.	✓
Work with our charity partner, beyond fundraising, to support them through the provision of skills and knowledge from across Beazley, allowing them to develop their charity and expand their reach.	✓

Summary of 2022 objectives

Objectives
Understand the opportunities and relationships that can be created to support a more diverse range of charity initiatives.
Set a target for charitable giving or time offered by colleagues to charitable efforts.
Select a new global charity partner for 2023-2025.

Charity

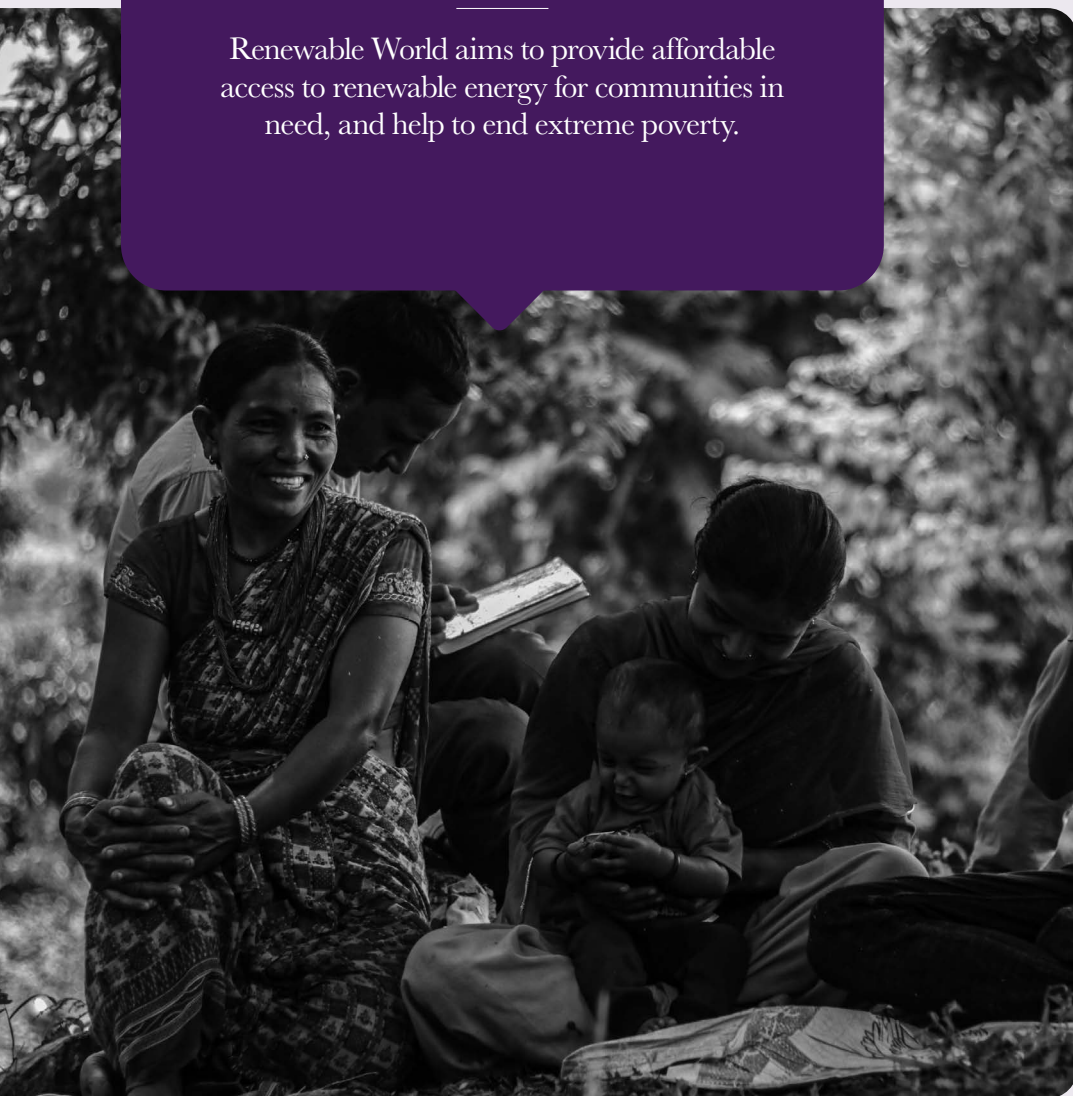
Charity is important to Beazley and our charity efforts go beyond simply making a financial donation. Our focus is on how we can make a difference, both in our local communities and around the globe.

The charity committee has been responsible for leading the delivery of initiatives which support our chosen charity partner – Renewable World, which is a charity which aims to combat poverty in third world countries by providing affordable renewable energy programmes.

Beazley and its team has donated over \$100,000 to Renewable World for the UREKA project during the second year of our partnership. Beyond our donations, we have also worked with Renewable World to enhance the skill sets of their employees and to support them through knowledge transfer. Support has been provided across a number of different aspects of business operations such as marketing and IT support.

Renewable world

Renewable World aims to provide affordable access to renewable energy for communities in need, and help to end extreme poverty.



Beazley is funding 'Using Renewable Energy to Kick-start Agriculture' (UREKA). The three-year project which launched in October 2020, intends to provide instant access to water using renewable energy technology, for at least 495 households (2,723 individuals) from five of the most remote and poor communities in the Achham district of Nepal.

The project aims to address poverty, water scarcity and declining agriculture in western Nepal, exacerbated by climate change and extreme weather events. It also has long-term objectives to improve food security, income generation, sanitation/hygiene and gender inequality. Currently women and children can spend up to several hours a day collecting water, while the men are often away for employment, which means education takes less priority. Local access to water will give invaluable time back.

Despite challenges presented by the pandemic, Renewable World has already started implementing construction of the project through local partnerships with Support Activities for Poor Producers of Nepal (SAPPROS), a national technical partner to lead on the agricultural components of the project, and Working for Access and Creation Nepal (WAC-Nepal), an Achham-based local organisation, responsible for field level operations. As well as the formal partnerships, Renewable World is working closely with the Achham communities throughout the entire end-to-end process. The UREKA team has

Water access to remote villages in Nepal has seen a 70% increase to annual household incomes

70%

The UN SDGs this targets to are:



been working with people from a diversity of backgrounds, from local farmers, engineers to government officials.

Examples of their impact include:

- Families in Kenya have seen their annual income increased by almost 20% due to business and farming opportunities brought about by reliable access to electricity
- More than half of households, impacted by Renewable World in Kenya and Nepal, have experienced fewer illnesses and injuries because of electricity and convenient access to water
- Water access to remote villages in Nepal have seen a 70% increase to annual household incomes due to new opportunities



Doing the right thing

Responsible business is a wide ranging and all-encompassing subject which in 2021 has become a tangible part of our core purpose. Leveraging data and lessons learned will continue to be the bedrock of our decision-making and programmes of action as we explore the challenges, create engagement and build knowledge and understanding within our business and across the industry.



Appendix 1

SASB Disclosures



SASB accounting metric	Disclosure code	Disclosure response
Transparent Information & Fair Advice for Customers		
Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	FN-IN-270a.1	We do not disclose this information
Complaints-to-claims ratio	FN-IN-270a.2	We do not collect this data
Customer retention rate	FN-IN-270a.3	60.8%
Description of approach to informing customers about products	FN-IN-270a.4	Beazley disseminates information on our products to the market. We work with brokers and insureds to ensure they understand our products and are as informed as possible when placing cover
Incorporation of Environmental, Social, and Governance Factors in Investment Management		
Total invested assets, by industry and asset class	FN-IN-410a.1	Detailed in Annual Report 2021 (pages 5, 56-57, 134-135, 160-161) Beazley does not categorise investments by industry
Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	FN-IN-410a.2	Detailed in Responsible Business Investment Policy, available at: www.beazley.com/documents/2021/beazley-responsible-business-investment-policy.pdf
Policies Designed to Incentivise Responsible Behaviour		
Net premiums written related to energy efficiency and low carbon technology	FN-IN-410b.1	\$4.4 million
Discussion of products and/or product features that incentivise health, safety, and/or environmentally responsible actions and/or behaviours	FN-IN-410b.2	Syndicate 4321 – Detailed in Responsible Business Report 2021 (page 26) Detailed in Annual Report 2021 (page 23)

Appendix 1

continued

SASB Disclosures *continued*

SASB accounting metric	Disclosure code	Disclosure response
Environmental Risk Exposure		
Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	FN-IN-450a.1	Detailed in Annual Report 2021 (page 152)
Total amount of monetary losses attributable to insurance payouts from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	FN-IN-450a.2	We do not disclose this information
Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	FN-IN-450a.3	Capital Adequacy: Annual Report 2021 (page 59) We are committed to embedding ESG matters, including environmental risks further into the underwriting process in 2022
Systemic Risk Management		
Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	FN-IN-550a.1	We do not disclose this information
Total fair value of securities lending collateral assets	FN-IN-550a.2	Not applicable – Beazley do not engage in securities lending
Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	FN-IN-550a.3	Detailed in Annual Report 2021 (pages 39 and 68) Detailed in Responsible Business Report 2021 (page 12)
Activity Metric		
Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance	FN-IN-000.A	We do not disclose this information

Appendix 2

TCFD Disclosure Table

TCFD disclosure requirements	Referenced document and page
Governance	Beazley plc Annual Report and Accounts 2021, page 35
Strategy	Beazley plc Annual Report and Accounts 2021, page 36
Risk Management	Beazley plc Annual Report and Accounts 2021, page 38
Metrics and Targets	Beazley plc Annual Report and Accounts 2021, page 40

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The Beazley logo is rendered in a light grey, stylized serif font. It is positioned on the left side of the page, above a thin, wavy horizontal line that spans the width of the page.