

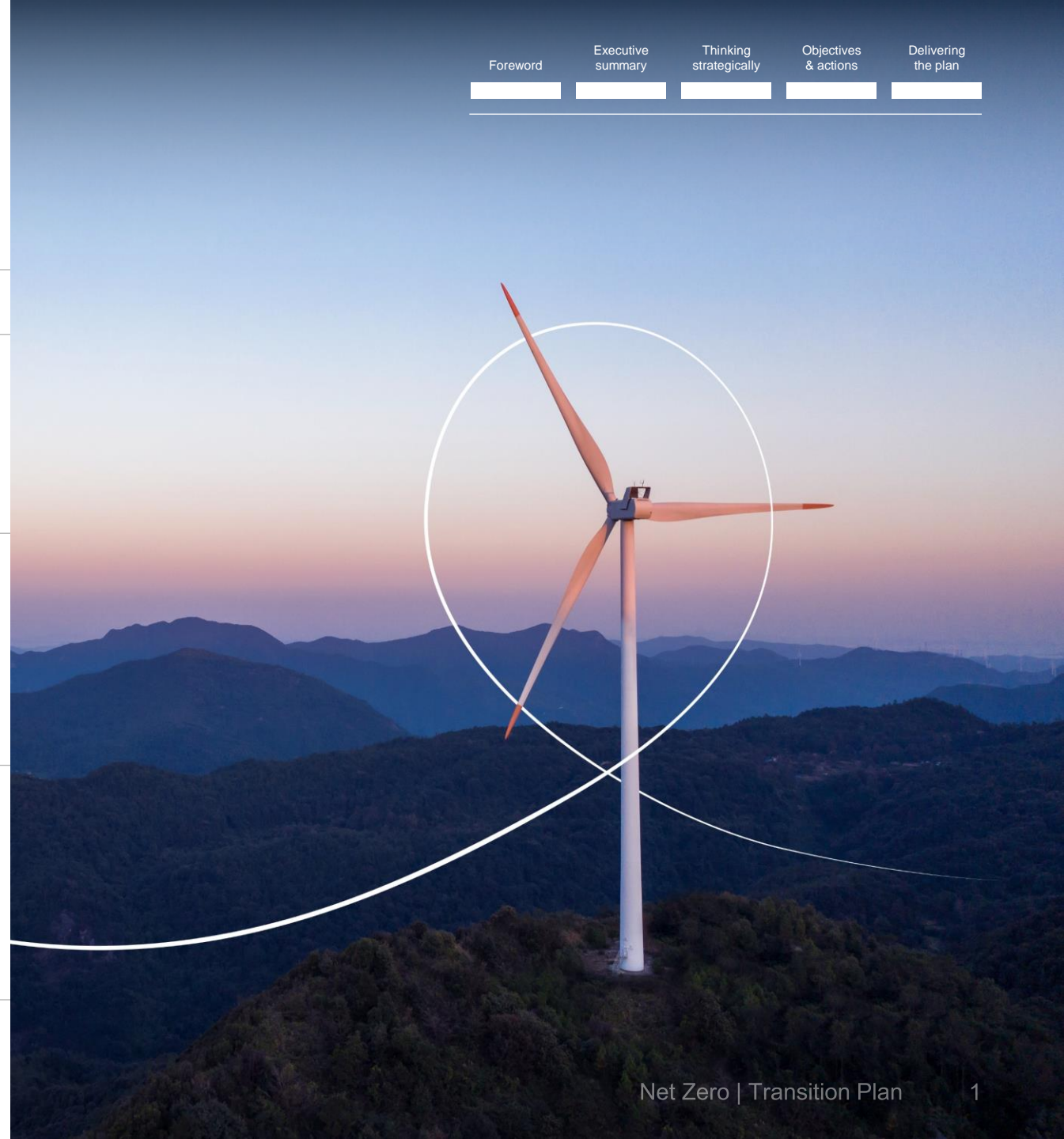
Net Zero: Transition Plan.

Q4 2024



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Foreword

We're in an era of accelerating climate change risk.

From helping our insureds mitigate the impacts of extreme weather events, reducing our greenhouse gas emissions, and supporting green energy transition – we are aware of the role we need to play, and as a specialty insurer we take **our responsibilities** seriously.

Thinking and acting sustainably has long been at the core of who we are and how we do things at Beazley. To meet the challenge of a changing climate we are focusing the power of our expertise on helping clients understand the climate-related risks they face and increasing their resilience to those risks so together we can deliver long-term out-performance.

We do this through developing innovative, forward-looking underwriting products, and using analytics and cutting-edge tools to better predict and mitigate clients' exposures. We also have in place robust, transparent and responsible governance across our business to help us operate effectively, invest responsibly, and act in accordance with our values.

We are firmly committed to supporting the global ambition of transitioning to net zero by 2050. Governments, business and local communities all need to come together and act decisively to tackle the challenges we face. Here in this Transition Plan we set out how we mean to do our part, with a clear set of objectives and a roadmap for achieving them.

“

Being a sustainable business is critical – for our people, our partners and our planet and we're committed to embedding it across our operations, the services we deliver to our broker partners and clients and the support we give to our community”



Adrian Cox

Chief Executive Officer

Executive summary.

At Beazley, we are firmly **committed to supporting the transition to net zero by 2050**. We have set objectives in this Transition Plan against three areas where we can most readily and meaningfully make an impact:

- Our operations;
- Our underwriting; and
- Our investments.

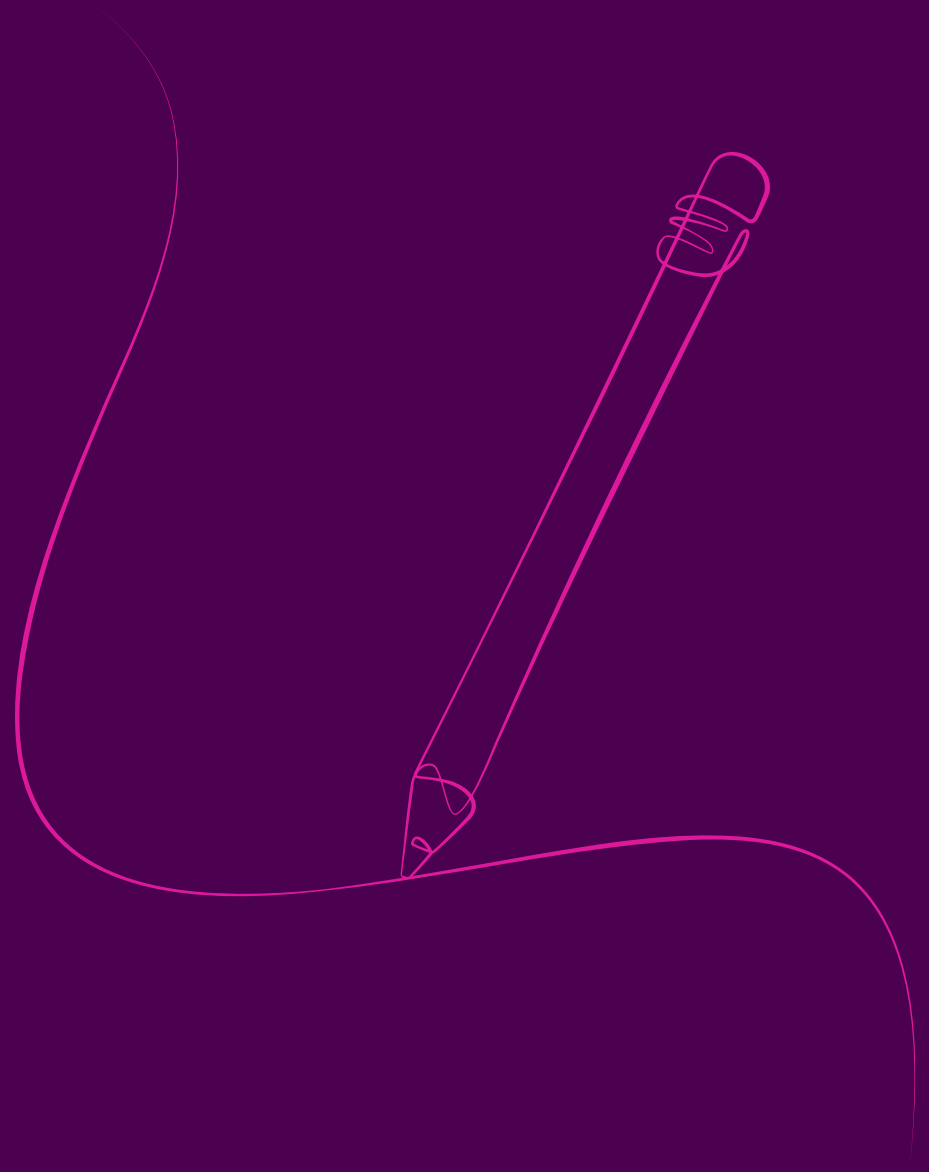
We will review our objectives annually, alongside our corporate annual reporting process, to ensure the plan remains current and is adjusted to reflect our progress.

Our **industry** needs to collaborate on a range of enablers for us all to be able to make progress. These include, the availability of good quality data and the need to build common assessment frameworks, to working together and communicating clearly.

We anticipate that this first iteration of our Transition Plan, will necessarily evolve over the coming years. It sets out our **short-term ambitions up to the end of 2026**; and the stepping stones to work towards achieving net zero by 2050, for our Scope 1 and 2 emissions and the additional objectives we will focus on to further advance our approach to Scope 3 emissions.



Thinking Strategically



Thinking strategically

Our group strategy

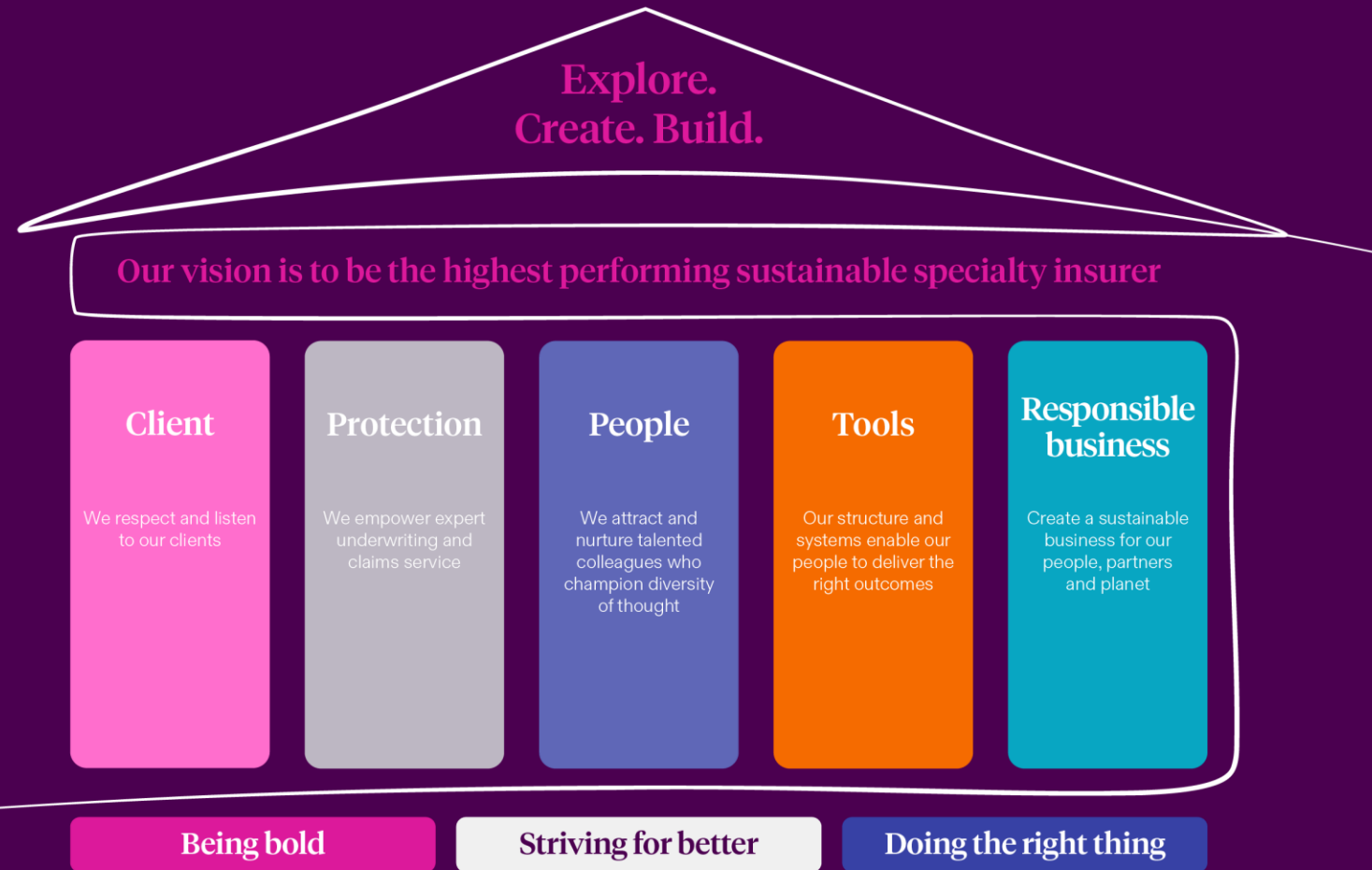
As a global specialist insurer, we operate in Europe, Asia, North and South America, and are participants in the Lloyd's market.

The purpose of our business is to help all our stakeholders **Explore, Create and Build** so they can thrive. Our shared vision is to be the **highest performing sustainable specialist insurer**.

This is driven by the **five pillars** of our group-wide business strategy. The Responsible business pillar focuses our attention on creating a sustainable business for our people, partners and planet.

Everything we do is underpinned by our **values** of Being bold, Striving for better, and Doing the right thing.

We have developed a refreshed **Sustainability strategy**, which sets out a framework for the objectives in this Net Zero: Transition Plan.



Thinking strategically.

Our Sustainability strategy

There are many facets to sustainability, and we understand that this is a complex journey that will only deliver results over time. To help set out what we can do, and when it can be achieved, we have refreshed our Sustainability strategy. It has three foundations, which are interlinked and prioritise what matters most to our people and our business, what we do well and where we can have the most significant impact:

Managing our business responsibly

Having robust governance and transparency in how we do business; and protecting people and our planet across our **operations, investments** and supply chain.

Supporting our clients to transition

Understanding and mitigating complex risks with innovative **underwriting** products, so insureds can transition to a greener, more equitable future.

Delivering success by doing the right thing

The impact of **investment** into a sustainable approach to business is seen in our financial results, community outcomes and staff engagement.

These strategic foundations balance an inward-looking view of how we manage our business, with an external focus on how we interact with clients and impact the world around us. Accordingly, this Transition Plan details the actions we will take to achieve net zero in terms of our **operations, underwriting** and **investments**.



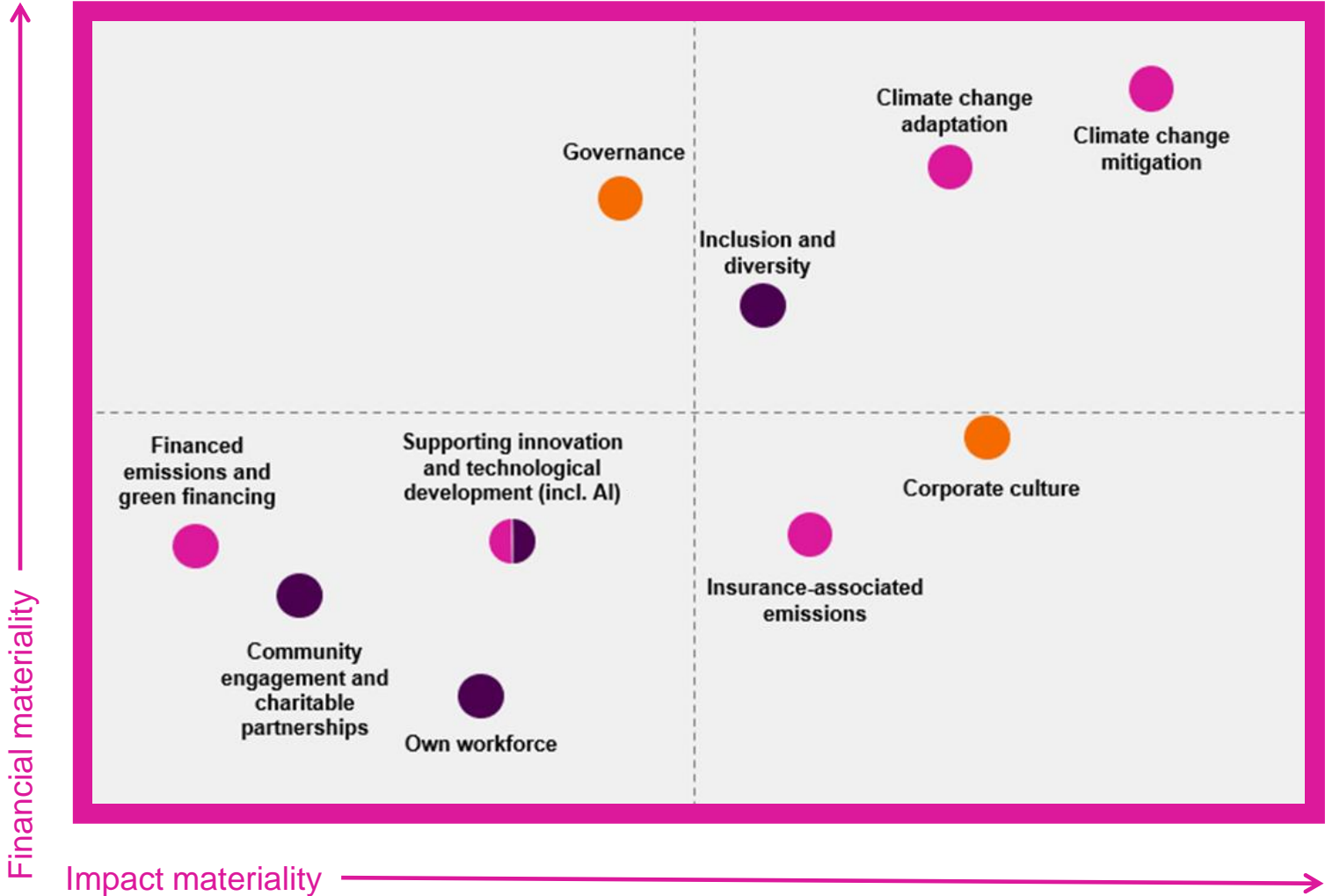
Thinking strategically.

Double Materiality Assessment

As part of the development of our refreshed Sustainability strategy, we performed a Double Materiality Assessment. Working with a third party, across H2-2023 we held internal workshops, deployed internal questionnaires and engaged with external stakeholders.

This was to understand **and prioritise what matters most to our people and our business** and identified the climate-related areas where we feel we can make the most significant, positive impacts.

10 were identified as being material to our business from both a financial and impact perspective, for our overarching approach to sustainability. These topics have shaped our objectives for transitioning to net zero by 2050.



Thinking strategically.

Balancing risks and opportunities

The potential risks arising from climate change can be summarised across short-, medium- and long-term time horizons.

As a specialty insurer, this presents us with a range of opportunities to help broaden societal knowledge and understanding, improve industry data capture and sharing, and work to reduce the impacts of climate change on clients and communities.

This forms a key driver of our group strategy and business planning.

Potential Risks

Short-term (1 year):

Most likely no abatement in the climate change impacts we are already experiencing:

- Continued occurrence of and claims from natural catastrophes;
- Continued liability-related claims relating to greenwashing.

Medium-term (1-5 years):

The impacts we're experiencing are likely to become more severe:

- Increase in frequency and severity of natural catastrophes, leading to more and greater claims;
- Transitional outcomes, such as: policy interventions, geopolitical events, market changes, and technology advances.

Longer-term (5+ years):

Chronic impacts of climate change are likely to manifest:

- Liability claims associated with a failure to prepare or adapt to climate change are expected to increase in severity and likelihood;
- Stranded assets have the potential to become more prevalent.

Opportunities

As a specialty insurer, we will use the power of our expertise to help our clients and broader society, by:

- Developing new products, and adjusting existing ones, to support clients understand and mitigate the expected impacts;
- Providing supporting services to help clients manage their own energy transitions;
- Working with industry peers to create and share good quality data and common assessment frameworks, driving change.

Setting objectives and Taking Action.

Objectives: Our route to Net Zero by 2050 (1/2).

This is the first iteration of our plan for transitioning to net zero, which will necessarily evolve over the coming years. It sets out our ambitions up to the end of 2026 and the next steps needed for us to reach net zero by 2050, for our Scope 1 and 2 emissions. We have used 2022 as a baseline and will review the objectives annually, alongside our annual reporting process, to ensure the plan remains both meaningful and achievable.

Managing our business responsibly

Scope 1 & 2 emissions

1. Align the decarbonisation of our Scope 1 and 2 emissions with a 1.5-degree pathway, with targets set out to 2034 | **2024-2034**

Renewable energy

2. Ensure all Beazley offices derive its electricity from renewable sources (where possible) | **By year-end 2032**

Supply chain

3. Identify how we can best support our supply chain to help Beazley achieve its net zero goals | **By year-end 2025**

Carbon price

6. Explore the setting of an internal carbon price | **By year-end 2025**

Carbon credits

7. Develop a carbon credit framework to set the parameters of what we will and won't consider in our procurement and operational decisions | **By year-end 2025**

Portfolio alignment

8. Align our investment portfolio (corporate bonds, high yield bonds and listed equities) with a well below 2-degree pathway | **By year-end 2028**



Objectives: Our route to Net Zero by 2050 (2/2).

This is the first iteration of our plan for transitioning to net zero, which will necessarily evolve over the coming years. It sets out our ambitions up to the end of 2026, and the next steps needed for us to reach net zero by 2050, for our Scope 1 and 2 emissions. We have used 2022 as a baseline and will review the objectives annually, alongside our corporate annual reporting process, to ensure the plan remains both meaningful and achievable.

Support our clients to transition

Products and services

- 9. Enhance existing products and services, and develop new ones, to help clients meet their needs in the transition to a greener, more equitable future | From 2024

Industry alignment

- 10. Support the development of sector specific industry frameworks to measure the progress of the transition | From 2024

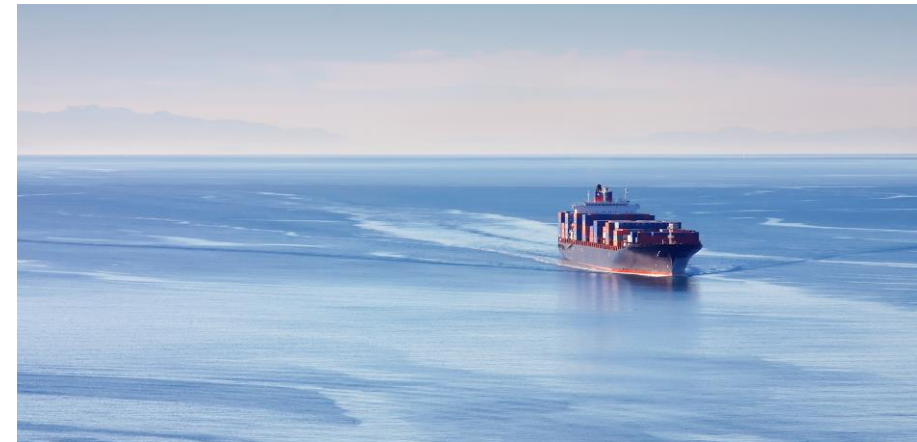
Data reporting

- 11. Work with stakeholders to improve the collection and reporting of emissions data to more accurately track progress of the transition. Use the outputs to further develop the Transition Plan for underwriting | From 2024

Delivering success by doing the right thing

Just transition

- 12. Explore our role in the just transition, using the outputs to further develop the Transition Plan | From 2025



Actions: Managing our business responsibly – Operations (1/3).

Objectives		
Scope 1 & 2 emissions	Align the decarbonisation of our Scope 1 and 2 emissions with a 1.5-degree pathway, with targets set out to 2034.	2024-2034
Renewable energy	Ensure all Beazley offices derive its electricity from renewable sources (where possible).	2032



Reductions from Scope 1 & 2 emissions

We have set an SBTi aligned target for its Scope 1 & 2 emissions. Aligning with a 1.5-degree pathway, this equates to delivering a 61.3% reduction combined across Scopes 1 & 2 by 2034, when compared to a 2022 baseline. We set this target on the assumption that government policy will continue to support the decarbonisation of energy grids by no later than 2035.

Our reduction targets

Year	2022 (baseline)	2026	2029	2032	2034
Scope 1 & 2 emissions (tCO2e)	1,012	753	598	443	392

Our 2023 Scope 1 & 2 emissions were 620.90tCO2e, which puts us well placed to achieve the 2026 emissions target, whilst factoring in growth of the business.

- To deliver our objectives, these are the actions we’re taking, from 2024:
- **Engaging with landlords on at least an annual basis through a combination of questionnaires and landlord / tenant meetings to discuss our ongoing progress against our transition plan;**
 - **Ensuring energy efficiency, data requirements and operational matters are taken into consideration when we procure new office spaces; and**
 - **Considering carbon emissions as part of the work to develop out the workforce planning process.**

Actions: Managing our business responsibly – Operations (2/3).

Objectives		
Supply chain	Identify how we can best support our supply chain to help Beazley achieve its net zero goals	2025



Reductions from our scope 3 emissions:

Procurement and supply chain

Our upstream supply chain is a significant enabler in allowing us to meet our operational objectives. Our supply chain is perhaps also the biggest area of influence we have in relation to transitioning.

We are currently working to further embed ESG principles into our group-wide procurement processes. This includes focusing on how we can both appraise and influence our suppliers on a range of ESG matters.

When this work is completed, we will have an established, transparent ESG framework to help inform the decision-making process for all our procurement activities.

To deliver our objectives, these are the actions we're taking, from 2024:

- **Researching how we can, through the fostering of strategic partnerships, best support our supply chain in both them and us achieving our net zero goals.**

Actions: Managing our business responsibly – Operations (3/3).

Objectives		
Carbon price	Explore the setting of an internal carbon price.	2024
Carbon credits	Develop a carbon credit framework to set the parameters of what we will and won't consider in our procurement and operational decisions.	2025



Carbon Credits

We believe that carbon credits will be an important part of our approach to reducing our overall carbon emissions.

In 2025, we are committed to introducing an internal framework to support the decision making when it comes to the purchasing of high-quality carbon offsets.

We will also further research how we can better support the carbon credit market, across our operations, investments and underwriting platforms.

Reductions from our scope 3 emissions

Business travel

Business travel is necessary to enable the delivery of the service our clients expect and need. Despite having a global footprint, since 2019 we have placed a significant focus on reducing our business travel, achieving a 48% per FTE reduction in 2023 when compared to 2019 levels. We will continue to progress our approach to balancing the demand for business travel, with the need to support decarbonisation.

To deliver our objectives, these are the actions we're taking, from 2024:

- Continuing to utilise an internal carbon travel budget to manage business travel;
- Investigating the implementation of an internal carbon price; and
- Determining how we can support the aviation industry in their scaling up of Sustainable Aviation Fuel.

Actions: Managing our business responsibly

Investments (1/2).

As a responsible business, we recognise the opportunity we have to use our investment assets to create a positive impact on the environment and society.

Objectives

Portfolio alignment

Align our investment portfolio (corporate bonds, high yield bonds and listed equities) with a well below 2-degree pathway.

YE 2028



To deliver our objectives, these are the actions we're taking, from 2024:

Climate Risk Measurement Framework

Developing a framework with which to measure and monitor transition and physical risk in the investment portfolio.

This analysis will feed into a materiality assessment and be incorporated into our risk monitoring process via a climate risk appetite statement.

Climate related exclusions

Avoiding investing in companies with product involvement in the following areas:

- Thermal coal: extraction, power generation, capacity generating 5% or more of total revenue; and
- Oil sands: extraction and capacity generating revenue 5% or more of total revenue.

Impact investing

Allocating up to US \$100m of our asset portfolio to impact investments. The transition to net zero is one consideration within our impact investment decision making process.

To date we have committed to invest in two funds targeted at supporting the generation of renewable energy.

Investment related carbon metrics

Publishing our weighted average carbon intensity (WACI) of our corporate bond and equity assets.

We are increasing the scope of our reporting and in 2023 we also published the apportioned carbon and Paris Alignment of our portfolio of publicly listed equities and corporate bonds.

Actions: Managing our business responsibly

Investments (2/2).

As the world transitions to more sustainable energy sources there will be a medium-term increase in demand for the carbon intensive products needed to facilitate this change.

As a responsible investor we recognise the need to continue to provide capital support to businesses who may be high carbon emitters but that are committed to making the transition to a lower carbon world.

The most effective approach to achieve this goal is to incorporate science-based targets into our investment strategy.

A consideration of transition pathways is incorporated into the internal credit process for our internally managed investment grade fixed income funds.

We are tracking the alignment of our investments with a net zero goal and over time, we will look to disinvest from those companies not making sufficient progress to decarbonise and who have an implied temperature rise that is inconsistent with our stated targets.

It is our view that this approach is appropriate given the size and nature of our investments are not of sufficient scale to allow us to effectively engage directly with our investee companies.

The remaining funds under management are outsourced to third party investment managers and we will work with them to implement science-based targets for carbon reduction or to identify alternative funds that already adopt this approach.



Actions: Supporting our clients to transition – Underwriting

Objectives		
Products and services	Enhance existing products and services, and develop new ones, to help clients meet their needs in the transition to a greener, equitable future.	From 2024
Industry alignment	Support the development of sector specific industry frameworks to measure the progress of the transition.	From 2024
Data reporting	Work with stakeholders to improve the collection and reporting of emissions data to more accurately track progress of the transition. Use the outputs to further develop the Transition Plan for underwriting.	From 2024

To deliver our objectives, these are the actions we’re taking, from 2024:

- Collaborate with external stakeholders (e.g. brokers, UN-backed initiatives, etc.) to improve the availability and sharing of accurate data
- Engaging with peers (e.g. brokers, carriers and regulators) through the Forum for Insuring the Transition (FIT)
- Review how our products and services support the transition

We have focused significant time calculating the appropriated carbon emissions arising from our underwriting book, using the methodology aligned to the PCAF standard. We worked with third parties to determine a baseline, utilising their database of proxy values, where actual emissions have not been reported.

When undertaking the baselining work, we determined there were a number of limitations associated with the data (including the lack of good quality emission data, the absence of common frameworks, and the immaturity of proxy models).

As a result, we have refrained from setting any GHG reduction targets for our underwriting book at this point and are prioritising helping to address these limitations across the industry.



Actions: Delivering success by doing the right thing

Objectives		
Just transition	Explore our role in the just transition, using the outputs to further develop the Transition Plan.	From 2025

Supporting a Just Transition

The impacts of the transition will be felt by communities across the world, which is why the transition to net zero must be conducted in a just manner.

Beazley is a global insurer; therefore, we are cognisant that the transition will impact on people in different ways. We are also aware that we must do more to fully understand the impact of our transition plan both now, and in the future.

We are committed, therefore, to researching the just transition in more detail to understand how Beazley can better use its influence to facilitate a just transition.



Our sustainability journey.

Whilst our refreshed Sustainability strategy frames our actions going forward, thinking in this way has been a core tenet of who we are as a business.

2010s

Marine underwriting team started writing physical damage to windfarms.

2016

Half of US offices classed as Leadership in Energy and Environmental Developments (LEED).

2019

- Achieved our first Women in Senior Leadership target of 35%.
- The employee-led Environmental Working Group launched.

2021

- Formalised a responsible investment approach in the management of asset portfolios through our Responsible Investment policy.
- Partnered with National Association of Minority & Women Owned Law Firms.

2023

- 2697 hours of volunteering.
- 45% Women in Senior Leadership.
- Achieved 50% reduction in carbon emissions compared to 2019.

2025

- Work with stakeholders to improve the collection and reporting of data.
- Support the development of sector specific industry frameworks to measure progress.
- Develop products and services which meet our insureds needs as they transition.
- Explore our role in the Just Transition

2032

Ensure all Beazley offices derive their electricity from renewable sources (where possible).

2015

Hired our first employee dedicated to Responsible Business.

2017

Launch of our first I&D Network: Beazley PROUD.

2020

- First Responsible Business report published.
- Employed our first Inclusion Partner, and Head of Responsible Business

2022

- 25% people of colour achieved a year ahead of target.
- Launched the Lloyd's market's first ESG consortium.

2024

- **Launch our refreshed Sustainability strategy.**
- **Establish minimum standards in respect to the transition to net zero for our supply chain.**
- **Explore the setting of an internal carbon price.**
- **Agree our enhanced four year I&D targets.**

2028

Align our investment portfolio (corporate bonds, high yield bonds and listed equities) with a less than 2-degree pathway.

2034

Align the decarbonisation of our Scope 1 and 2 emissions with a 1.5-degree pathway. (with a view to achieving new zero by 2050).

Delivering The Plan



Delivering the plan

Embedding governance (1/2)

We have a robust governance framework in place to support the oversight and delivery of our objectives.



Governance

- The Plc Board**

Chaired by the Chairman. Receives updates on progress against the objectives within the Plan and ensures there are adequate resources to deliver it. Also keeps alignment between the Plan and the wider business strategy.

- Executive Committee**

Chaired by the CEO. Receives regular updates on progress against the objectives within the Plan and ensures there are adequate resources to deliver it. Also keeps alignment between the Plan and the wider business strategy.

- Responsible Business Steering Group**

Chaired by the Chief Executive Officer and attended by the Chief People Officer. Provides a forum for discussion of sustainability-related matters and knowledge to be shared. Provides recommendations to the Executive, Investment and Underwriting committees.

- Investment Committee**

Chaired by the Group Finance Director and attended by the CEO and Head of Responsible Investment. With the RBSG, oversees progress of the investment-related objectives within the Transition Plan.

- Underwriting Committee**

Chaired by the Chief Underwriting Officer and attended by key underwriting personnel. Oversees progress of the underwriting-related objectives within the Transition Plan.

Delivering the plan

Embedding governance (2/2)

Responsibility for ensuring we deliver against our Transition Plan objectives are shared across senior leadership.



Executive responsibilities

Chief Executive Officer

Has overall responsibility for achieving our sustainability objectives. Chairs the Responsible Business Steering Group.

Chief Finance Officer

Responsible for the financial performance of the company. Key sustainability disclosures form part of the financial report and accounts.

Chief People Officer and Head of ESG

Responsible for our Sustainability strategy, and line-manages the Head of Social Impact and Head of Responsible Business.

Chief Operating Officer

Responsible for overseeing our supply chain, office energy consumption, and data demands, in line with our sustainability objectives.

Chief Risk Officer

Responsible for embedding climate-related risk into the Risk Management Framework. Provides regular updates to the plc Board, Executive Committee, and Audit and Risk Committee.

Chief Underwriting Officer

Responsible for embedding climate-related matters across the underwriting process. Line-manages the Head of Financial Climate Risk and Head of Exposure Management and own the outputs of the Climate Risk Working Group. Holds the Senior Management Function (SMF) for climate-related risk.

Senior leadership responsibilities

Group Head of Strategy

Responsible for overseeing delivery of the business strategy, including the Responsible business pillar. Provides regular updates to the plc Board.

Chief Investments Officer

Responsible for the development and implementation of our group-wide investment strategy activities, in line with our Sustainability strategy objectives.

Head of Financial Climate Risk

Responsible for strengthening our technical capabilities in managing climate-related risk across our underwriting operations.

Head of Responsible Investments

Responsible for the delivery of the investment related objectives in the Transition Plan.

Head of Sustainability

Responsible for delivery of the objectives set in the Sustainability strategy.

Group Head of Internal Audit

Responsible for ensuring appropriate audits are undertaken on underwriting functions, investments and TCDF disclosures.

Group Head of Compliance

Responsible for ensuring compliance with annual TCDF disclosures, and adherence with climate-related legislation (e.g. SS3/19).

Delivering the plan

Ensuring risk management

We have robust governance and risk management processes in place to support the delivery of our objectives.

Controls & Assurance

Beazley has a first line control framework in place to ensure information being reported is accurate. The metrics reported in the transition plan will be subject to independent review, and where stated, third-party assurance.

Risk management and oversight

The second-line Risk Management Framework (RMF) establishes our approach of overseeing and challenging the Group's key risk exposures, which includes transition risk as a sub-set of and sustainability and ESG-related risk. It outlines the various processes that enable timely identification, measurement, mitigation and monitoring of the respective risks.

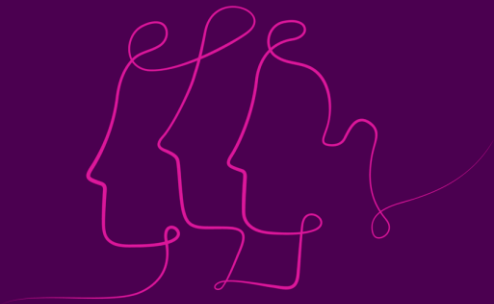
The core components of the framework include risk governance and reporting; risk appetite and KRI setting and monitoring; various risk assessment methods (including detailed risk assessments, risk opinions and deep-dives); stress and scenario analysis; monitoring of first line internal controls; emerging risk assessments; and incident management. Each of these components are proportionately applied to ESG risk, and they continue to evolve and mature alongside the wider ESG and transition risk framework.

Delivering the plan

Engaging with stakeholders

To support delivery of our Transition Plan, we will continue to perform wide-ranging stakeholder engagement.

The activities we regularly undertake are summarised below.



Underwriting

We are committed to understanding and supporting our clients' path to net zero. To enable this, we will continue to develop deepening partnerships, focused on listening to their needs, and developing and offering the products, services and knowledge they need.

Our approach includes thorough research, dialogues with our insureds, and active participation in industry forums to facilitate this transformative journey.

Industry Forums

As active members of key sustainability initiatives like UN PSI, UN PRI, Climatewise, the Sustainable Market's Initiative, and FIT, we actively harness cross-sector, collaborative platforms to leveraging our expertise for the net zero transition.

This collaboration informs our product development and business strategies, ensuring we remain at the forefront of sustainable action. We will persist in these endeavours, aiming for impactful collective progress on transition-related matters.

Investments

We annually update our Responsible Investment policy and require all investment managers to align with its ESG standards. As proactive shareholders, we leverage our influence to foster responsible corporate conduct, focusing on ESG practices.

Although equity investments form a minor segment of our portfolio, we mandate our external managers to actively exercise our voting rights to drive positive ESG-centric changes.

Internal Engagement

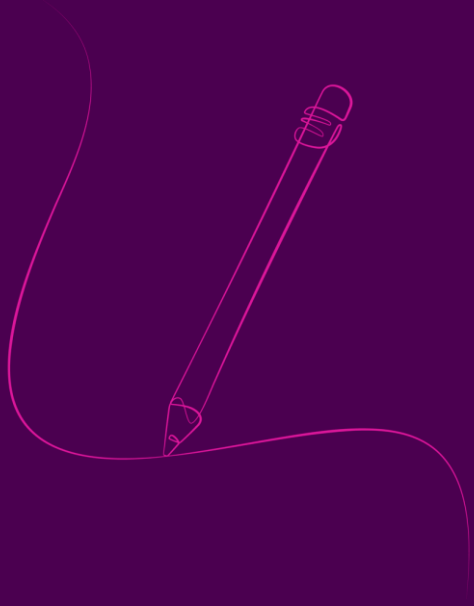
The objectives in our transition plan, and the role our people play in their delivery, will be communicated via our internal channels. We will also ensure:

- Progress updates on the transition plan are communicated to stakeholders on at least an annual basis; and
- Where practical, employees are invited to engage as part of the ongoing development of the transition plan

Delivering the plan

Aligning with internal policies

A number of our key internal policies are aligned to our Sustainability strategy and the delivery of our Transition Plan.



Environmental Policy

Beazley’s environment policy which sets out our obligations in respect to environmental matters. This includes:

- Reducing the greenhouse gas emissions we generate during our operations, setting targets and reporting progress against these targets, ensuring we use resources and energy more efficiently;
- Determining the impact of climate change on our business and investments, in order for us to help stakeholders in understanding the risks it presents;
- Considering the environmental impact of the goods and services we procure
- Ensuring we meet our compliance obligations in respect to environmental matters as detailed in our legal register; and
- Encouraging engagement on environmental issues amongst our stakeholders and working to increase awareness of these issues, providing training where necessary to our employees.

Responsible Investment Policy

To further promote sustainability and climate-related matters, Beazley has a responsible investment policy. This policy sets out how we have incorporated ESG issues into our investment analysis and decision-making process, and our approach to the management of climate change risk within the investment portfolio.

Responsible Procurement Policy

Beazley’s procurement policy which sets out our obligations in respect to the management of Beazley’s supply chain. This is supported by our supplier code of conduct.