Appendix A

Beazley Responsible Investment Policy

July 2025

Responsible Investment Policy

Introduction

At Beazley, sustainability is at the core of how we operate. We believe that transitioning to net zero, including supporting our clients with climate change adaptation and mitigation, and continuing to create a strong inclusive culture that reflects and supports the communities in which we operate is important. Guided by our core values of being bold, striving for better and doing the right thing, we recognise the importance of integrating sustainable practices across the business and in the management of our investments.

The sustainability metrics against which we measure our performance are reviewed regularly by our Executive Committee and Board. Beazley's Responsible Business Committee, led by our Group CEO, challenges the progress and development of the strategy and provides support to the business as it addresses sustainability and climate related risk.

At Beazley we are firmly committed to supporting the transition to net zero by 2050, and in 2024 we published the first iteration of our Transition Plan detailing our strategy for reducing emissions. Our investment portfolio plays a key role: by aligning our investments with international climate goals, managing climate-related risks of our assets, and by supporting our investee companies in a just transition to a low carbon economy.

Responsible Investment

We believe that demonstrating a clear commitment to sustainable business practices is not only the right thing to do by our clients, investors and employees, but that companies that do this successfully enjoy competitive advantage over time with strong and more stable returns. Integrating a responsible investment approach into our strategy involves considering sustainability alongside financial risks and actively engaging with companies to drive positive change. By doing this we can create value, manage risk and contribute to positive societal and environmental outcomes.

Governance

Beazley has a robust governance framework, which helps the Board contribute effectively to the Company's long-term strategy and ensures that Beazley operates with the highest standards of integrity and accountability. We believe in the importance of good corporate governance and report under the UK Corporate Governance Code 2018 (the Code). Our Governance Report is available here.

Responsibility for sustainability at Beazley lies with the Group Chief Executive Officer who has delegated implementation of this responsible investment policy to the Chief Investment Officer. The Beazley Investment Committee chaired by our Group Chief Financial Officer is responsible for overseeing investment activities. In 2023, a new role of Head of Responsible Investment was created in response to the growing importance of sustainability at Beazley and to oversee implementation of responsible investment practices across the portfolios.

The Chief Investment Officer and investment team at Beazley are responsible for the management of our portfolio including directly managed fixed income and the selection of external managers for other asset classes.

Responsible Investment Approach

Background

The purpose of our responsible investment policy is to set out how we consider sustainability risks in our investment analysis, our approach to stewardship and our goals to decarbonise the portfolio to align with our net zero commitment. The policy forms part of Beazley's Responsible Business strategy, which is explained here.

The policy covers the following:

- Scope
- Management of sustainability risk
- Screening
- Sovereign Bonds
- UN Principles of Responsible Investment
- Active ownership
- Transition to net zero
- Climate risk measurement framework
- Biodiversity
- Impact investments
- Reporting
- Assurance

Scope

Our aim is to implement this policy across all assets held by Beazley. The principles in the policy are more challenging for some asset classes such as hedge funds where different methodologies apply and we recognise that over the near-term, coverage of the policy will not meet 100% of assets under management. Assets currently in scope include publicly listed corporate bonds and equities, sovereigns, and impact funds; collectively they represented c80% of our assets at 2024 year-end.

Beazley's in-house investment team manage the investment grade bond portfolios in accordance with the responsible investment principles. For outsourced assets we appoint investment managers that have an approach consistent with our responsible investment policy and where possible are signatories of the UN PRI.

For asset classes where there is limited scope to incorporate a consideration of material sustainability issues, we engage with managers to support the evolution of alternative 'responsible' products. We continue to monitor the development of potential solutions with a view to achieving fuller coverage over time.

Management of sustainability risk

Our approach to the management of market risk - those risks transmitted through financial markets and economies that affect broad market returns - does not differentiate between sustainability risks and other market factors. Market risk is managed through asset/liability management, diversification across asset classes, value at risk and scenario analysis. Directing our capital towards companies and projects that are actively working to address sustainability challenges helps to drive positive change and enhance long term returns.

At a security level, we integrate sustainability ratings and research provided by a specialist supplier to assess enterprise value at risk. A qualitative assessment is undertaken to determine sustainability risks and the strength of the company in their management. A systematic approach is applied in the form of minimum standards that companies are required to meet to qualify for our list of approved issuers, which is reviewed quarterly.

Specialist external managers are appointed to manage other assets. All external managers complete our Responsible Investment questionnaire annually to allow us to monitor changes in their approach and ensure that it remains consistent with the standards in this policy. Prospective managers respond to a detailed Responsible Investment questionnaire included in our request for proposal (RFP) documentation. If a manager does not exactly match the standards set out in the policy, we will make a qualitative assessment before appointment and may engage with the manager to encourage a more rigorous approach if stronger measures could be implemented. Ongoing compliance with our requirements is incorporated into performance monitoring throughout the year.

The percentage of funds under management with external managers not deemed to manage assets in accordance with our responsible investment policy is declared in our annual Responsible Investment Report.

Screening

We have clearly defined criteria regarding the sustainable standards with which our internally managed assets must comply. External managers are expected to meet our criteria or apply a similar standard where practical.

For internally managed funds, screening for compliance with our Responsible Investment policy and standards is undertaken prior to inclusion on the approved list and through the life of the investment.

We approach our exclusion criteria with careful consideration, recognising the balance between mitigating potential negative social impacts and acknowledging the complex, indirect effects that may result. Each area of exclusion is evaluated thoughtfully, considering the broader context and implications of our investment decisions.

The standards that we screen against cover several different areas.

Product involvement: We avoid investing in companies involved in product areas that we consider to be incompatible with sustainable business practice. Therefore, we do not invest in companies with product involvement in:

- Controversial weapons
- Tobacco products: 5% or more of total revenue.
- Thermal coal: 5% or more of total revenue.
- Oil sands: 5% or more of total revenue.
- Arctic oil and gas:5% or more of total revenue.

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Negative screening: We avoid 'worst in class' companies by excluding issuers with the poorest sustainable performance relative to industry peers. We consider 'poor performers' to be those that have sustainability risk rankings in the bottom 10^{th} percentile of their sub-industry peer group.

Norms-based screening: The companies in which we invest are screened to check compliance with internationally recognised norms and standards that set out principles and guidelines for promoting responsible and sustainable business practices, human rights protection, environmental stewardship and ethical conduct.

We use the opinion of a specialist third party ratings provider as to whether a company is violating, or is at risk of violating, a principle of the United Nations Global Compact (UNGC). The assessment includes related complementary standards - such as the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD MNE Guidelines) and the United Nations Guiding Principles on Business and Human Rights (UNGPs), as well as their underlying international conventions and instruments

Our screening includes an assessment against the principles set out below:

1. Human rights: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.
2. Labour rights: Businesses should support and respect the freedom of association and effective recognition of the right to collective bargaining, eliminating all form of forced and compulsory labour, abolish child labor, and eliminate discrimination in respect of employment and occupation.
3. Environment: businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.
4. Anti-corruption: Businesses should work against corruption in all forms, including extortion and bribery.

Any company assessed to be in violation is excluded from the Approved Issuer List.

Sovereign Bonds

As an insurance company we are subject to strict regulatory requirements that restrict the composition of our investment portfolio. We are required to hold a certain proportion of our assets in highly rated and liquid investments to ensure we have sufficient capital and liquidity to fulfil our obligations to policy holders. This restriction leads us to have a significant exposure to sovereign bonds of the countries in which we operate. The sovereigns in which we invest are issued by developed countries with strong governance and regulatory frameworks and reflecting this, the only constraint on our sovereign bond exposures is that they must comply with the Beazley Sanctions Policy.

United Nations Principles of Responsible Investment (UN PRI)

Beazley became a signatory of the UN PRI in 2021 to publicly demonstrate a commitment to responsible investment through adoption of the principles and to contribute to a more sustainable global financial system. We made our initial submission in 2023 and submitted our first publicly available report in 2024.

Active ownership

We believe it is important to use our influence as shareholders to encourage responsible business practices in the companies in which we invest. Equity investment is outsourced to external investment managers, and we require that they exercise our voting rights and engage with our investee companies with a view to achieving positive change. We place emphasis on sustainable practices and the setting of time-bound science-based targets for a reduction of carbon.

Transition to net zero

The transition to a net zero world is important and affects our operations, investments and underwriting. We published the first version of our transition plan in 2024, which is a key part of our strategic approach to sustainability and climate-related matters. Our plan sets out a clearly defined, time bound pathway to reduce greenhouse gas emissions.

Measurement of the carbon footprint of the portfolio is the first step on the path to decarbonisation and public disclosure provides our stakeholders with the transparency they require for their decision making and measurement of climate risk. Since 2021 the weighted average carbon intensity (WACI) of our corporate bond and equity assets has been published annually on the Beazley website. This number provides a measure of the exposure to carbon-intensive companies, expressed in tons CO_2e / US$m revenue and includes scope 1 and scope 2 emission. We continue to expand the scope of our reporting and from 2023 onwards, in addition to the WACI, we also published the apportioned carbon and temperature alignment of our portfolio of publicly listed equities and corporate bonds. We also disclosed these metrics for our sovereign portfolio for the first time in in our 2024 TCFD report.

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.

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

Climate Risk Measurement Framework

We are developing a framework with which to measure and monitor transition and physical risk in the investment portfolio. We have done an initial assessment that has been reviewed by different external and internal parties, and we are actively working on developing it further. The final goal is to incorporate it into our risk monitoring process via a climate risk appetite statement.

Biodiversity

It is important that companies manage the impact of their operations on the natural environment. There are numerous examples of those whose activities have directly or indirectly damaged the environment and faced significant financial and reputational consequences. Guarding against investment in companies where this risk is not managed adequately is the right thing to do and enhances investment returns.

Our impact portfolio is invested in funds with a positive social and environmental outcome and as part of our due diligence process, we require that underlying projects have processes in place to protect biodiversity, particularly important for funds targeting a positive environmental outcome. This requirement has been formalised into our impact due diligence check list.

Impact investing

As a responsible business, Beazley recognises the opportunity it has to create a positive impact on the environment and society. We have allocated US$100m of our portfolio to impact investments. The projects that this capital will fund will deliver a financial return as well as having a measurable social and environmental impact on places local to our offices and overseas in developing countries.

We believe this commitment will make a significant impact to the enterprises we invest in and contribute to the development of the market. To date we have committed to five investments in the fund. The progress of the portfolio and impact measurement are reported to the Investment Committee and disclosed in the annual reporting.

Reporting

A report on responsible investment activities is produced annually to update on progress and set out new goals for the year ahead. This is incorporated into our annual reporting and published on the Beazley website.

Assurance

The group's assurance functions provide assurance over adherence to this policy as follows:

Risk Management – Facilitates the review and challenge of all risks within our risk management framework, which includes sustainability risks. The key outputs are reported to the group's governing committees and boards.

Compliance – The requirements of this policy are embedded within the investment management team's processes. The Compliance Monitoring team monitors the investment management team's adherence to relevant policies, including this one.

Internal Audit – Adherence to the requirements of this policy will form part of the Internal Audit team's risk-based approach to coverage of the group and will be reviewed periodically.

Governance

This policy applies to investment activities of all entities within the Beazley Group. It is owned by the Chief Investment Officer and is reviewed on an annual basis by the Investment Committee and approved by the Beazley PLC Board.

For more information visit beazley.com