



TEXEL

THE TEXEL GROUP

UNEP FI PSI Report

2022

Introduction

In 2021, the Texel Group became a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI).

As a signatory to the PSI, the Texel Group is required to make an annual disclosure of the progress we have made in implementing the PSI into our business. The key actions corresponding to the relevant Principles are summarised below.

The Principles

1

We are embedding environmental, social and governance issues relevant to our insurance business in our decision making

The Board has agreed to an overarching Environmental, Social and Governance (ESG) strategy which has been implemented via a company ESG committee. The committee consists of three employees who meet fortnightly to identify, assess, manage and monitor ESG issues throughout our business operations. The committee reports to the Board on a semi-annual basis, and also creates a vehicle through which majority shareholders of the Texel Group are regularly made aware of the importance of ESG issues to the Texel Group's strategy.

Diversity and Inclusion has been a core focus for Texel in 2022 and a Diversity and Inclusion (D&I) committee has been formed. We have engaged an external D&I consultant to help tailor a bespoke, anonymous survey for our current staff to ascertain perceptions of D&I within the company. The results of this survey will then inform our D&I policy and practices, which will be periodically reviewed.

Through the work of the Texel Foundation, we have been providing career development workshops and bursaries to academically high-achieving pupils from lower socio-economic backgrounds at the London Academy of Excellence in Tottenham (LAET), North London. We have also piloted a 3-week paid internship programme for LAET students, which we hope to expand and offer more widely.

We are currently undergoing an ESG based audit of all of our existing transactions, using the UN Sustainable Development Goals (SDGs) as a framework for assessing the Group's portfolio through an ESG lens. This will also create an invaluable tool through which we can provide our clients' with ESG reporting on their insured portfolio.

We are encouraging our clients to participate in more sustainable transactions by publicising the increasing demand for insurers for sustainable assets, and also ensure that the Texel Group's own revenues from these transactions have a positive environmental impact through the implementation of our Green Impact Investment Contribution (GIIC). Through the GIIC all net profit earned by Texel from sustainable transactions is invested into an environmentally focused impact investment fund in partnership with [Tribe Impact Capital](#).

The Texel Group also owns a [Managing General Agent](#) called '[Tierra](#)', which provides credit insurance to support green project finance transactions focused on the decarbonisation of the economy.

Being conscious of limitations to the current carbon offsetting market, we have taken the decision to first reduce our corporate carbon footprint as far as possible through encouraging sustainable practices in the office and avoiding corporate air travel where possible. Once we have achieved all that is possible from reductions, we will then look to offset the remainder at 3-4 times, via investments into direct air capture, which we believe to be the most efficient and genuine method of carbon offsetting currently available.

2

We are working together with our clients and business partners to raise awareness of environmental, social and governance issues, managing risk and developing solutions

We have been actively promoting our ESG strategy with clients and insurers. This year we have published a dedicated ESG edition of our newsletter, created an ESG film outlining the critical role of ESG within the Texel Group, and are undergoing the process of obtaining an external ESG rating from EcoVadis.

ESG has also played a critical role in tenders which we have recently participated in, ensuring that prospective clients are aware of its importance to the Texel Group and how we can support their own ESG strategy and requirements.

A critical element of our ongoing client and insurer dialogue has been to highlight the Texel Group as a signatory to the UN PSI and to promote the Principles themselves with key stakeholders.

Texel recently acted as the sole insurance broker on behalf of the African Development Bank, closing a new and innovative risk sharing transaction known as the Room to Run Sovereign transaction.

The Room to Run Sovereign transaction was structured with the intention of scaling up the African Development Bank Group's commitments to climate finance by up to \$2 billion and will go a long way in supporting African countries meet their Nationally Determined Contributions, or NDC's.

3

Working together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues

Alongside being a signatory to the UN PSI, the Texel Group is also a prominent member of the International Trade and Forfeiting Association (ITFA). One of the Texel Group's ESG committee members, sits on ITFA's ESG committee.

Every year the Texel Group allocates a significant percentage of net profits to the Texel Foundation, funding charitable grants promoting health, education, social mobility and artistic opportunity, across the globe. To date, Texel Foundation has donated in excess of £2,750,000, supporting more than 100 programmes across 23 countries since the Texel Foundation was established in 2015.

We are also a proud member of IVAR's Open And Trusting Grant-making pledge and our Programme Director is a member of their steering group, which seeks to redress the power imbalance between funders and charities.

4

Demonstrating accountability and transparency in regularly disclosing publicly our progress in implementing the Principles

We are due to publish our first annual ESG report in January 2023. It is anticipated that this document will outline our commitment to the UN PSI and our vision for 2023 and beyond regarding ESG.



TEXEL

www.thetexelgroup.com

London

11-12 Bury Street
London
EC3A 5AT

Singapore

3 Pickering Street
02-53 China Square Central
Nankin Row
Singapore 048660

Brussels

Avenue Louise 54
1050 Brussels

New York

405 Lexington Avenue
8th Floor
New York
NY 10174