
Sustainability Report 2025

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Letter from the CEO

In our 2024 Sustainability Report, we spoke of prioritising the environmental pillar of ESG. As 2025 was recently declared the third hottest year on record (after 2023 and 2024) we believe this decision remains the correct one.

Climate-related headlines are widespread, and extreme weather events have become more frequent. It's not just the obvious events you might expect, either. Alongside devastating hurricanes in the Caribbean and typhoons in Southeast Asia, we are also experiencing increased hail, as detailed in our [Large Hail in Europe white paper](#).

This can result in widespread damage from crops to solar panels to cars. The destruction, in turn, has implications for the insurance industry – organisations and individuals are frequently underinsured for events which, until recently, were very rare.

Yet, there are grounds for optimism. Across the globe, clean energy technology is being deployed at an unprecedented rate. In 2025, solar installations reached record highs, with 380 GW of new capacity added in the first half of the year alone.

China contributed significantly, installing wind and solar capacity equivalent to Poland's entire electricity generation in May alone and maintaining its position as a leading exporter of solar technology. At the same time, India and Brazil have made substantial progress in expanding renewable energy.

These developments, alongside similar efforts in other regions, signal a path toward a sustainable future built on renewables, improved efficiencies, and advanced storage technologies.

As a speciality insurance and reinsurance group, Chaucer has a role in supporting sustainability and the global energy transition. Over the past year, we have lowered our own carbon emissions and we are purchasing carbon credits.

We are also working with a new partner to better model and measure our emissions. In tandem with this, we are championing improved data quality and simplification.

There is growing demand for renewable energy (re)insurance products. In May 2025, Chaucer appointed a new Head of Renewable Energy with a remit to support emerging risks and technologies in the energy transition sector.



The role oversees the underwriting strategy for Chaucer’s renewables portfolio and is also working to develop strategic initiatives and solutions to support clients’ energy transition efforts.

While the E is foremost in our minds and most urgent, the S and the G are equally important with all three being interconnected. Our initiatives include social mobility support, the Chaucer Cultural Exchange Club and Employee Resource Groups, championing diversity across the company.

We believe a diverse workforce delivers benefits such as improved decision making, understanding customers better and access to a wider pool of talent. Having achieved the Clear Assured gold status (a measure of DEI), we are now working towards platinum.

This report reflects on the progress and achievements we have made in our sustainability journey, outlines our ambitions, and reinforces our commitment to transparency and accountability.

At Chaucer, we believe sustainability is fundamental to the way we do business in a fast-changing and uncertain world. We will continue to embed these values, lead by example and adapt.

Richard Milner
Chief Executive Officer

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Highlights

 <p>354 volunteers gave 43,542 hours to local charity partners</p>	 <p>£303k raised for charity partners</p>	 <p>2024 carbon footprint offset</p>
<p>Workplace diversity</p>	<p>93% Affirm that DEI is respected and actively encouraged</p>	<p>43% Senior female leadership representation</p>
	 <p>MULTICULTURAL APPRENTICESHIP AWARDS 2025 a Pathway Group initiative</p> <p>Accounting & Finance Employer of the Year 2025</p>	

Our charities of the year



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Sustainability Report

Our sustainability journey means embedding Environmental, Social and Governance considerations across the organisation. In recent years, this work has become more important. We believe that sustainability is now both an ethical imperative and a business fundamental.

Vision Statement

We strive to think and act in an impactful way that supports the transition to sustainability for us and our partners. We aim to embed Environmental, Social and Governance ethics throughout our business.

Introduction

Our first annual Sustainability Report was published in September 2022. Since then, we have provided regular updates on our progress, including a 2023 interim report and a second full report in 2024. This third full report builds on that foundation, highlighting our achievements to date and introducing new initiatives and areas of focus.

Chaucer has long recognised that good corporate citizenship is important. If companies are to thrive in the long term, they need to have principles and a vision around sustainability.

At Chaucer, these include long term sustainability, a consistent brand and culture, a balanced approach to analysis and decision making and a desire to work with our partners and stakeholders. We strive to think and act in an impactful way that supports the transition to sustainability.

This has resulted in Chaucer implementing a wide range of initiatives such as improving the way we measure emissions, building renewable energy into our offices, championing diversity via internal networks and improving our supply chains. Through actions large and small, we are building sustainability into everything we do.

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Our Principles

Our principles fall under five broad headings:



Alignment with UN Sustainable Development Goals (SDGs)



Consistent with our brand and culture



Take a balanced approach to analysis and decision making



Here to work with the insurance industry, our customers and partners



E, S and G are equally important; however, E is being prioritised in the short term

Sustainable Development Goals

These five principles are aligned with eight of the UN's 17 Sustainable Development Goals (SDGs). Although we believe all the SDGs are important, companies usually choose to focus on a number of SDGs which they feel are most relevant to what they do and where they feel they can make the greatest difference. All our sustainability initiatives align with at least one UN SDG.



No poverty



Gender equality



Affordable & clean energy



Decent work & economic growth



Reduced inequalities



Sustainable cities & communities



Responsible consumption & reduction



Climate action

Environmental Disclosures

This section covers our environmental disclosures – what we have achieved and what we hope to achieve in terms of the environment and sustainability.

Facilities Update – London

As Chaucer’s head office, London is the site of many of our schemes designed to lower energy use, shrink our carbon footprint and use more sustainable products.

One key goal is to only use energy where needed – and we have implemented a number of innovations around this. To achieve this, we successfully trialled the installation of people counters, which use software to determine the occupancy of areas of the building to adjust the heating, ventilation, and air conditioning (HVAC) system accordingly. The system ensures air handling units operate only when rooms are occupied, maintaining a minimum temperature when empty. Since installing people counters, we have seen a 60% reduction in electrical supply and extract energy consumption (kWh) in the Air Handling Unit (AHU), and plan to expand this approach across more spaces in 2026.

Similarly, our lighting levels are set to provide light where needed with reductions in our lighting settings. Sensors adjust interior light based on the light from outside. Moreover, all lighting control schedules have been changed so that they turn lights off sooner when areas are unoccupied and out of hours.

Our air and water systems have also had their efficiency upgraded. All AHU plants have been fitted with a high efficiency filtration system. This reduces energy consumption and means only one filter change per year is required. Valve exercising regimes for the heating and chilled water systems have been reduced from seven days a week to three, alongside additional monitoring to ensure there is no detrimental effect to the water quality. This saves electricity and gas.

Our London office has BREEAM (Building Research Establishment Environmental Assessment Method) Certification. This is a leading standard for assessing the sustainability of built environments and infrastructure. It provides a framework which enables us to drive sustainable improvements in the operational performance of the building and leads to better benchmarking, assurance and validation of data.

It’s not just buildings either; the office supplies we buy and use are important too. Currently we only buy sanitary and stationery items that are eco-products from a reputable source. We have also switched 95% of stationery items to recycled or sustainable products. We purchase stationery and some office products via Social Supermarket. This is the UK’s largest social enterprise marketplace.

Our London office has BREEAM (Building Research Establishment Environmental Assessment Method) Certification.



Facilities Update – Overseas

While London is our largest office and the focus of our most recent efforts, we are actively improving the sustainability of our premises around the world.

At our Waterfront office in Bermuda, the building is energy efficient, wrapped in insulation, and painted every 10 years to minimize chemical emissions. Variable speed drives on pumps and motors help lower electricity demand, and major AC equipment is staged to start gradually before staff arrive.

In other offices around the world, we are taking similar steps. Lights are on sensors in offices including Copenhagen and Miami. In Dublin 100% of the electricity used is matched by verified green sources. In Singapore, we are in a green, low-waste building. And in Sydney, the HVACs deactivate outside business hours, and we’ve reverted to wired keyboards to reduce excessive battery consumption.

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Carbon Emissions

Carbon emissions are a critical focus – and reducing or ultimately eliminating them is central to our sustainability journey. We reported on our carbon emissions in our previous two reports (using datasets from 2019 and 2022). The data in this report is from 2024.

Improving data quality is an important part of our environmental disclosure. The more accurately we can measure our emissions, the easier it is to implement strategies to reduce them. To this end, we have engaged a new supplier – S&P Global – and are using their Sustainable1 solution to assess Scope 1, 2 and 3 emissions, in accordance with the GHG (greenhouse gas) Protocol.

Emissions are calculated across all our offices for Scope 1, 2 and 3. This excludes category 15 insurance-associated emissions relating to our underwriting portfolio and emissions relating to our investments.

The reason for this exclusion is that capturing these emissions is challenging. There are complications relating to methodology and accurate measurement, with low quality data and coverage. Our efforts to measure underwriting portfolio emissions are also limited by the disclosure efforts of the real economy – and while we have some data, it is not of sufficient quality to make public. However, we are continuing to explore improved ways of measuring our indirect footprint.

The table below summarises the elements of Scopes 1, 2 and 3 that went into our emissions estimate:

Category	Definition	Relevant [1]	In scope of engagement	Impact area	
Scope 1					
Natural Gas	Combustion of gas in operated buildings or other assets	Yes	Yes	Facilities	
Other scope 1 emissions	Other fuels, refrigerants, company vehicles etc.	No	No	Facilities	
Scope 2					
Electricity	Generation of purchased electricity used in buildings	Yes	Yes	Facilities	
Heat and Steam	Production of heat and steam	No	No	Facilities	
Scope 3					
Supply chain emissions					
1	Purchased goods & services	Production of goods & services purchased (extraction, processing, freight...)	Yes	Yes	Sourcing
2	Capital goods	Production of capitalised goods purchased in the reporting year	No	Yes	Sourcing
3	Energy-related activities	"Well to tank" emissions of purchased fuels and energy	No	Yes	Facilities
4	Upstream transportation	3P warehouses and transportation of goods for resale	No	No	
5	Waste	Emissions from the disposal and treatment of waste	No	Yes	Facilities
6	Business travel	Emissions from business travel (except company vehicles)	Yes	Yes	Business travel
7	Employee commuting	Emissions from employee commuting between homes and work, including emissions from home working	Yes	Yes	Commuting
8	Upstream leased assets	Operation of assets leased from other companies	No	No	
9	Downstream transportation	Outbound transportation and downstream distribution of products sold	No	No	
10	Processing of sold products	Processing of sold products by downstream companies	No	No	
11	Used of sold services	Underwriting emissions	No	No	
12	End of life	Disposal and treatment of products at the end of their lifetime	No	No	
13	Downstream leased assets	Operations of assets leased to other companies	No	No	
14	Franchises	Operation of franchises not included in scope 1 and scope 2	No	No	
15	Investments	Operation of Investments (including equity and debt investments)	Yes	No*	

* Cat. 15 is out of scope of this engagement (Chaucer’s operational footprint)

[1] The materiality threshold for relevance is set at 1% of Scope 3 emissions

Scope 1 emissions consider the direct impact of carbon usage from the company (for example, fuel used in company owned boilers or vehicles); Scope 2 measures indirect emissions from purchased energy (emissions from power stations that generate the energy a company consumes); and Scope 3 are all other indirect emissions (business travel, purchased goods and services or waste generated in operations).

Chaucer’s total GHG emissions in calendar year 2024 were equivalent to 6842.9 tonnes of CO₂. The overwhelming bulk of the emissions – 99.2% were Scope 3 – which includes emissions in our supply chain. Our operational footprint, across Scopes 1 and 2, corresponds to approximately 0.079 tonnes [or 79kg] per employee.

Our Scope 1 and 2 emissions form a very small part of our overall emissions (at 0.01% and 0.79% respectively) and there are a number of reasons for this. With Scope 1 we have undertaken numerous measures to lower direct emissions. For example, our London office uses landfill gas. This means capturing harmful methane emissions from landfills and then converting them into clean gas which can be burnt.

The methane (which is largely generated by decomposing organic matter) would otherwise enter the atmosphere where it is a potent greenhouse gas with significantly higher warming potential than CO₂.

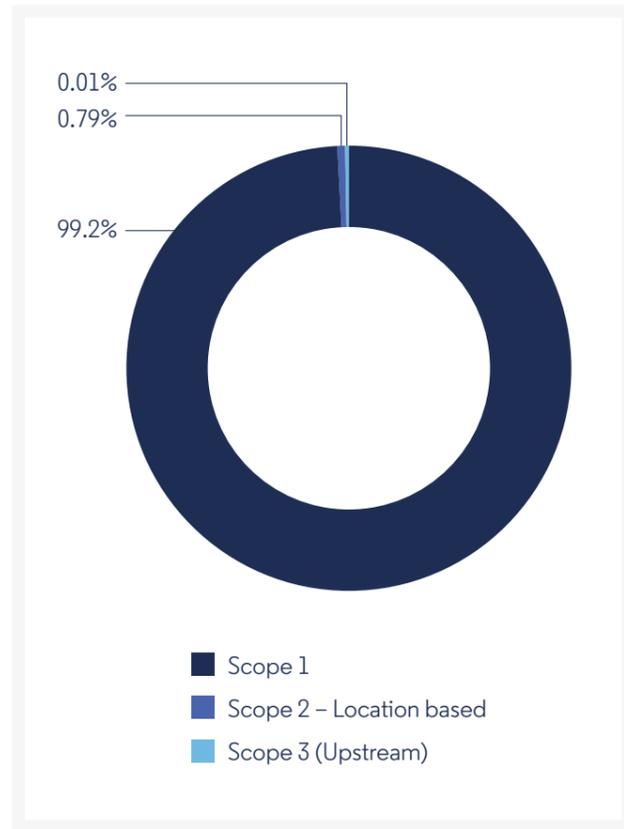


Figure 1. Chaucer GHG Emissions by Scope, FY - 2024

Direct and Indirect Operational Greenhouse Gas Emissions FY 2024			
Scope	Emission (tCO ₂ e)	Contribution (%)	tCO ₂ e per employee
Scope 1	1.0	2%	0.0014
Scope 2 (location based)	54.0	98%	0.0774
Scope 2 (market based)	55.1	-	0.0790
Total (location based)	55.0	100%	0.0788

Our Scope 2 emissions (54.0 CO₂ tonnes equivalent) are associated with the electricity we consume. It is a source of real pride that we manage to generate 71% of the electricity we use on-site from renewable sources. In the UK, this means there are no Scope 2 emissions from our offices.

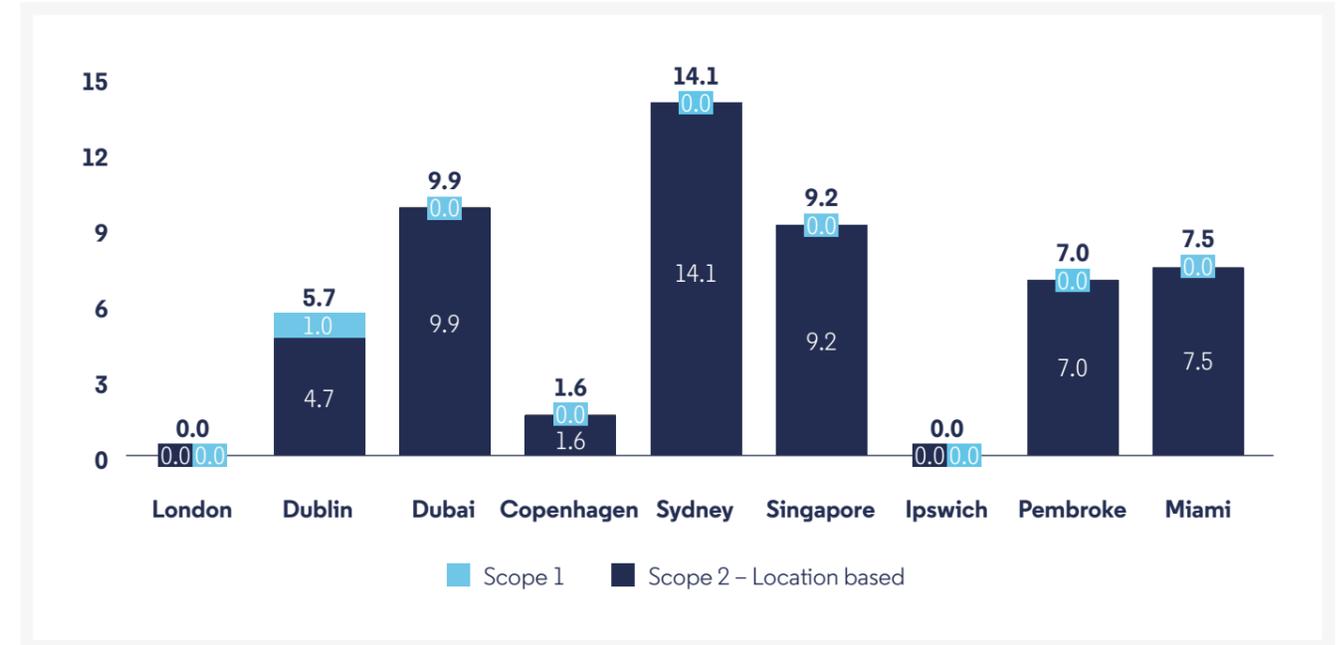


Figure 2. Operational Footprint by Site (tCO₂e)

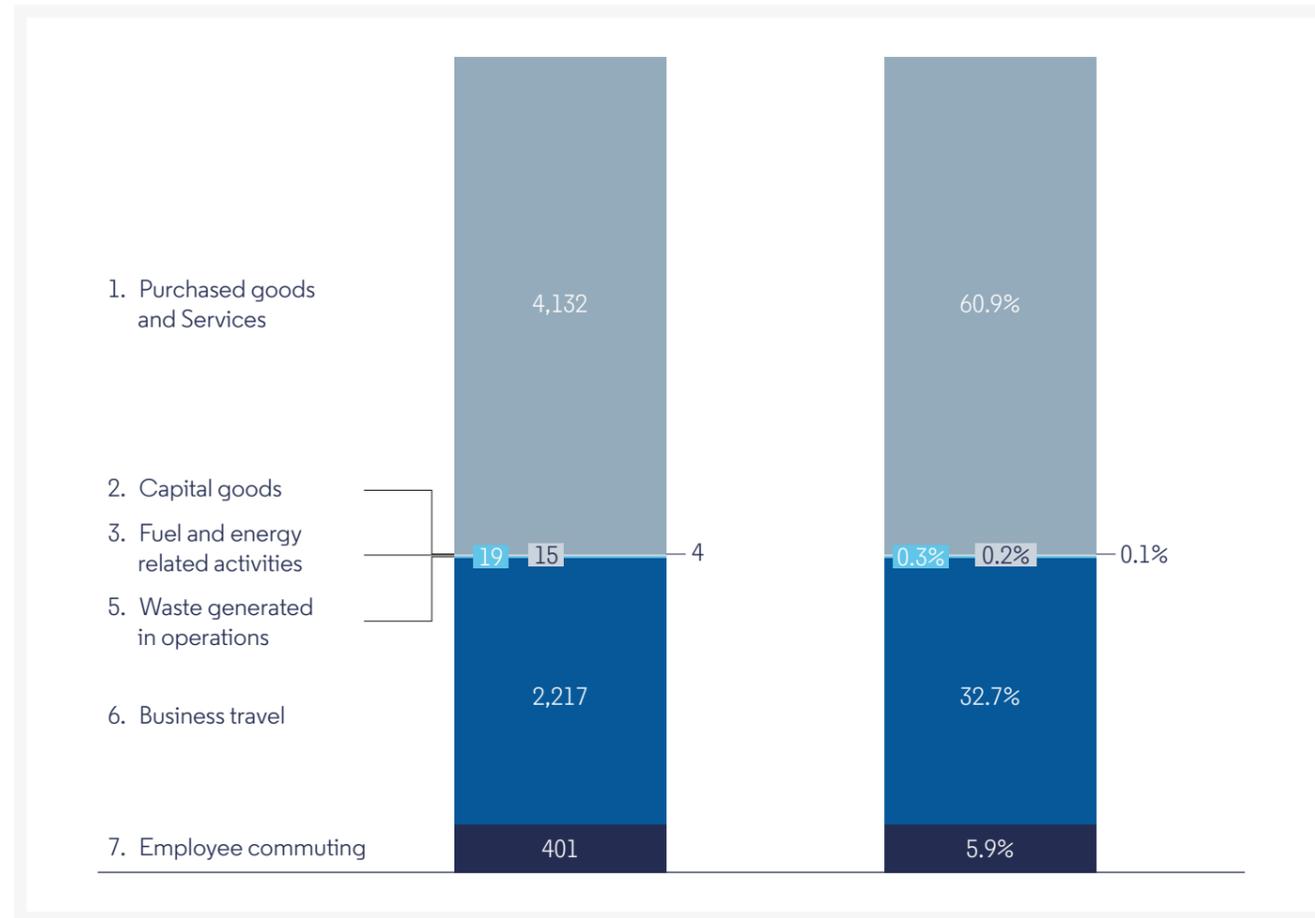


Figure 3. Total Scope 3 Emissions: 6,787.9 tCO2e

The vast majority of our emissions are Scope 3. These emissions belong to the upstream value chain – as the downstream value chain including underwriting and investments emissions are out of scope, for the reasons explained earlier.

The single biggest contributor was emissions from purchased goods and services (Category 1) which accounted for 60.9% of the total Scope 3 emissions. Currently only 41 of the 507 (8.1%) suppliers analysed disclose their emissions. However, these suppliers account for 3.6% of suppliers’ total emissions and 22.7% of the supply chain spend.

This presents a real opportunity. Chaucer works with wide a range of suppliers, but strategically engaging with top suppliers to drive reductions in overall supply chain emissions is likely to have a greater impact. Encouraging suppliers to disclose their emissions is also essential, as it enables more accurate Scope 3 reporting and improves our ability to track progress.

Emissions from business travel are calculated based on activity and spend data provided by Chaucer. These include emissions from vehicles such as aircraft, trains, buses and taxis when they are used for business-related activities. This is an area where our absolute emissions are growing. The reason for this is that Chaucer itself is growing and has an increasing number of business relationships across a larger geographic footprint.

Chaucer remains committed to reducing our operational footprint even as we grow as a business. We are proud of the results of our internal efforts, particularly where they have resulted in sites with zero emissions – but we

recognise it is sometimes necessary to buy carbon credits in schemes that align with our goals and SDGs.

In November 2024, we retired carbon credits equivalent to 6,072 tonnes of CO2e to begin addressing our 2024 emissions footprint. In November 2025, we retired an additional 771 carbon credits to offset the remaining portion of our 2024 footprint, and 7,122 carbon credits were retired towards our 2025 footprint. Going forward, we are committed to working with our suppliers to improve emissions transparency and reporting. We all want progress toward a lower-carbon supply chain.

Emission Scope	FY 2024 Total GHG (tCO2e)	Contribution (%)
Scope 1	1.0	0.01%
Scope 2 (location based)	54.0	0.79%
Scope 3 (upstream)	6787.9	99.2%
Scope 3 (downstream)	-	-
Total location-based emissions	6842.9	100.0%
Carbon offsets (retired)	6843.0	
Total net location-based emissions	0	

Carbon Credits with Climate Impact Partners

We recognise that we will not be able to eliminate all our emissions – and that to achieve our goal of becoming Carbon Neutral by 2030 we need to purchase carbon credits. Carbon credits allow us to compensate for our residual emissions while also having an immediate impact on communities around the world.

In order to ensure the carbon credits we purchase are of the highest quality and have a real and measurable impact we are working with Climate Impact Partners, specialists in carbon market solutions, to support emission reduction projects via the purchase of carbon removal credits. In addition to reducing global emissions, we want our portfolio of emission reduction projects to align with our eight SDGs and our wider sustainability goals.

The carbon credits we purchase are obtained from certified projects that generate Verified Carbon Units (VCUs) under the world's most widely used greenhouse gas crediting programme, Verified Carbon Standard (VCS). That means the carbon reductions are real, measurable and independently checked. We select projects that go beyond carbon offsetting and bring meaningful benefits to communities and environments they support.

One of these projects is the Reforestation and Community Development project in Ghana. This aligns with seven out of eight of our prioritised UN SDGs, including decent work and economic growth and gender equality. This project engages local farmers to plant trees and grow crops, via intercropping on degraded lands. As well as delivering emission removals, this project has created over 1000 jobs, 40% of which are to be filled by local women, and made more than 6,000 hectares of land available to farmers for intercropping.

We select projects that go beyond carbon offsetting and bring meaningful benefits to communities and environments they support.

Chaucer has also purchased credits from the Guanare Afforestation project in Uruguay, a country whose tree cover has decreased by 23% since 2000. This area of Uruguay has been grazed by cattle for over 300 years which has led to soil erosion and degradation of grasslands.

Here, carbon finance is being used to combine sustainable forestry with cattle grazing. Trees are planted on higher and more damaged land, reducing topsoil degradation, while cattle graze the lower areas. The project promotes sustainable timber harvesting, increases forest cover and creates new habitats for wildlife. It is certified by the Forest Stewardship Council (FSC) and creates new jobs, while respecting existing cattle farmers' land use.

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Social Disclosures

Although we have prioritised our environmental disclosures, we have made considerable progress in the social sphere across numerous initiatives.

We recognise that Diversity, Equity, and Inclusion (DEI) are not just values – they are strategic imperatives that underpin our long-term sustainability and success. Guided by our “One Chaucer” ethos, we are committed to building a workplace where every individual feels a genuine sense of belonging and is empowered to contribute their unique perspectives. We believe that sustainable growth is only possible when everyone has a voice. Through collaborative action and ongoing engagement, we continue to embed DEI practices across our business – creating an environment where all colleagues can thrive and where diverse perspectives drive our collective progress.

To this end, we publish gender and ethnicity pay gap reports as part of our effort to increase transparency, identify disparities, and take meaningful action to close gaps and drive equity across our business.

Our latest gender and ethnicity pay gap report can be found [here](#).

In 2025, we have maintained gender parity among our Executive Board Directors and made strong progress with our executive leadership group which is now 43% female, up from 25% in 2020 when we launched our diversity targets. During 2025, we have continued to achieve our goal of one in three external hires being from an ethnically diverse background.

We believe that by involving our people in making our DEI goals a reality, we will create a more collaborative and inclusive workplace. We champion our employees’ voice through our ERGs – our Employee Resource Groups, and strive for a consistent and sustained approach across the board. This includes sponsorship at executive and senior leadership levels, and strong support from the HR function, marketing and employee volunteers, members and allies.

We recently hosted an internal 'Chaucer Inclusion Fair' providing a platform to connect colleagues and enable our ERGs to showcase and exchange ideas. In 2024, we talked about how we had achieved Gold accreditation as part of the Clear Assured framework for our inclusive policies and practices. We are now actively working towards achieving Platinum.

	2024		2025	
	Target	Actual	Target	Actual
Female Representation	40%	40%	40%	42%
Senior* Female Leadership	40%	43%	40%	43%
Representation for Minority Ethnic groups	28%	23%	28%	27%
Representation of black employees as % of Minority Ethnic groups	25%	15%	25%	15%
Senior* Minority Ethnic Leadership	20%	26%	20%	20%

* Senior defined as 'Identified member of executive team or committee (direct report to CEO) or senior management (reporting to executive team or committee)', as defined by Lloyd's

CSR Engagement

We have always believed strongly in CSR (Corporate Social Responsibility). Companies are part of wider communities, and we have an opportunity – and a responsibility – to engage positively and make a meaningful difference in the communities we serve. In 2025, Chaucer and its employees made charitable donations totalling £303,000. A total of 354 employees volunteered for a combined 43,542 hours.

Over the past year, Chaucer’s CSR committee continued our commitment to support our employees in their charitable endeavours, through money-raising events, charitable donations and volunteer days.

Chaucer’s chosen 2025 Charity of the Year (large) was Cancer Research UK which is the world’s leading independent cancer charity. Our Charity of the Year (small) was the Nick Kilhams Foundation which raises awareness of mental health challenges and offers support to those who are suicidal.

Across Chaucer Group, teams from our offices have supported a wide range of causes. Some of these include:

- In 2025, a team of Chaucer cyclists joined the Raptor Insurance Industry Bike Ride, covering more than 500 kilometres across England, France and Belgium and raising over £19,000 for Action Medical Research.
- Teams from the London office volunteered at More Life Home in Tower Hamlets which recycles and redistributes furniture to vulnerable individuals transitioning out of crisis.
- Volunteers from our U35s group spent a day at the Hope Family Trust foodbank in Barking, helping sort, label, and package donations.

- The Lonham team in Ipswich used their CSR days volunteering with The Hygiene Bank. This charity collects toiletries, cleaning and laundry products to which are distributed to homeless shelters.
- In the UAE, Chaucer colleagues were involved in helping to plant mangrove trees. The UAE has invested in planting thousands of hectares of mangroves as they form an important part of the country’s coastal ecosystem. These trees, which are adapted to salt water, act as a natural buffer, protecting coasts against tidal surges and purifying the surrounding water. They also store CO2, provide a habitat for hundreds of bird and marine species and help to increase fish stocks.

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Careers and Socio-Economic Update

We use our position in the Lloyd's and global markets to foster a more inclusive insurance sector. By supporting students from low-income households and facilitating access to opportunities within the London market, we continue to enhance our social impact in the communities we serve.

Our overarching aim is to empower and uplift those in less socially mobile communities by introducing and promoting insurance as a first-class career option. We are striving to bridge the knowledge gap and create opportunities for individuals from diverse backgrounds.

To help break down barriers, Chaucer works with a number of outreach partners including the London Market Group early careers initiative, ELBA (East London Business Alliance) and SEO (Sponsors for Educational Opportunity) all of which are education and training charities that connect talented students across the UK and France with job opportunities. Together, we hope to build a more diverse talent pipeline through apprenticeships, work placements, insight days, and early in career programmes.

Since 2020, we have also funded scholarships through The Chaucer Scholarship Programme in partnership with Blackbullion. This scheme is currently, 'one of a kind' in our market and offers students three years of paid tuition and living expenses, mentoring, and paid summer internships for the duration of their studies, with no requirement that they work for Chaucer after graduating. The scholarship supports one student each year through university and is designed to break down financial barriers to higher education and open pathways into the (re)insurance industry,

In 2025, our second scholar Myat Moe, graduated from Warwick University with a first-class honours degree in management.

Other initiatives include a new partnership with Equity City & iCAN which will enable us to attract more diverse talent and our Socio-Economic Mobility ERG's insight week programme where we welcome students to the office. Chaucer's Early Careers team also represented Chaucer at the London Market Group Lime Street Festival, welcoming over 200 prospective candidates exploring careers in the London Market.

As a result of these efforts, in 2025, Chaucer secured a place in the top 75 Social Mobility Employer Index. "This is a significant achievement for us," says Karen Reid, Group Chief People Officer. "It reflects our ongoing efforts to create an inclusive and socially mobile workplace where everyone has the opportunity to succeed. This ranking is a milestone that highlights our commitment to advancing social mobility, and I am incredibly proud of what we have accomplished together."

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Governance Disclosures

We separate climate change and sustainability risks into inwards and outwards issues. The former are the financial risks. We tend to measure these like any other fast-changing risks, using traditional tools such as risk appetites, stress and scenario testing and risk monitoring. We do, however seek to be innovative and engage with the latest research at universities and use the latest models.

Outwards issues are those which might be thought of as corporate citizenship and responsibility. These are often discussed using the language of risk management. However, we believe these risks are more reputational and to do with public and stakeholder perceptions. We view them as beyond the scope of risk management and more part of ethical considerations.

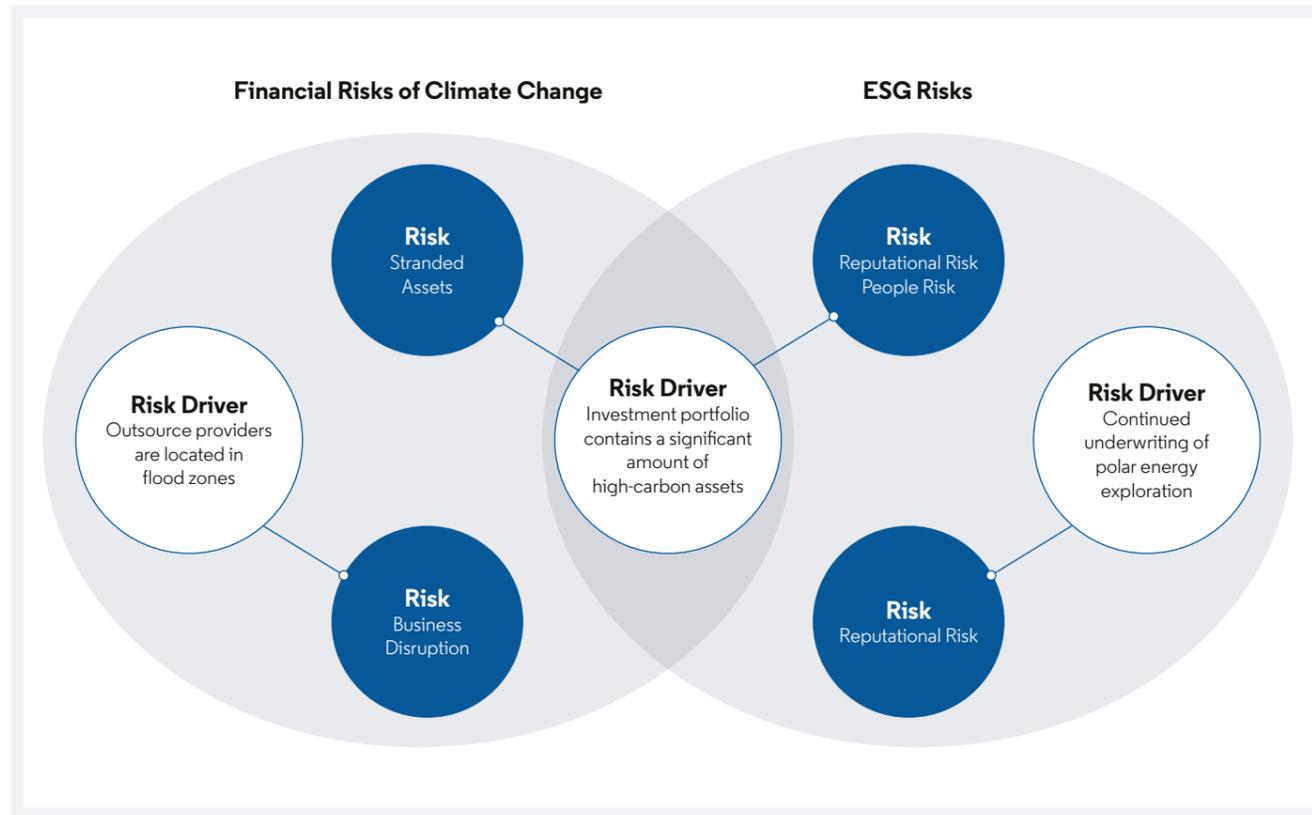
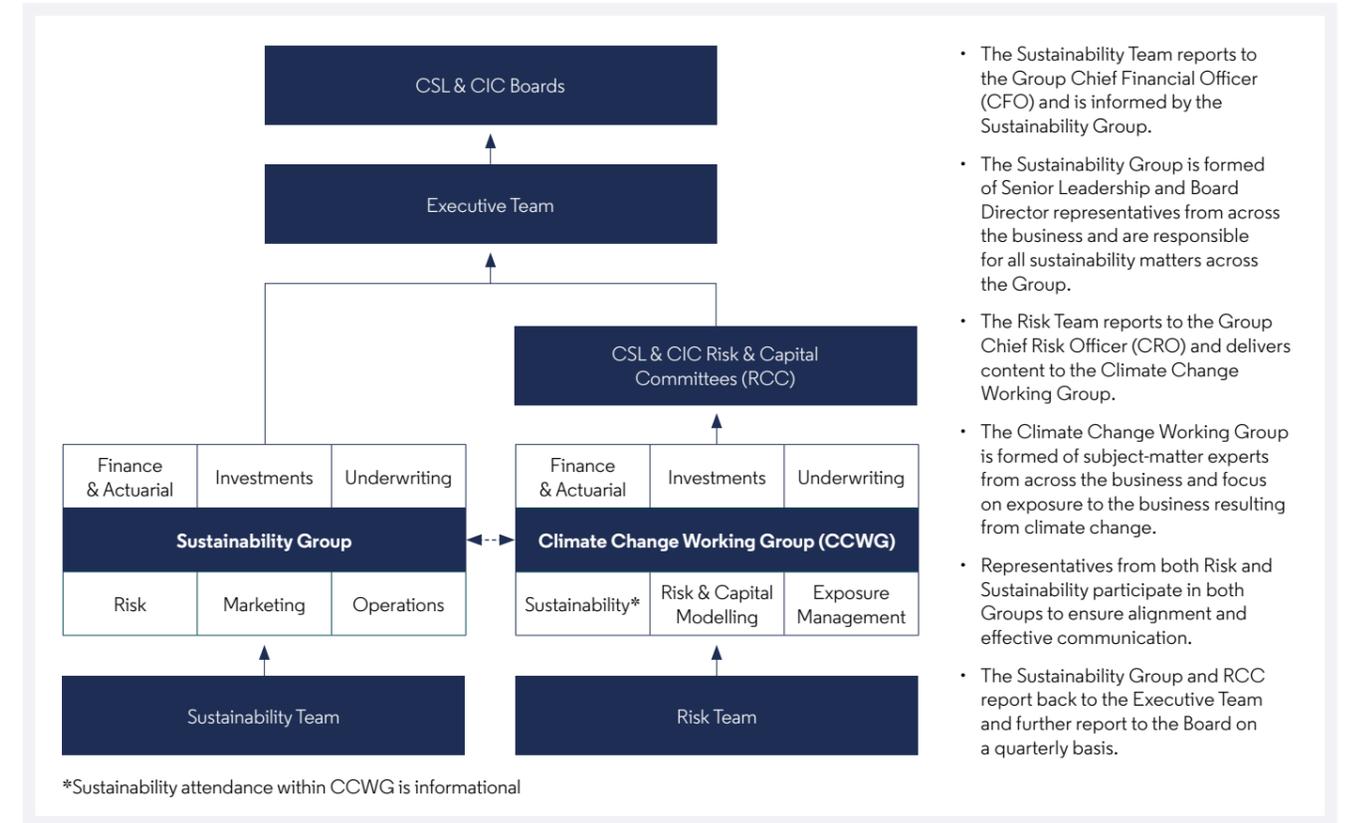


Figure 5. Chaucer's Risk Management Framework and Climate Change/ESG Risks

Chaucer's Risk Management Framework is designed to manage direct and indirect financial risks related to the business. Its scope with respect to the ethical considerations around sustainability are largely restricted to reputational risks. In this sense, financial impact is a secondary impact. Climate change is a broader issue and Chaucer is vulnerable to first-order financial risks through its underwriting and investment portfolios. We can broadly categorise the risks around climate change into the two areas above, noting that some issues will present both a reputational and first order financial risk to the business.



- The Sustainability Team reports to the Group Chief Financial Officer (CFO) and is informed by the Sustainability Group.
- The Sustainability Group is formed of Senior Leadership and Board Director representatives from across the business and are responsible for all sustainability matters across the Group.
- The Risk Team reports to the Group Chief Risk Officer (CRO) and delivers content to the Climate Change Working Group.
- The Climate Change Working Group is formed of subject-matter experts from across the business and focus on exposure to the business resulting from climate change.
- Representatives from both Risk and Sustainability participate in both Groups to ensure alignment and effective communication.
- The Sustainability Group and RCC report back to the Executive Team and further report to the Board on a quarterly basis.

We recognise the importance of maintaining high standards in regulatory disclosures and staying ahead of evolving regulatory requirements. As part of our ongoing commitment to robust risk management and regulatory compliance, we will develop our framework to take into account the recently published Supervisory Statement SS5/25, which expanded on SS3/19.

The importance of embedding climate-related financial risk considerations into our governance, strategy, and risk frameworks is key. In line with the PRA's expectations, we will adopt a proportionate approach tailored to the materiality of our exposures, ensuring that these changes add tangible value to our business operations.

Sustainability Initiatives

This section brings together key updates and insights from our sustainability journey, including our approach to underwriting the transition, responsible investing and knowledge sharing in the industry through events and white papers.

Industry Knowledge

While climate change remains one of the greatest threats to our planet, tackling it also presents significant opportunities. This challenge is driving the growth of industries such as renewable energy, carbon capture, and battery technology, while promoting energy efficiency worldwide. It compels us to rethink how we operate – as it impacts everything from risk assessment and pricing strategies to how we identify future revenue streams.

We believe that insights in this area should be shared to spread best practice. To contribute to this conversation, we have published a series of white papers that capture our research, analysis, and recommendations. We hope they help to inform and inspire action across the industry.

Our recent [Large Hail in Europe](#) white paper examines this evolving risk, highlighting its economic impact, the relative immaturity of hail science compared to other natural hazards, and the implications for the insurance industry.

We also explore the growing threat of severe wildfires in our [North American Wildfire Risk](#) paper. These are driven by factors such as climate change and urban development, and we look at why current catastrophe models remain underdeveloped, and outline what this means for risk management and the insurance sector.

As the landscape of climate-related risks continues to evolve, staying informed and proactive is essential. Through our research and white papers, we aim to equip the industry with insights that drive resilience, innovation, and collaboration. By sharing knowledge and best practices, we can collectively navigate these challenges and seize the opportunities they present.

While climate change remains one of the greatest threats to our planet, tackling it also presents significant opportunities.

Clean Energy/Underwriting Transition

As previously outlined, although we do not currently disclose our underwriting portfolio emissions, we remain committed to responsible and sustainable underwriting and investment strategies.

In underwriting, we are positioning our support of the transition to a lower carbon economy through our commitment to the rapidly expanding renewable energy industry.

The global energy transition, says Chaucer's Simon Schnorr, will involve huge investments and require insurers to become comfortable with emerging risks and working collaboratively with clients. It is creating significant demand for insurance capacity and support from insurers across both marine and energy classes, as the scale and complexity of new energy infrastructure grows and efficient, low-emission vessel fleets are developed.

We have an established energy portfolio, with a growing renewables book. Our expertise in this sector is increasing and with it our appetite to underwrite and grow new and innovative market segments driven by Chaucer's newly formed transition focus group. Low carbon energy development and usage is also a natural evolution for many existing customers.

The increased focus on energy transition has already led to the proportion of premium generated from clean energy risks rising from 10% of our Energy portfolio in 2021 to over 25% today, and on a trajectory to becoming more than a third of our Energy business by the end of the decade. We continue to strengthen our renewable energy team, including risk engineering capability matching that which we have in oil and gas, and recruiting dedicated resource building our expertise in alternative risk transfer solutions for new energy technologies.

Responsible Investing

We have engaged S&P to help detail our carbon emissions from our corporate and sovereign bond investment portfolio. This will improve our insight into our climate exposure and reiterates our intention to measure emissions as accurately as possible. We will review the most carbon intense exposures and assess the issuer's path to a cleaner future.

We have used the PRA Climate Biennial Exploratory Scenario ("CBES") as the basis of setting our climate risk appetites for investments. The position of our investment portfolio against these metrics is reported to the Board each quarter. In 2025, we reviewed and updated the climate risk model for our latest assumptions.

Innovation Forum 2025

In September, 2025, Chaucer hosted its annual Innovation Forum to showcase the role that innovation plays in driving real change in our business. We invited leaders from across the company and the sector to provide insights into the innovation ecosystem and the changing landscape of the industry. The forum, led by keynote speeches with working group activity, highlighted how new ideas, transformative technologies, sustainable practices and collaborative approaches can enhance the way we deliver services.

The goal was to help our employees implement innovative practices in their own work and ensure Chaucer remains at the forefront of the (re)insurance industry.

Conclusion

As outlined in this report, we are making strong progress toward our environmental target of becoming carbon neutral by 2030.

Key steps on this journey include leveraging S&P's Sustainable1 solution to accurately measure our emissions and investing in carbon credit projects that align with our principles. We are pleased to have offset our 2024 operational footprint and aim to continue reducing and offsetting emissions as we progress toward our 2030 carbon neutrality target. Our credit retirements support this effort, as do initiatives to further reduce emissions through on-site energy generation, enhanced recycling, efficiency improvements, and supply chain decarbonisation.

While 2025 has seen a particular focus on environmental priorities, we are also advancing the social and governance dimensions of ESG. These three pillars are interconnected and essential to building a truly sustainable future.

We remain firmly committed to embedding sustainability throughout the business. In the insurance industry – especially now – we understand the consequences of unsustainable practices. We have long believed that sustainability is the right thing to do ethically and environmentally. Increasingly, we believe it is also a business imperative and, guided by our philosophy of 'we find a way', we are applying that same determination to sustainability.

While 2025 has seen a particular focus on environmental priorities, we are also advancing the social and governance dimensions of ESG.

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