



CONDUIT RE



# Principles for Sustainable Insurance (PSI) Annual Disclosure for the period ended 31 December 2022

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“When we launched Conduit Re in December 2020, we saw a huge potential to embed ESG principles throughout our business from the start. This day-to-day approach promotes better risk management, innovation, sustainable outperformance, and community engagement.”

**Neil Eckert**

**Executive Chairman**



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## About Conduit Re

Conduit Reinsurance Limited (“CRL”) is a Bermuda based, pure-play reinsurer which was established in late 2020 following the successful initial public offering on the London Stock Exchange of parent Conduit Holdings Limited (“CHL”) (ticker LSE:CRE) in December 2020.

CRL is authorised by the Bermuda Monetary Authority (“BMA”) as a Class 4 Bermuda insurance company and is rated A- (Excellent) by AM Best and started underwriting business on 1 January 2021.

In this document, “Conduit”, “Conduit Re” or “Group” is used to refer to CHL and subsidiary undertakings. “Board” is used to refer to the Board of Directors of CHL and/or CRL and subcommittees thereof.

Unlike many (re)insurance groups, Conduit Re operates its business exclusively from Bermuda and has no designs on expanding its operations to other international locations. It has a small office in London, supporting investor relations.

## Introduction

In November 2022 Conduit Reinsurance Limited became a signatory to The UNEP FI Principles for Sustainable Insurance (“PSI”). The PSI serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. The purpose of the PSI initiative is to better understand, prevent and reduce environmental, social and governance risks, and better manage opportunities to provide quality and reliable risk protection. For more information on the PSI, please visit their website [here](#).

At Conduit Re, we aim to lead by example in supporting the transition to a sustainable economy and focus on the long-term benefit of all our stakeholders. Consistency, collaboration and transparency are key and we believe the PSI provide a relevant framework to frame our industry’s environmental, social and governance risks and opportunities.

We felt that joining the PSI was the next appropriate step in our ESG journey as we look to further integrate its principles into our own ESG principles and actions. Having joined the PSI in November 2022, this report is our first annual mandatory disclosure on progress we have made to implement the principles.

Additional information on Conduit Re’s approach to ESG can be found in our ESG report, available on our website: <https://conduitreinsurance.com/esg/esg-reports/esg-reports-and-downloads/>



# Progress against The Principles

## Principle 1: We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

Principle activity	Reference to details on our progress
<b>Company strategy</b>	
Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations	2022 ESG Report: <a href="#">About Conduit Re (pages 11-12)</a>
Dialogue with company owners on the relevance of ESG issues to company strategy	2022 ClimateWise Report: <a href="#">1. Be accountable and 2. Incorporate climate-related issues into our strategies and investments (pages 7-22)</a>
Integrate ESG issues into recruitment, training and employee engagement programmes	2022 ESG Report: <a href="#">Appendix 7: ESG responsibilities of our senior team (page 65)</a>
	2022 ClimateWise Report: <a href="#">6.2 Inform our customers/ clients of climate-related risk and provide support and tools so that they can assess their own levels of risk (page 44)</a>
	2022 ClimateWise Report <a href="#">4.4 Engage our employees on our commitment to address climate change, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate-informed choices outside work (page 39)</a>
<b>Risk management and underwriting</b>	
Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions	2022 ClimateWise Report: <a href="#">2. Incorporate climate-related issues into our strategies and investments (pages 14-22)</a>
Integrate ESG issues into risk management, underwriting and capital adequacy decision making processes, including research, models, analytics, tools and metrics	2022 ClimateWise Report: <a href="#">3. Lead in the identification, understanding and management of climate risk (pages 23-28)</a>
<b>Product and service development</b>	
Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management	2022 ESG Report: <a href="#">Appendix 2: ESG in our underwriting and investments (page 45)</a>
Develop or support literacy programmes on risk, insurance and ESG issues	2022 ESG Report: <a href="#">Appendix 1: Memberships relevant to ESG topics (page 40)</a>

# Principle 1: We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

continued

Principle activity	Reference to details on our progress
<b>Claims management</b>  Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood  Integrate ESG issues into repairs, replacements and other claims services	  As a reinsurer our claims are paid to other insurance companies and are settled in cash. However, for wider consideration of claims in our value chain: 2022 ClimateWise Report: <a href="#">4.1 Encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business (pages 29-30)</a>
<b>Sales and marketing</b>  Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns  Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood	  2022 ClimateWise Report: <a href="#">4. Reduce the environmental impact of our business (pages 29-39)</a>
<b>Investment management</b>  Integrate ESG issues into investment decision-making and ownership practices (e.g. by implementing the Principles for Responsible Investment)	  2022 ESG Report: <a href="#">Environment (pages 18-22)</a>  2022 ESG Report: <a href="#">Appendix 2: ESG in our underwriting and investments (page 45)</a>  2022 ClimateWise Report: <a href="#">Level 3: Evidence of how management (through specific positions and/or management committees) monitors and assesses the implementation of strategic plans, goals and targets agreed by the board/ and or board committees to address climate-related issues. (pages 12-13)</a>

## Principle 2: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Principle activity	Reference to details on our progress
<b>Clients and suppliers</b>	
Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues	2022 ClimateWise Report: <a href="#">4.1 Encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business (pages 29-30)</a>
Provide clients and suppliers with information and tools that may help them manage ESG issues	
Integrate ESG issues into tender and selection processes for suppliers	2022 ClimateWise Report: <a href="#">2. Incorporate climate-related issues into our strategies and investments (pages 14-22)</a>
Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting framework	2022 ClimateWise Report: <a href="#">6. Support climate awareness amongst our customers/clients (page 43)</a>
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<b>Insurers, reinsurers and intermediaries</b>	
Promote the adoption of the Principles	2022 ESG Report: <a href="#">Our ambitions and commitments (page 12)</a>
Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry	
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## Principle 3: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Principle activity	Reference to details on our progress
<b>Governments, regulators and other policymakers</b>	
Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues	2022 ESG Report: <a href="#">Our ambitions and commitments (pages 12-13)</a>
Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions	2022 ESG Report: <a href="#">Appendix 1: Memberships relevant to ESG topics (page 40)</a>  2022 ClimateWise Report: <a href="#">2. Incorporate climate-related issues into our strategies and investments Levels 3 and 4 (page 17)</a>  2022 ClimateWise Report: <a href="#">Level 4: Evidence how the business assesses its compliance with current and emerging regulatory requirements (page 25)</a>
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<b>Other key stakeholders</b>	
Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise	2022 ESG Report: <a href="#">Appendix 1: Memberships relevant to ESG topics (page 40)</a>  2022 ESG Report: <a href="#">‘Research’ and ‘External relations’ (page 22)</a>
Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies	2022 Annual Report and Accounts: <a href="#">Section 172 statement and stakeholder engagement (pages 36-37)</a>
Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business	2022 ClimateWise Report: <a href="#">5. Inform public policy making (pages 40-42)</a>
Dialogue with media to promote public awareness of ESG issues and good risk management	2022 ClimateWise Report: <a href="#">3.2 Support and undertake research and development to inform current business strategies (including investments) on adapting to and mitigating climate-related issues (pages 26-27)</a>

## Principle 4: We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Principle activity	Reference to details on our progress
Assess, measure and monitor the company's progress in managing ESG issues and proactively and regularly disclose this information publicly	<a href="#">2022 ESG Report</a>
Participate in relevant disclosure or reporting frameworks	2022 ESG Report: <a href="#">Appendix 8: TCFD Disclosure table (page 66)</a>
Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles	<a href="#">2022 ClimateWise Report</a>

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