



The Ardonagh Group

UN Principles for Sustainable Insurance (PSI) disclosure 2023

In 2022 The Ardonagh Group became a signatory to the United Nations Environment Programme Finance Initiative Principles for Sustainable Insurance. This action formed part of Ardonagh's continuing commitment to prioritising and accelerating ESG matters across the Group and to driving positive change across the industry.

Company profile

The Ardonagh Group is one of the world's largest independent insurance distribution platforms and a top 20 global broker. We are a portfolio of best-in-class entrepreneurial and specialist businesses with a combined workforce of over 10,000 colleagues and a network spanning 200+ locations in more than 30 countries worldwide. Ardonagh is a meeting point for group distribution, wholesale, underwriting and related services. Formed in 2017, Ardonagh brings together best-in-class brands including Arachas, Assepro, Bishopsgate, Price Forbes, Léons, Geo Underwriting, MDS Group, and Towergate, all managed via three separate operational platforms.

The Ardonagh Group continues to consider sustainability not just from the perspective of how ESG issues impact insurance and investment portfolios, but also how insurance and investment portfolios impact the environment and society. We are looking to play our part in efforts to reduce planetary impacts from climate change and nature loss as well as promoting the circular economy. As part of our activities, we address all regulatory reporting requirements, helping to demonstrate our environmental and social impact and to facilitate all parts of our business in supporting our group sustainability efforts. We promote and encourage adoption of ESG across all parts of our business as we believe this will create stronger, more resilient, and more profitable businesses, helping us to drive value across our group.

As a signatory to the PSI we will be making annual disclosures on our progress in implementing the Principles which has been outlined in the following information:

Principle 1

We will embed in our decision-making environmental, social and governance issues relevant to our insurance business

Company strategy

- **Establish a company strategy at the Board and executive management levels to identify, assess, manage, and monitor ESG issues in business operations**

Ardonagh's Sustainability Charter identifies five key pillars which encompass the sustainability matters that are most important for our portfolio of companies. Through these five focus areas, sustainability forms a fundamental thread throughout our conversations and business decisions, as well as being central to the culture of all our businesses. As part of our quarterly Group Board meetings, we have ESG regularly on the agenda and discuss progress on key ESG matters. This approach is also replicated at the three operational platform Boards as well with each platform having their own business ESG representatives.

Our approach to sustainability is overseen by John Tiner, Chairman of the Board, and forms part of our governance framework. It is implemented via accountable leadership that sets clear expectations for our growing group of businesses across our territories and our initiatives are gathering pace across the Group.

Our ESG strategic initiatives are informed by a review of regulatory developments and stakeholder feedback on materiality matters related to our business and industry. The publication of our first **sustainability report** last year was welcomed by all of our key stakeholders including our clients, employees and investor groups, and provided an engagement point for us on ESG matters. This feedback was added to our ongoing work to form a prioritised list that sets the backdrop of our rolling work-scope for our sustainability initiatives for the following 12-36 months. In the short term our focus revolves around our climate impact and action and addressing the urgent need to move to a low carbon economy. In early 2023 we formulated an ESG policy for the Group in consultation with our function and business platform leaders and, via our ESG steering Group, which includes cross-functional and business representatives from across all platforms within Ardonagh, have been identifying the key climate risks and opportunities for The Ardonagh Group.

Identification and assessment of ESG priorities

Over the past year, Ardonagh's dedicated ESG steering group and sustainability pillar leads have continued their work to identify, assess, manage and monitor key ESG priorities for our portfolio of businesses.

As part of this work, the steering group recently identified more than 50 climate-related risks and opportunities for Ardonagh as well as mitigates to those risks. These were



considered under six risk areas aligned with TCFD guidance: Physical - Acute, Physical - Chronic, Market, Policy & Legal, Technology and Reputational. The risks and opportunities identified will enable Ardonagh and its portfolio of businesses to establish clear priorities to direct Ardonagh's continuing ESG work.

Dialogue with company owners on the relevance of ESG issues to company strategy

We continue to engage and maintain a dialogue with our investors and all key stakeholders on the relevance of ESG issues to company strategy. In the past year, we have engaged with our investors and lenders on matters of ESG policy and adoption, responding to multiple questionnaires and providing detailed information and KPIs monitoring our ESG performance.

- **Integrate ESG issues into recruitment, training, and employee engagement programmes**

Our people are essential in ensuring that Ardonagh is a business fit for the future and we are committed to investing in their development, welfare, and wellbeing. We want to ensure they are treated fairly, and that ours is a truly inclusive workplace, where everyone can find a place to belong.

Recruitment

A long-standing ESG issue across the insurance profession remains the recruitment of a diverse range of talent that fully represents the communities and clients we serve. At Ardonagh we understand there is still much work to be done in this area which is why we have begun to actively seek out opportunities to promote careers in insurance to young people from less economically or socially privileged backgrounds. Measures have also been undertaken, across several of our businesses, to create more flexible and supportive working environments that cater for a wider variety of employee needs.

Outreach work to engage greater diversity to the profession

In May 2023, UK Commercial MGA CEO, Jaime Swindle, presented to a group of school children from Manchester, from a diverse range of backgrounds, at the British Insurance Broking Association (BIBA) annual conference to showcase the range of career opportunities available within the sector.

In September, it was an Ardonagh Advisory Development Director's turn to engage a group of around 70 girls aged 11-15 as part of Ardonagh's work with Reach Next Generation – a charity dedicated to working with young girls to help them maximise their future career opportunities. Our Director presented to the girls to help them consider their attitudes to risk and explore how their interests, skills and future ambitions might be met by a career in insurance.



Our Head of Data Operations at the Ardonagh Analytics Lab in Mullingar, Ireland, has been working to support a more diverse and inclusive workforce in technology. She has worked to this goal by forming an alliance with the organisation Midlands Women in Tech to support and encourage women to take up roles in the Irish tech sector.

Creating a more flexible and inclusive working environment

As part of efforts to attract candidates from a wide range of backgrounds, new initiatives have been implemented by several businesses within the Group which include: new parental leave measures, menopause policies and flexible working arrangements, providing better work-life balance and a more inclusive workplace.

Employee engagement and training

We believe all our people should be able to access high quality learning, development, and engagement opportunities, so they can realise their potential and enjoy successful and meaningful careers.

Throughout the year we have provided a range of targeted training and development programmes, from across our businesses but also at Group level. We have also engaged with employees through targeted campaigns that promote subjects relating to the Group's well-established ED&I forums and wider colleague base. These have focused on issues such as mental health awareness, support for communities through Give Back Week, Pride, International Women's Day and more.

Women in Leadership Programme

The Award-winning Women in Leadership Programme, run by Ardonagh's Advisory platform is now in its fourth year and has supported women to undertake specialist training and development designed to support their move into leadership roles. Following the success of Advisory's programme, a group-wide Women in Leadership Programme has now been rolled-out across our businesses.

Graduate trainees' engagement in sustainability

Ardonagh's inaugural cohort of graduate trainees have been tasked with completion of a sustainability project as part of their training. So far, these have included support for community projects including foodbanks and disability charities.

Engaging our people to take action against climate change through our in-house Carbon Literacy Training Programme

In April, Ardonagh launched its bespoke Carbon Literacy Training Programme, which was created and developed in-house in collaboration with the Carbon Literacy Trust. This programme aims to educate our employees on the actions they can take to reduce their carbon footprint, to develop their own business specific projects as well as creating greater climate awareness at a local business level. The programme was accredited by the Carbon Literacy Trust in June 2023 and is being rolled out across the wider group via the learning and development team and the Sustainability Champions forum.



Engaging our people to take action against climate change through Sustainability Champions

The Group has launched its first all-colleague sustainability forum to drive engagement and elevate action to address climate change challenges across Ardonagh's global businesses. The forum will enable colleagues to engage with each other on projects and issues relating to protecting the environment as well as encouraging wider uptake for our Carbon Literacy Training Programme. Forum members can advocate for actions to be taken within the business to protect the environment as well as working to educate colleagues on environmental issues across the Group.

Risk management and underwriting

- **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**

Expertise in risk management is central to the success of our business and to the delivery of financial stability for our stakeholders. As such, the ability to identify and assess risks such as ESG issues within our portfolio and which arise because of our transactions is key.

Across Ardonagh, we have in place our Accountability, Risk & Compliance (ARC) Framework which sets out how we establish accountability for the management of businesses' ESG issues, how ESG risks are identified, assessed, managed, documented, and reported, and how compliance with ESG obligations is evidenced (including the principles contained within the Group's ESG Policy).

Within the ARC Framework, we also have the Group's Code of Conduct as well as other component frameworks such as Financial Crime and Sanctions and M&A, to ensure that as a Group of businesses, we continue to meet rigorous ethical standards.

We also consider ESG issues relevant to the business when acquiring companies as part of our due diligence process, and we abide by our investors' approach when considering potential ESG consequences of our company transactions.

- **Integrate ESG issues into risk management, underwriting and decision-making processes, including research, models, analytics, tools and metrics**

Ardonagh's diverse range of businesses are run by experts, drawing on years of expertise and research to inform decision-making processes around ESG risks. A consistent approach for ESG risks across the group businesses and functions is increasingly important and this is being addressed to assist us with better understanding of risks, consequences, and solutions.

Across the Group we are fortunate to be able to lean into market-leading expertise in matters of specialist underwriting for example. Our teams of specialists create market-



leading solutions, blending years of experience with the most recent research in their respective sectors. As such the Group's collective knowledge is continually evolving and the insurance solutions that derive from these innovations continue to keep pace with the rapidly evolving need to address ESG matters, e.g., providing cover for crises and catastrophes and developing economies.

This is well represented by work undertaken by Cooper Gay's specialist meteorological division, Meteo Protect. This business has supported positive agricultural outcomes for farmers across the world by providing insights using their specialist weather modelling tool, Vivaldi. This tool has provided information around the likelihood and circumstances of crop failures, helping to better inform the decisions of agricultural businesses around this key risk.

Product and service development

- **Develop products and services which reduce risk and have a positive impact on ESG issues and encourage better risk management**

As ESG risks and associated developments continue to grow around the world, so too does our desire to support those businesses which seek to address issues related to climate change.

Developing innovative solutions to address ESG issues

One such example includes work undertaken by the Energy team in Price Forbes, who recently designed and placed an insurance programme to cover the construction of North America's most technologically advanced re-refiner. The re-refiner will aim to create a sustainable circular model for oil. It is estimated that in the US about 1.4 billion gallons of used oil is available for re-use each year.

Much of the collected used oil is burned and contains a slew of chemicals that create harmful emissions when combusted. By re-refining used oil, these harmful emissions are avoided, and the used oil can be re-refined and recycled up to 5x during its life. This technology is pioneering, and the energy team were pivotal in underpinning the success of the project through the design of a comprehensive insurance programme that de-risked the construction project for its investors.

Across our businesses, we will continue to find ways to innovate and challenge the art of the possible when it comes to securing insurance solutions that have a positive impact on ESG issues.

- **Develop or support literacy programmes on risk, insurance and ESG issues**

We believe that education is key to creating a sustainable future for all. In addition to the Carbon Literacy Training programme, Ardonagh's registered charity – Ardonagh Community Trust (ACT) – runs its annual 'Bright Future Prize' to provide funding to



kickstart the dreams of future community leaders. We recently handed out four prizes of £10,000 each and offered mentoring opportunities to enable young people aged 13-19 to make a positive impact on their local community.

In the last 12 months, as part of the Bright Future Prize, ACT has supported neurodivergent teens gain confidence and friends, a school-based school uniform upcycling project which raised funds for the school's foodbank, an initiative to create wooden turbine blades and a project to help US pensioners combat loneliness through karate.

ACT also gives focus to our volunteering efforts and every year our employees can donate one day of their time and skills to their local communities. ACT also provides match funding, boosting the fundraising efforts of our people for the causes they care about, charity partnerships, as well as dedicated sustainability projects that aim to educate our stakeholders on the importance of sustainability for our group. On average we provide 15 grants of £5,000 each per quarter to community projects supported by our employees.

Sales and marketing

- **Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns**

Ardonagh's Code of Conduct sets the benchmark standard on how we treat our clients and customers across our businesses. Central to our approach is ensuring that our Group of businesses and our people put customers at the heart of what we do, by always:

- Acting in good faith towards customers.
 - Enabling and supporting customers to pursue their financial objectives.
 - Communicating with customers in ways which are clear, fair, and not misleading.
 - Paying due regard to the best interests of customers, including the needs of vulnerable customers or customers in vulnerable circumstances, and treating them fairly and professionally.
 - Ensuring that customers achieve good outcomes.
 - Avoiding foreseeable harm to customers.
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- **Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood**

Within Ardonagh's businesses, we continually work with our customers to understand their needs and how we can potentially improve, particularly to ensure that key messages, products, cover, service benefits and costs are clearly explained and understood. For example, Atlanta Group's groundbreaking 'Plain Numbers' initiative, which sought to simplify written communications to customers to ensure financial information was communicated clearly and fairly, was accredited by the social



enterprise, Plain Numbers. This work meant that customers who may have struggled with numerical literacy would be better able to make informed decisions around risk and supported greater accessibility and understanding of insurance.

Investment management

- **Integrate ESG issues into investment decision-making and ownership practices**

Ardonagh is an active acquirer of businesses globally, and as part of our future acquisition activity, we will be introducing ESG risk and opportunity identification into the diligence process. This mirrors what our private equity and private capital investors do when they make their investment decisions.

Principle 2

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions

Clients and suppliers

- **Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues**
- **Provide clients and suppliers with information and tools that may help them manage ESG issues**

In our everyday business practices, we engage with clients and suppliers about ESG issues as well as developing solutions that help to better manage ESG risks. For clients of Ardonagh Specialty for example, we provide innovative solutions to complex industry and market situations in the aviation and space sectors, as well as marine cargo, construction, and energy.

We have recently engaged with one of our platform suppliers to receive and share information on best practices around the documentation of Carbon use within the business and to discuss ways to further engage employees on sustainability issues.

We also hold conversations with our investors on ESG matters and progress on an annual basis. They have since shared their benchmarking of Ardonagh against other companies in their portfolio, and use information published in our [Sustainability Report](#) to highlight our work with other businesses they invest in.

- **Integrate ESG issues into tender and selection processes for suppliers**
- **Encourage clients and suppliers to disclose ESG issues and to use relevant disclosure or reporting frameworks.**

As part of our procurement process checks, potential suppliers are asked to complete a questionnaire on key sustainability aspects as well as their stance on corporate responsibility (CR). When engaged, new suppliers are asked to sign a supplier code of conduct and their contracts contain a standard responsibility clause. Furthermore, there is a set of CR supplier KPIs to monitor progress in this area. Data reporting requirements are also built into contracts where appropriate, so that in turn we can report our impacts as accurately as possible.



Insurers, reinsurers and intermediaries

- **Promote the adoption of the Principles; and, Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry**

As an industry leader we promote the adoption of the UN Principles of Sustainable Insurance in our collaborations with our stakeholders, our regulator, and our sector peers and partners. We are collaborating with industry peers, sharing progress and developments and are in early talks on research and specific projects of importance to the industry.

Within the Ardonagh Group we have been active in tackling some of the inherent challenges across our industry profession with the commencement of our Women in Leadership programme. The programme is attended by senior women from across the advisory business segment and management is continuing to develop and grow the programme to support development of women leaders. Furthermore, Diversity and Inclusion forums have been set up across the Group which is being supported by an e-learning module accessible to all.

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.

Governments, regulators and other policymakers

- **Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues**
- **Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions**

The Group contributes to regulatory consultations with its principal regulators formally, through public consultations, and also informally and privately through its established and positive relationships with those regulators. For example, in 2023, the Group CRO function contributed to FCA Internal Working Groups on 'Multi-Occupancy Building Insurance' prior to the issuance of enhanced regulations to improve the operation of the insurance market for leaseholders of high-rise apartment buildings. This included the Group Risk and Compliance Director being part of an industry working party on the establishment of new regulation, and also reviewing industry information requests prior to publication.

We will continue to collaborate across the Group where possible to comment on regulator proposals and encourage innovative and industry leading thinking and to maintain standards of integrity in the workplace.

Through our reporting and our internal and external media presence we are highlighting ways that our stakeholders can become more sustainability aware and active.

Principle 4

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles

- **Assess, measure and monitor the company's progress in managing ESG issues and proactively and regularly disclose this information publicly**
- **Participate in relevant disclosure or reporting frameworks**
- **Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles**

The Ardonagh annual report and accounts contain pertinent information relating to our sustainability initiatives including reporting under our ESG charter and five sustainability pillars. We use reporting frameworks to encourage disclosures that are sustainable and transparent and have adopted the following in our annual reporting efforts; Task Force on Climate-related Financial Disclosures (TCFD), Modern Slavery Act Statement and Gender Pay Gap reporting, as well as applying the Wates Governance Principles to the Ardonagh Governance Framework.

The SASB materiality map and framework underpins our ESG Charter and the reporting elements for our sustainability initiatives. The diverse nature of Ardonagh's businesses, means it straddles both the insurance sector framework and the professional services framework. These frameworks have also helped inform our thinking around assessing the ESG matters that are most material to The Ardonagh Group as well as our ESG strategies.

We have been assessing, monitoring and proactively reporting on progress of our sustainability initiatives and management of ESG issues for the past two years. Our sustainability and ESG reporting has grown in scope with the inclusion of TCFD and GHG emissions calculations and initiatives for their reduction. Ardonagh is supportive of, and committed to, meeting the 2050 Net Zero target, however, following the significant number of acquisitions completed in 2023, (more than 60), the Group Board has determined that a review of Group targets will be necessary in 2024. GHG emissions under scopes 1, 2 and 3 are currently reported on a quarterly basis. A full climate risk and opportunities assessment (materiality matrix and risk mitigants) has recently been completed for the Group and this will be reported on in our annual report in early 2024 as part of our compliance with UK CFD reporting requirements.

John Tiner CBE

Chairman of the Board of the Ardonagh Group



Supplementary information and documents

Find out more about Ardonagh and its approach to sustainability

- [*About Ardonagh*](#)
- [*Life at Ardonagh*](#)
- [*Ardonagh Community Trust \(ACT\)*](#)
- [*Sustainability at Ardonagh*](#)
- [*The Ardonagh Group Sustainability Report 2022*](#)