



# Reinsuring today, Ready for tomorrow.

**Conduit Holdings Limited**

ESG Report 2024



**CONDUIT RE**

# Timeline

2024

## Year end 2024

Staff members

 65

Gross premiums written

\$1,162.4m

- Insurance sustainability training offered to all staff
- Record number of interns hosted
- Our first permanent hire after internship
- Second university scholarship provided to local student
- Organised volunteer opportunities for staff
- Hosted Gala of Giving
- Organised our first Charity impact day, enhancing local charity's facilities
- New ISSB aware ClimateWise disclosures made

2023

## Year end 2023

Staff members

 59

Gross premiums written

\$931.4m

- Published our inaugural ESG Report and ClimateWise reports
- Enhanced Conduit Parental Leave Policy
- Started weekly volunteering with Meals on Wheels
- Launched volunteer days
- Organised our first park clean up
- Completed an enhanced ESG materiality assessment
- Supported the Gala of Giving
- Launched interest free green loans for eligible staff
- Sponsored Bermuda Climate Summit

2022

## Year end 2022

Staff members

 54

Gross premiums written

\$622.5m

- First carbon emissions disclosure
- Purchased carbon credits for our first five years of estimated operations
- Expanded Chief Risk Officer's role to encompass sustainability. Supporting team member hired
- Became a member of the UNEP FI Principles for Sustainable Insurance
- Completed our first ESG materiality assessment
- Became a Beyond Plastics Champion

2021

## Year end 2021

Staff members

 54

Gross premiums written

\$622.5m

- Established the ESG Committee, Climate Working Group and the Conduit Foundation
- Joined Sustainable Markets Initiative

*Gross premiums written since 2022 exclude reinstatement premiums to ensure consistency with the IFRS 17 view of revenue*



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## Reflecting on 2024



Conduit's expertise in assessing, managing, and distributing risk allows us to strengthen resilience against perils, safeguarding the economy, nature and communities for future generations.



### Trevor Carvey

Chief Executive Officer



Trevor Carvey, CEO

## Environment



As we continue to be committed to driving meaningful change, we provide investors and partners with insights to make informed decisions and support our long-term sustainability ambitions. Our ClimateWise report is now aligned to ISSB and other reporting guidelines. This strengthens the quality and transparency of our climate disclosures.



### Andrew Smith

Chief Risk and Sustainability Officer



Andrew Smith, CRSO



## Social



Conduit is dedicated to the long-term sustainability of our business and island by encouraging employee engagement in community service, volunteering, and fundraising. We empower our team through continuous learning, offering the resources and support needed for professional growth and success.



### Heather Mello

Head of HR



Heather Mello, HR

## Governance



Robust corporate and risk governance ensure Conduit remains accountable and well prepared for future developments while maximising its positive impact on both people and the planet today.



### Neil Eckert

Executive Chairman



Neil Eckert, EC

# Foreword by Lord Soames

## ESG Committee Chair

As I reflect on the work of the ESG Committee over the past year, the exceptional commitment of the Conduit team to positively impact its stakeholders is clearly evident. A standout highlight was the Gala of Giving, organised by Conduit and supported by many other companies across the Bermuda community, that raised over \$430,000. This built on the success of the 2023 event and means that, in aggregate, more than \$775,000 of support has been provided to the selected local charities over the two years.

The 13 charities supported by the Gala of Giving this year are all charities also supported by the Conduit Foundation, of which I am proud to serve as Chair of the Protector Committee. Overall, the Foundation has provided financial support to 27 Bermuda charities during 2024, while the Conduit Re team have also supported numerous causes by donating their time, including corporately coordinated input to Meals on Wheels, Relay for Life, Waterstart, Keep Bermuda Beautiful and the Bermuda Youth Climate Summit.

Engagement with the community goes beyond charitable giving, however, with arguably the greatest contribution to Conduit's local community is through its employees and future talent. 2024 was again a record in terms of the number of interns Conduit hosted and students supported through scholarships. An important achievement too was in the progression from intern to employee for one of the returning 2023 interns. Micah Cook interned with the risk team in 2023, returned as an intern with the underwriting team in 2024 and has subsequently accepted a position as an underwriting assistant. More broadly, Conduit continued to support its employees through an inflation-focused cost of living allowance for 2024 and a green loan policy that supports investment in solar power or electric vehicles.

As my exposure to the reinsurance community has increased, I have a heightened awareness of the vital role of reinsurance in addressing the environmental and social risks associated with climate change. While much of the discussion at the ESG Committee is focused on transparency and good governance, I'm always impressed by the knowledge and passion in discussions around emerging practices, projects and financial service

solutions to far reaching issues. I can see that starting from Neil and Trevor, but permeating right through Conduit, there is a true desire to be a responsible and forward-looking company on all of these issues.

Transparency on ESG topics is very much part of demonstrating commitment and good governance to a wide range of stakeholders. I'm delighted that Conduit continues to enhance its public reporting on ESG topics. Beyond the specific requirements of Taskforce on Climate-Related Financial Disclosures (TCFD), Conduit has embraced the evolution of the ClimateWise reporting framework which is now designed to address the best emerging practices in the field. These efforts have been recognised by ClimateWise, with Conduit moving now into the top ten in their ranking of (re)insurance sector companies, alongside some much larger global peers, in terms of quality of disclosures.

I commend Conduit's continued commitment to being a sustainable and responsible company and wish the team continued success into 2025.

### Lord Soames

ESG Committee Chair, 18 February 2025

**“Strong community engagement continued throughout 2024 and reflects Conduit's ongoing commitment to being a responsible company.”**

**The Rt Hon. Lord Soames of Fletching**  
ESG Committee Chair





# Introduction by our CEO

By its nature, insurance is about protecting communities, businesses and individuals from the economic uncertainty associated with unexpected events, with many drivers of loss having environmental, social or governance dimensions.

Collectively, in 2024 the (re)insurance industry incurred over \$140 billion in losses for catastrophes alone, something that, without insurance, communities and governments would bear the cost. The challenge, however, is that the industry incurred losses are far lower than the full economic loss, highlighting the protection gap.

As an industry, our core expertise lies in assessing, managing, and distributing risk. Closing this protection gap remains one of the most impactful ways we can support communities globally in the face of identified risks, while also delivering risk-adjusted returns for our shareholders.

Equally important is the role our industry plays in engaging with policymakers to encourage reforms that ensure risks remain insurable. While progress has been made in this area, there is still much work to be done to safeguard the future resilience of communities and businesses.

Our team at Conduit plays its part in growing our industry and collaborating on industry proposals and discussions, but equally, as a team we also have a focus on what we can do in our own local community in Bermuda.

For example, following the success of last year's event, my deputy and our COO, Stuart Quinlan, along with members of our team, organised the second annual Gala of Giving. This event brought together Bermuda's business community to raise critical funds for local charities, raising over \$430,000 this year and an impressive \$775,000 in total over the past two years.

In addition, the Conduit Foundation donated over \$430,000 to local charities while our staff donated over 830 hours of their skills and time. This is inclusive of a corporate charity day, a first for Conduit, which we plan to repeat as the company continues to explore new and effective ways to support the local community.

“Conduit’s expertise in assessing, managing, and distributing risk allows us to strengthen society’s resilience against perils, safeguarding the economy, nature and communities for future generations.”

**Trevor Carvey**  
CEO



As we enter our fifth year as a company, I am proud of what we have achieved so far. We committed to being a responsible company and I hope that you find this ESG Report confirms that we are living up to that commitment.

**Trevor Carvey**  
Chief Executive Officer

# About Conduit Re and our approach to ESG





**Reinsurance revenue for 2024**

\$813.7m

**Number of staff as at 31 December 2024**

65

**External pledges committed to**

SMI Supply Chain Pledge  
Beyond Plastics Champion,  
Bermuda

**Gender of our Executives and their direct reports**

Female to male ratio 9:16

**Total donations made by the Conduit Foundation in 2024 (excludes Gala of Giving)**

Over \$430k

**Our vision**

Our vision is for Conduit Re to be a reinsurance business with a global reach to deliver sustainable long-term returns through the market cycle.

**What we do**

Conduit Re offers a broad range of traditional and tailored proportional and excess of loss reinsurance solutions to our clients on a worldwide or region-specific basis within our Property, Casualty and Specialty portfolios.

 **Property**

 **Casualty**

 **Specialty**

**We are...**

- a multi-line reinsurer in a single location in Bermuda.
- a business with no conflicts of interest with our cedants.
- client, geography and product neutral.

We enable fast, flexible and informed decision-making.

**We use...**

- an open culture where knowledge transfer is facilitated and collaborative challenge is encouraged.
- modern, modular technology to provide enhanced portfolio insight.

We create a diverse, inclusive and engaging working environment.

**We embrace...**

- a broad view to exploring solutions in ever-changing market conditions, unhindered by legacy systems and issues.
- an integrated approach to ESG, building this into our operations, underwriting and investment activities.

We aim to deliver long-term sustainable benefits for our stakeholders.

**Our key resources**

**People and talent**

Our people, with their skills and expertise, are critical to the success of the business.

**Technology**

We have invested in the latest technology to improve the business continuously.

**Financial capital**

We are a well-capitalised business to help support our market-driven strategy.

**Underpinned by our culture**

01. Transparent

02. Collaborative

03. Responsible

04. Enabled

05. Forward-thinking

## What we do

As a reinsurer, Conduit Re deploys its capital to provide protection to policyholders (other (re)insurance companies) from a range of natural and man-made risks to generate a financial return for its shareholders.

By its nature, the (re)insurance industry is inherently exposed to climate-related risk through the potential for increased frequency and severity of climate-related claims.

Socioeconomic factors are very much interrelated with climate change, influencing how events impact the insured and the effectiveness of the insurance markets overall.

The underwriting of risk is our core business and the interplay between climate and societal factors has an impact across all our lines of business: Property, Casualty, Specialty, as well as on our investment portfolio, our people and our operations.

We fundamentally believe that sound ESG principles promote better business, culture, risk management, innovation, and sustainable outperformance.

### Maximising our impact

Conduit Re seeks to be a responsible company. Our approach to ESG is focused on maximising the positive impact we can have, while minimising the negative impact. We do this recognising that we are a relatively small, treaty focused reinsurer; hence, several steps removed from the underlying business activities we reinsure, and with a modest

number of employees. The challenge is how to have outsized positive impact.

Steps that we take in our day-to-day operations have a direct, immediate, and tangible impact on our people and our local environment. Similarly, the activities of the Conduit Foundation allow immediate support to be provided for aligned causes. Arguably, action taken to support ESG principles in our underwriting and investments will, in the longer term, have the greatest impact, but here we believe that action needs to be taken at industry level and across industries. In these areas we act individually, through our guidelines and policies, and collectively through collaboration within industry groups, with our supply chain, and through wider engagement.

Our view is that corporate transparency is an important component of supporting environmental and social progression. Transparency allows for stakeholders to make informed decisions and limit the effectiveness of 'greenwashing' and 'social impact washing'.

This ESG Report seeks to articulate what we believe and what we do. We are not afraid to lead when we need to lead, while also not spreading our efforts too thin to be impactful. We prioritise our efforts to achieve impact in what we do.

The organisational boundary for this report is Conduit Holdings Limited and all of its subsidiaries. All subsidiaries are wholly controlled. All activities fully consolidated for financial reporting purposes are covered.





## Key achievements in 2024

### Insurance sustainability training

This year, we partnered with Better Insurance Network to make their Sustainability for Insurers e-learning course available for all Conduit employees. This CPD certified course provides insurance professionals with a strong foundation in sustainability, helping them understand its implications for our business, clients, and everyday responsibilities.

Our goal is for every Conduit employee to integrate sustainability into their roles and act responsibly. To achieve this, we believe it's essential for each employee to have a clear understanding of what sustainability means for the company and the actions they can take to contribute to our collective responsibility. We are confident that this training equips our team with the knowledge and tools necessary to drive meaningful, sustainable change.

### Employee engagement

In 2024, we continued to provide staff Company-organised opportunities to engage with and support local Bermuda charities, communities and natural environments. This includes an organised coastal clean-up to support World Earth Day. In May, we held our first charity day, where staff donated their time and skills to enhance the facilities at a local environmental charity, Waterstart.

### Volunteering

In 2024, our staff donated more than 830 hours of their time to charitable causes. Every Friday, since January 2023, two staff members have volunteered with Meals on Wheels to deliver hot meals to the homes of those less mobile in our community. This is organised with a rota and each employee is encouraged to register. In addition to this, staff are each allocated one day of paid time off each year to participate in a volunteer programme or fundraising initiative of their choice. This is alongside volunteering opportunities Conduit participates in, such as Relay for Life and the Bermuda Youth Climate Summit.



Conduit staff attending our 2024 Charity Impact Day

### Future talent

2024 was again a record year in terms of the number of students supported through internships and scholarships. We hosted nine interns this year and are currently supporting two university students with scholarships. An important achievement was in the progression from intern to full time employee for one of the returning 2023 interns. In 2023 and 2024, a business student interned with both the risk and underwriting teams respectively. Following their graduation, they have accepted a full-time position as an Underwriting Assistant with us.



### Gala of Giving

This year, Conduit organised the second Gala of Giving event, which raised over \$430,000 for 13 island charities. The charities were nominated by Conduit's staff to be supported. With 32 hosts and 350 guests, Conduit brought the business community together who generously contributed auction prizes, and individual attendees raised more than \$185,000. Over two years, the Galas have collectively raised more than \$775,000.

## Our ambitions and commitments

In our inaugural 2022 ESG Report we disclosed the ESG related ambitions and commitments for Conduit Re. Our commitments are carefully selected, and we seek to be transparent in that selection<sup>1</sup>. These remain unchanged since 2022, so here we provide an update on actions associated with each commitment.

When it comes to commitments, our preference is to focus on what we do today rather than making commitments that focus on what we will do at some point in the future. As a small, nimble company, with our workforce located primarily on one floor of a single office, we use commitments to affirm and communicate the actions we are taking now or in the immediate future.

Our ambitions include:

- positively impacting our identified stakeholders
- supporting the transition to a sustainable world
- minimising our negative impact on the environment

In seeking to achieve our ambitions, our commitments fall into three broad groups:

- transparency
- supporting our wider stakeholders in light of climate change and societal issues
- and minimising our negative impact on the environment

### Commitment 1: Transparency

ClimateWise – We use the ClimateWise framework to support our TCFD<sup>2</sup> reporting and publish a standalone ClimateWise report.

Following the release of recent international regulatory requirements, in 2024, ClimateWise revised its guidance and launched a new set of principles for members to report on. ClimateWise score the quality of reporting against their framework and earlier this year we submitted a private disclosure to ClimateWise using their new principles for feedback.

We are pleased to report we received a significant increase in our score, testament to our commitment to transparency for all stakeholders.

Our latest report is available for review on our website and will be scored by ClimateWise later this year.

In 2024, our CSO, Andrew Smith, joined the ClimateWise Managing Committee demonstrating Conduit's commitment to strengthening partnerships to foster change within the industry.

UN Principles for Sustainable Insurance (“UNPSI”) – We have reported our progress on implementing the Principles. For more details on the UNPSI, please refer to Appendix 1.

Assurance: This year KPMG, our external auditors, again performed limited assurance procedures over Scope 1, 2 and select Scope 3 (business travel including flights and hotels; and employee commuting) greenhouse gas emissions disclosures. We believe engaging with third party reviewers enhances the credibility of our disclosures and demonstrates our commitment to transparency.

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<sup>1</sup> Included in our 2022 Report are details on how we selected these commitments, and why certain other commitments have not been made at this time.

<sup>2</sup> The Task Force on Climate-Related Financial Disclosures (TCFD) was convened by the G20 established Financial Stability Board in December

2015 to improve the quality, quantity and consistency of climate-related disclosures. To achieve this, it developed a reporting framework which consists of a number of recommendations structured into four pillars: governance, strategy, risk, and metrics and targets. Refer to appendix 5 for our TCFD disclosure table.

## About Conduit Re and our approach to ESG (continued)

### **Commitment 2: Support our wider stakeholders in light of climate change and societal issues**

Our core business – Underwriting is the core of what we do and in 2024 our ‘Green Revenue’, which is reinsurance revenue associated with providing protection against natural perils and for protecting renewable technology, increased by 44% to \$294.8m from \$204.6 million in 2023.

Conduit Foundation – The Conduit Foundation was established to support local causes in Bermuda aligned with our priorities and the UN Sustainable Development Goals. Conduit has committed to providing funding to the Foundation each year. For more details on what the Foundation achieved this year, please refer to page 43

Volunteer allowance – To allow our employees to have a greater impact on local societal and environmental issues, each employee has been provided a volunteer allowance of one day per year.

In 2024, our staff donated more than 830 hours of time to charitable causes.

Scholarships and Internships – We have committed to hiring local students through our summer internship program, and are currently supporting two Bermudians with university scholarships.

Supply chain pledge – Consistent with our obligations under the Principles for Sustainable Insurance, we are an inaugural signatory to the Sustainable Markets Initiative: Insurance Taskforce - Global Supply Chain Pledge. This initiative is focused on encouraging and supporting those in our supply chain on their journey to reduce carbon emissions. As part of this pledge, we have calculated our share of suppliers’ emissions since 2022 and work collectively with our suppliers, as part of the SMI and other organisations we are members of, detailed below, to support the transition to a sustainable economy.

For more details on how we are demonstrating our commitment to supporting our wider stakeholders in light of climate change and societal issues, please refer to the Social section of this report.

### **Commitment 3: Minimise our negative impact on the environment**

Carbon neutrality - We have committed to being carbon neutral in our operations. This involves minimising the carbon emissions we are responsible for and offsetting those that we cannot, using high quality offsets. We recognise there is more work to do from a wider supply chain, underwriting and investments perspective. We are currently directionally controlling this via our policies and guidelines which are under continuous review.

Single use plastic avoidance - Conduit is a Beyond Plastics Bermuda Champion: we seek to avoid the use of single use plastics in the office. As part of this commitment, in July 2024, the Climate Working Group encouraged staff to participate in Plastic Free July for the second year, by providing prizes to employees with the lowest use of plastic.

For more details on how we are demonstrating our commitment to minimising our negative impact on the environment, please refer to the [Environment](#) section of this report.





## Our wider engagement

Conduit Re also benefits from, and supports, the work of industry bodies and other not-for-profit organisations in both our industry and the wider community. We engage with these organisations on ESG matters alongside other topics:

Further details of our interactions and involvement with each group can be found in [Appendix 1](#).

### Specialist environment focused groups

We are actively engaged in these groups as members. Notably, our Chairman, Neil Eckert, played a pivotal role in the convening of the Sustainable Markets Initiative, Insurance Taskforce. This initiative now includes several workstreams that drive coordinated industry efforts, fostering collective progress and support. Its goal is to accelerate the pace of industry transitions towards a more resilient and sustainable future, putting nature, people and planet at the heart of global value creation.



**Sustainable Markets Initiative**



### Industry groups

These groups coordinate industry responses to regulatory and governmental consultations on matters including those associated with climate change, while also providing an information sharing forum to support appropriate collaboration. An example is the Association of Bermuda Insurers and Reinsurers, where our Chief Risk and Sustainability Officer is an active participant on climate-related matters.



### Other local not-for-profit organisations

These organisations bring together those with common interests. For example, this may be in relation to the advancement of youth from diverse backgrounds, supporting environmental causes, or supporting Bermuda as a jurisdiction of choice. An example is the Bermuda Foundation for Insurance Studies, through which we have provided internship opportunities in addition to interns we have hired directly.



## Stakeholder engagement and ESG materiality assessment

As stated, our ambition is to be a responsible company that focuses on the long-term benefit of all our stakeholders. To achieve this, we engage with our stakeholders to better understand their interests and needs. Examples of our engagement are provided in the Section 172 Statement in our Annual Report and Accounts, available on our [website](#).

As a reinsurer, we need to adopt a nuanced and adaptive approach given our distinctive position at the forefront of climate risk. In the face of these challenges, we are proactively increasing our efforts to integrate climate change considerations into strategic decision-making. This involves robust initiatives in risk management, exposure management and pricing structures.

Risk exposures and impacts on Conduit Re can evolve and change over time. Our materiality assessment therefore is regularly repeated and based on both current and forward-looking exposures. Completion considers the current status and potential future changes in the business model, strategy and external factors and considered all physical and transition risk drivers.

In 2022, we conducted our first materiality assessment. In 2023, this was expanded on and we undertook a more in-depth materiality assessment which is discussed in this section of our ESG Report. In 2024, the output of the materiality assessment was reviewed, and it was concluded that no changes were required.

The 2023 assessment was conducted independently by the H/Advisors Sustain team, who are ESG and sustainability strategy development and communications specialists. They included a wider group of stakeholders to better understand what is important to them and what they believe has the greatest impact on the Company. These insights help guide our sustainability strategy.

We selected representatives from our investor community, local organisations in Bermuda, Board members, Executives, and staff, to be interviewed by H/Advisors. Together, they assessed our most

material topics under the banners of Environment, Social and Governance, guided by the GRI framework and ISSB.

There was a consensus amongst interviewees that, from an environmental standpoint, both physical and transition climate risk are important topics for Conduit. They understood that natural capital, while not an immediate short-term risk when compared to increased frequency of natural disasters, will likely grow in importance as a topic over the medium to long-term. As expected, the management of capital with regards to climate change was seen as both very important and having a high impact on the Company. Accordingly, stakeholders are interested in our exposure to climate change and natural disasters.

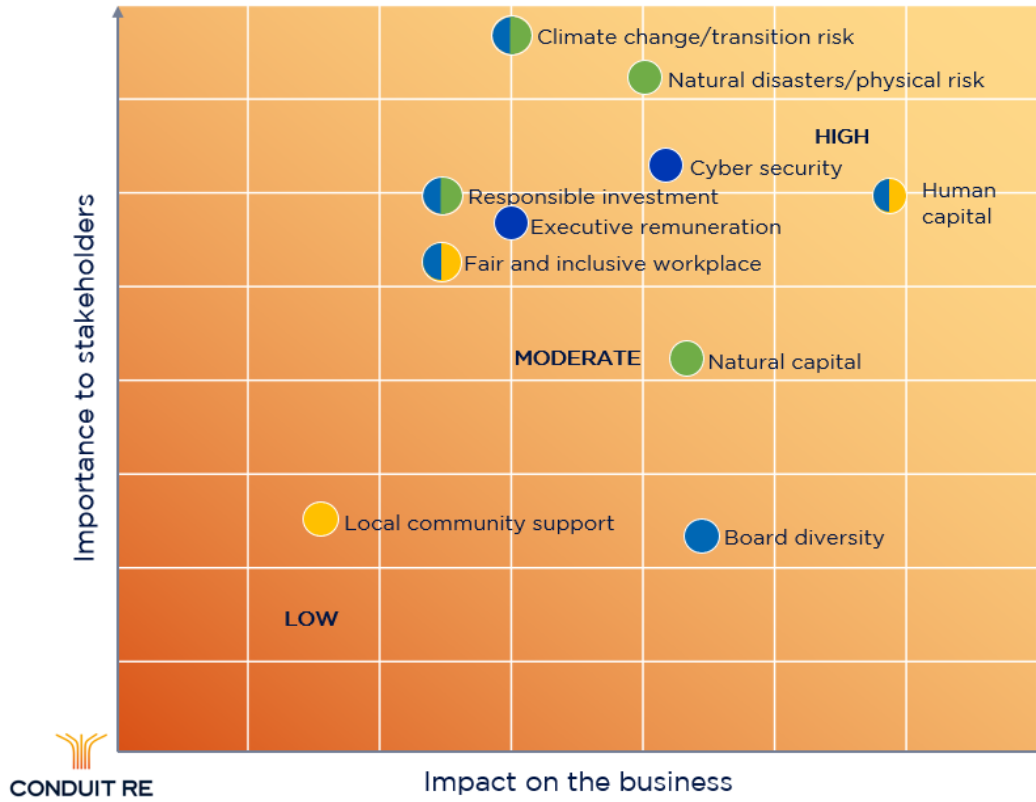
From a social perspective, interviewees noted that human capital and employee skills are important to the Company's success, and achieving a fair and inclusive workplace was highly valued by internal stakeholders. Our relatively high portion of female employees and Board members impressed participants, noting this stood out among other (re)insurance companies. Interviewees noted that local community support has always been key to Conduit, with respondents pleased with the Conduit Foundation's achievements to date. It was also noted that the (re)insurance community in Bermuda is seen as an enabler for change, having a positive impact on the local community.

With regards to Governance, the investor community reiterated that capital management was of high importance to them, in addition to executive remuneration. Cyber security was noted as an area of growing interest with regards to the impact on the Company from both an underwriting and operational perspective. Board diversity continued to be noted as having a large impact on the Company, with many discussing the positive impact of Conduit appointing an additional female Non-Executive Director in 2023.

The materiality matrix is presented on the following page which was reviewed and approved by the Board. The outputs continue to be used to inform our strategy and reviewed on a regular basis.

### 2024 ESG Materiality Matrix

- Key
- Environmental
  - Social
  - Governance





# Environment



# Environment key facts and figures

## Total carbon offsets purchased

3,600tCO<sub>2</sub>e

(Purchased and retired in 2021 notionally being drawn upon to offset current emissions)

## Committed to being

Net Zero<sup>3</sup>

“As we continue to be committed to driving meaningful change, we provide investors and partners with insights to make informed decisions and support our long-term sustainability ambitions. Our ClimateWise Report is now aligned to ISSB and other reporting guidelines. This strengthens the quality and transparency of our climate disclosures.”

**Andrew Smith**

Chief Risk & Sustainability Officer



Andrew Smith, CRSO

## Carbon offset projects carefully selected and supported

4<sup>4</sup>

## Reinsurance revenue sourced from fellow Principles for Sustainable Insurance signatories<sup>5</sup>

36% (2023:31%)<sup>6</sup>

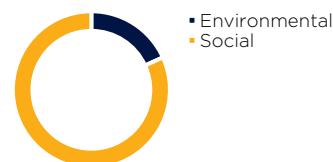
## Reinsurance revenue we classify as ‘green revenue’<sup>7</sup>

\$294.8m (2023: \$204.6m)

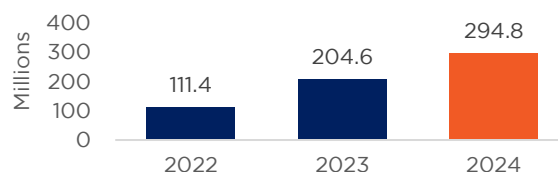
## Total cumulative CO<sub>2</sub>e emissions from Conduit Re’s operations since its establishment (market based)<sup>8</sup>

1,542tCO<sub>2</sub>e

## 20% of charitable donations made to environmentally focused charities



## Green revenue increased by 44% from 2023



<sup>3</sup> As defined when we first disclosed our carbon emissions in our 2021 Annual Report and Accounts, comprising Scope 1 and Scope 2 emissions plus business travel and employee commuting.

<sup>4</sup> Details on these projects can be found in our 2022 ESG Report.

<sup>5</sup> Signatories is based on details on the [PSI website](#) on 3 February 2025.

<sup>6</sup> Note the 2022 figure has been revised from our 2022 ESG Report to reflect calculation using Reinsurance revenue rather than Gross premiums written.

<sup>7</sup> We have classified this as business primarily focused on protection from natural perils and business protecting renewables, using our cat pricing loss ratios as one of the inputs. Our definition may change over time. Note the 2022 figure has been revised from our 2022 ESG Report to reflect using Reinsurance revenue under IFRS 17 rather than Gross premiums written under IFRS 4.

<sup>8</sup> Scope 1, Scope 2 and certain Scope 3 emissions including business travel and employee commuting.



# Our Environmental priorities

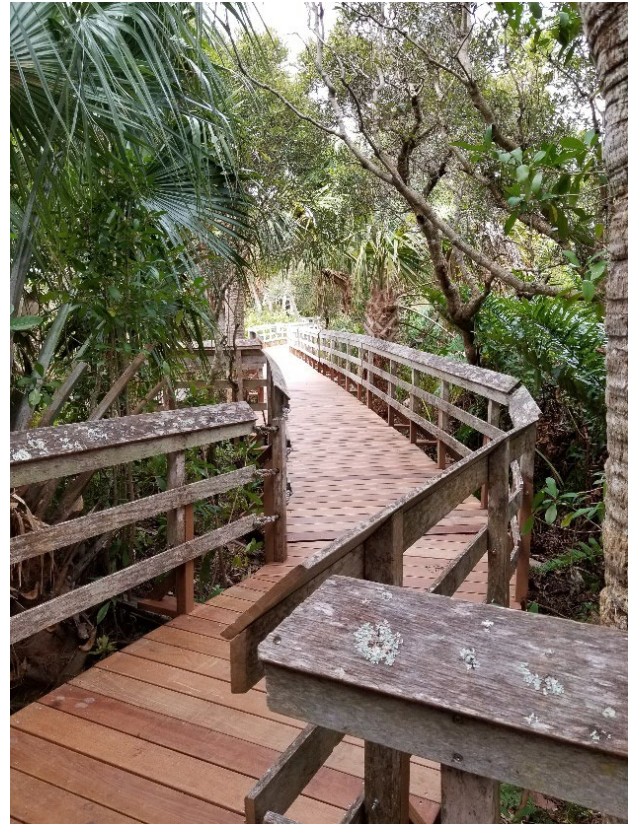
Our overall environmental goal is to support the transition to a more sustainable planet while supporting (re)insurance markets to provide protection to those exposed to the effects of climate change.

## Priority 1: Provide protection against the impact of climate change

As a reinsurer, Conduit Re deploys its capital to provide protection to policyholders (other (re)insurance companies) against a wide range of natural and man-made risks, to generate a financial return for its shareholders. As an industry, we play a critical role in mitigating the financial impact of natural disasters, such as hurricanes, tornadoes, floods, earthquakes and wildfires, many of which are increasingly being linked to climate change. By doing so, we contribute to reducing the protection gap. Given the inherent exposure of the (re)insurance industry to climate-related risk – due to the rising frequency and severity of climate-related claims – it is in our commercial interest to support initiatives that either slow or reverse climate change and/or protect against its effects.

Our first environmental priority is therefore to provide protection against the impact of climate change, both directly and indirectly. As a company we must do this in a way that is sustainable and compatible with the interests of our investors and in accordance with our risk appetite.

While many classes of business are exposed to climate change (see our Annual Report and Accounts and ClimateWise Report for details of how we manage our exposure to climate risk) the most direct link is to property catastrophe business. As part of the growth of a balanced portfolio we expect to grow our premiums related to property catastrophe business at a time when some peers are shying away from it. From both commercial and societal perspectives, we see value in providing protection for natural catastrophe.



*Conduit provided financial assistance towards new infrastructure at Paget Marsh which supports the health of endemic species and provides controlled access for the public*

Our applicable metrics are:

- Reinsurance revenue in relation to what we classify as being ‘green revenue’<sup>9</sup>;
- Proportion of business ceded to us by cedants who are signatories to the UN Principles for Sustainable Insurance.

<sup>9</sup> In our 2022 ESG Report this was included as “Gross premiums written in relation to what we classify as being ‘green revenue’”. In 2023, we revised our metric to be related to Reinsurance revenue rather than Gross premiums written, in line with Conduit Re’s implementation of IFRS17 in

2023. We have classified this as business primarily focused on protection from natural perils and business protecting renewables, using our cat pricing loss ratios as one of the inputs. Our definition may change over time.



## Environment (continued)

### Priority 2: Protect the environment

We seek to protect the environment from climate change and biodiversity loss.

We seek to drive change through participating in industry debate and collaborating with others in the reinsurance industry. Context is important, and as a relatively small treaty reinsurer, remote from the underlying insurance contracts, our greatest impact is not through simply excluding classes of business but by taking steps in those areas where we believe we can have a positive impact.

The area where we have the greatest immediate control over our environmental impact is in our own operations. In 2024, our Climate Working Group continued to initiate a number of employee engagement initiatives to support our people to make environmentally positive decisions throughout each area of the business.

Our investment portfolio is selected with the application of ESG factors and all investment managers are signatories to The United Nations Principles of Responsible Investments (“PRI”). Our investment guidelines make specific reference to restricting investments in companies with significant exposures to certain environmentally harmful sectors, as detailed in Appendix 2.

Similarly in underwriting, while we do not write any direct insurance of environmentally harmful practices, we continue to avoid or contain our exposures, while also recognising the needs of transitioning industries. See Appendix 2 for details of our ESG underwriting and investment guidelines.

Being based in Bermuda we care passionately for the beautiful island we call home. As a Beyond Plastic Champion, we have limited single-use plastic in common usage in the office. As mentioned, we also ran a Plastic Free July competition this year in our office to encourage staff to reduce their plastic consumption and find more sustainable alternatives long term. We sought to make the competition an educational programme, and throughout the month shared suggestions on how employees can reduce their plastic consumption in addition to the perils of plastic.



*Conduit volunteers at the GREAT BIG Bermuda Clean-Up clean*

In April, as part of our support for Earth Day, we participated in the Keep Bermuda Beautiful (“KBB”) GREAT BIG Bermuda Clean-Up at Admiralty House, Bermuda. A large proportion of staff participated and overall, KBB reported the island wide initiative, which had 1,300 volunteers, removed just under 30,000 pounds of litter and illegally-dumped bulk waste.

The Conduit Foundation has chosen to support local charities dedicated to protecting our environment from various perils, including climate change, pollution, and other risks. These charities also play a vital role in educating the community, particularly students, about the benefits and importance of our local environment and how to preserve it for future generations.

Our metric is:

- Number of environmental organisations supported (financially and/or through volunteering)

## Environment (continued)

### Emission reduction and carbon sequestration projects

Our first environmental goal was to be operationally carbon neutral. We have worked to minimise our carbon footprint through careful decision making and by purchasing offsets for the emissions we could not feasibly reduce.

Conduit Re's organisational design supports our commitment to being a low-carbon company. With our reinsurance operations based in a single location, we significantly reduce the need for business travel. Further, we made environmentally conscious choices in selecting our office building, implementing sustainable policies and choosing equipment that has helped keep our carbon footprint contained.

Our carbon neutrality metrics are<sup>10</sup>:

- Gross carbon emissions per employee
- Net carbon emissions

### Carbon emissions

We have included in the table below our estimated emissions for 2024 and 2023. We look to grow as sustainably as possible, with a focus on the average emissions per employee. For details on our methodology please refer to [Appendix 6](#).

Our gross carbon emissions per employee increased 35% from 2023. Emissions for air travel were calculated using the International Civil Aviation Authority (ICAO) Emission Calculator, consistent with 2023 data. Emission factors have changed, and flight classes are now divided into first, business, premium, and economy, leading to higher emission factors for long-haul business

flights. Our 2023 emissions calculated using these updated factors are (tCO<sub>2</sub>e): Business travel emissions: 423.5; Total Emissions (market based): 591.9; Gross emissions per employee: 10.3. Using this revised emission factor as our 2023 comparative base, our 2024 emissions per employee fell by 8% on a market basis.

### Carbon offsets and carbon neutrality

During 2022 we estimated our carbon emissions for the first five years of operation and carefully selected offsets to exceed this. We believe that carefully selected high quality carbon offsets, with direct investment into new, additional environmentally positive projects, are an important tool in the path to net zero, which also serve to achieve social benefits and reduce inequalities. Our emissions were based on the electricity supplied to our offices, business travel (transport and accommodation) and staff commuting.

In early 2022 we purchased and retired some 3,600 metric tonnes of carbon offsets. Each project supported was carefully selected and with our support for The United Nations Global Compact and Sustainable Development Goals in mind. Details on each project can be found in Appendix 10 of our 2022 ESG Report; they include:

- Reforestation of degraded forest reserves in the Ashanti Region, Ghana
- Luangwa Community Forest Project, Zambia
- Clean cooking programme, Nigeria
- Longuan wind power, South Africa.

### Carbon offsets purchased versus cumulative emissions 2020 - 2024 (tCO<sub>2</sub>e)



<sup>10</sup> As outlined in our 2021 Annual Report and Accounts, we define our carbon neutrality with regards to Scope 1 and Scope 2 emissions as well as emissions from business travel and employee commuting.

## Environment (continued)

### Interest free green loans for staff

When our landlord advised installing solar panels on our leased offices was not feasible, we rolled out interest free green loans for our staff. Introduced during 2023, the scheme has seen a good level of interest, with more than 10%<sup>11</sup> of staff having already been approved for a loan for use towards either an electric vehicle or solar panels. The cost of transition and lack of infrastructure often hinder progress towards reducing carbon emissions. By introducing the scheme, Conduit has lowered these barriers for our employees, while also supporting the reduction of heavy oil use and vehicle emissions.



While environmental considerations are an important driver, reducing the cost of living is another important consideration with the return on such investments in Bermuda being greater than elsewhere. The intention is that more employees take advantage of the opportunity in future.



In 2024, we added an additional floor of meeting rooms to our Bermuda office. While not a formal target, we anticipate that the emissions avoided through the green-loans initiative are greater than the additional Scope 2 emissions associated with the increased office space. Our plan is that in the longer-term avoided emissions will exceed our Scope 2 emissions.



*Staff member making use of Conduit's interest free green loans to purchase solar panels*

<sup>11</sup> Qualifying staff are all Bermuda-based, have completed a minimum term of employment and are achieving an expected level of performance.



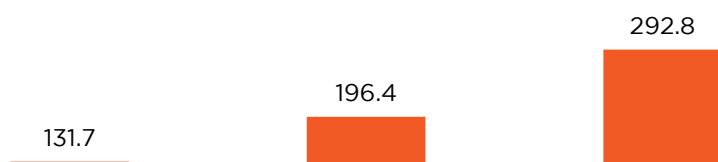
## Environment (continued)

### 2024 and 2023 key metrics

We have included in the table below a summary of our metrics for the year. More detail on these is also disclosed in our 2024 ClimateWise Report, available on our [website](#).

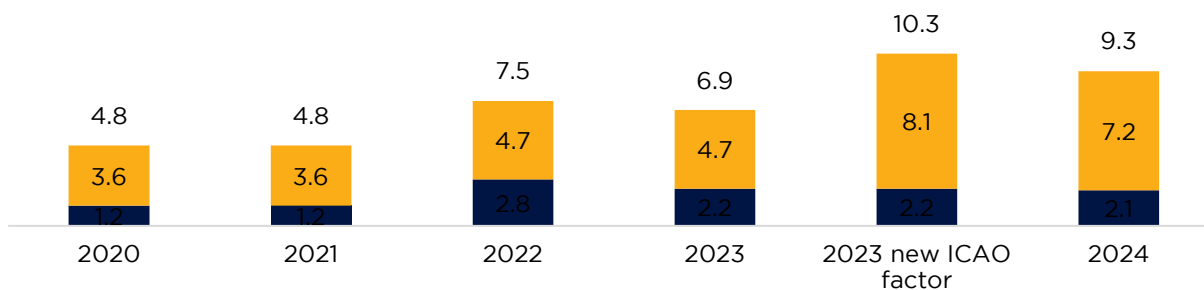
Metric	2024	2023	% change
Reinsurance revenue in relation to what we classify as being 'green revenue'	\$294.8m	\$204.6m	44%
Proportion of business ceded to signatories to the UN Principles for Sustainable Insurance	36%	31%	5pp
Gross carbon emissions per employee (market based) <sup>12</sup>	9.3 tCO <sub>2</sub> e	6.9 tCO <sub>2</sub> e	35%
Net carbon emissions <sup>13</sup>	Zero	Zero	-
Number of environmental organisations supported (financially and/or through volunteering)	4	4 <sup>14</sup>	0%

Reinsurance revenue assumed from PSI members increased 49% from 2023 (\$m)



CO<sub>2</sub>te per FTE over time (market basis)

■ Scope 2 per employee ■ Scope 3 per employee



<sup>12</sup> Refer to our carbon emissions table on the following page for the basis on which this is calculated. Emissions for air travel were calculated using the International Civil Aviation Authority (ICAO) Emission Calculator, consistent with 2023 data. Emission factors have changed, and flight classes are now divided into first, business, premium, and economy, leading to higher emission factors for long-haul business flights. Our 2023 emissions calculated using these updated factors are (tCO<sub>2</sub>e): Business travel emissions: 423.5; Total Emissions (market based): 591.9; Gross emissions per employee: 10.3.

<sup>13</sup> For the third consecutive year, since we embarked on underwriting in 2021, we have maintained our commitment to offset our Scope 1 and 2, as well as select Scope 3 emissions. We strategically choose our offsets, to ensure they meet high quality standards, such as projects that have received third-party verification on the completeness and accuracy of their project's asserted GHG emissions reduction, certified by Verra and/or VCS, or have an element of social impact.

<sup>14</sup> All four charities were supported by 'business as usual' charitable donations made by the Conduit Foundation and the Gala of Giving. One of these charities were further supported with a community impact day.

## Environment (continued)

### Greenhouse gas emissions 2024<sup>15</sup>

Emission type	Activity	Basis of measurement	2024		2023	
			Quantity	tCO <sub>2</sub> e	Quantity	tCO <sub>2</sub> e
<b>Scope 1</b>						
Direct	None				0	0
<b>Scope 2</b>						
Indirect energy	Electricity	kWh	205,240.1		175,186.9	
	Location based			152.4Δ		129.2Δ
	Market-based			135.2Δ		122.8Δ
<b>Scope 3</b>						
Indirect other	Business travel <sup>16</sup>	Kilometres	2,084,991	403.9Δ	1,951,215	227.5Δ
	Hotels <sup>17</sup>	Nights	515	27.7Δ	329	27.9Δ
	Staff commuting <sup>18</sup>	Kilometres	191,907.9	21.6Δ	187,749.9	17.7Δ
<b>Total gross emissions from our operations</b>						
	Location based			605.6Δ		402.3Δ
	Market based			588.4Δ		396.0Δ
	Carbon offset applied			(588.4)		(396.0)
<b>Net Carbon impact from operations</b>					<b>0</b>	<b>0</b>
<b>Gross emissions per average employee</b>						
	Average number of employees		63.5		57.6	
	Location based			9.5Δ		7.0Δ
	Market based			9.3Δ		6.9Δ
Gross emissions including our share of suppliers' emissions						
	Total gross emissions as per above market based			588.4Δ		396.0Δ
	Share of suppliers' emissions <sup>19</sup>			220.6		559.1
<b>Grand total</b>					<b>809.0</b>	<b>955.0</b>

<sup>15</sup> The totals presented here are consistent with those presented in the 2024 Annual Report and Accounts and reflect the underlying calculations.

<sup>16</sup> Emissions for air travel were calculated using the International Civil Aviation Authority (ICAO) Emission Calculator, consistent with 2023 data. Emission factors have changed, and flight classes are now divided into first, business, premium, and economy, leading to higher emission factors for long-haul business flights. Our 2023 emissions calculated using these updated factors are (tCO<sub>2</sub>e): Business travel emissions: 423.5; Total Emissions (market based): 591.9; Gross emissions per employee: 10.3.

<sup>17</sup> In 2024 the number of hotel nights increased, driven by an increase in headcount and the number of short-haul business trips taken by employees. The impact of this was offset slightly by our source, Cornell Hotel Sustainability Benchmarking, releasing updated emission factors in 2024 within which several locations used by employees had a reduced emission factor from their 2023 database.

<sup>18</sup> The increase in staff commuting emissions was driven by both an increase in headcount and a higher proportion of employees commuting by car rather than by moped.

<sup>19</sup> Previously, many of our suppliers disclosed their total emissions, and did not breakdown their Scope 1, 2 and 3 emissions. Now their reports are more advanced, suppliers are providing this breakdown. We have therefore updated our methodology for 2024, and restated the comparative for 2023, to include only emissions related to Scope 1 and 2 from suppliers, in line with PCAF's guidance. Where this is not provided, we continue to use total emissions.

Δ KPMG performed limited assurance procedures over these GHG disclosures. Their report is available in Appendix 7 of this report.

## Environmental charities supported by the Conduit Foundation



The Conduit Foundation supports the Bermuda College Foundation to provide training on electric vehicles as it supports the transition to less polluting vehicles. This is part of a five-year commitment for 2023 – 2027.

Years supported: 2024, 2024 (Gala of Giving<sup>20</sup>), 2023, 2023 (Gala of Giving)



The Bermuda National Trust works to protect our local environment. Conduit provided financial assistance towards new infrastructure at Paget Marsh which supports the health of endemic species and provides controlled access for the public.

Years supported: 2024, 2024 (Gala of Giving), 2023, 2023 (Gala of Giving), 2022



Waterstart promotes environmental awareness, and allows students to participate in woodland restoration, pilot aquaculture studies, seagrass monitoring and fish identification surveys. We support Waterstart due to the mixed educational and environmental benefits it serves.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022



Bermuda's Living Reefs work to keep local reefs and the marine life they support healthy. Conduit supports the Living Reefs to help protect our environment against stresses such as temperature changes, acidification, pollution and overfishing.

Years supported: 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

For more details on these organisations, please refer to [Appendix 3](#).

<sup>20</sup> For more details on the Gala of Giving, please refer to page 43



## Environment (continued)

### Youth Climate Summit (BUEI)

Bermuda Underwater Exploration Institute (BUEI) is a Bermuda registered charity working to advance local people's understanding of our oceans and seas. Being island based; this is a charity of particular importance to us. Conduit Re is a corporate member of BUEI and our Foundation supports their Youth Climate Summit as an Inspire Partner.

For six days, over 220 students from across Bermuda, aged 13-22, came together to hear from and work with environmental activists, leaders, and experts. The annual event focuses on Environmental Conservation, Sustainability and Climate Justice. The first five days (3 virtual; 2 onsite) are dedicated to education and engagement. On the final day, all participants, including alumni, join for a collective conservation activity.

This year's Summit focused on answering the key questions young people consistently tell BUEI are on their minds:

- Why does climate matter?
- What actions can we take to make a difference?
- How do those actions collectively contribute to a brighter future?

After the summit, students create action plans to address the issues they have explored and, over the following twelve months, receive support from partnering non-governmental organisations to launch their own initiatives focused on advancing Environmental Conservation, Sustainability or Climate Justice.



Conduit volunteers at the 2024 Youth Climate Summit

We supported this event to empower local students to tackle environmental issues while enhancing their own knowledge, skills and experience through studying relevant issues and working on projects. To date, students have launched fantastic projects tackling local environmental concerns. Projects included sea grass restoration, working with schools to reduce single use plastic, energy efficiency in residential lighting and food production initiatives. We look forward to seeing what the 2024 cohort achieves!

Years supported: 2024, 2023, 2022, 2021

For more information, please visit their website [here](#).



Alexandra Smedley of Conduit Re, alongside partner sponsors, volunteering at the 2024 Youth Climate Summit

## Environment (continued)

### ASU BIOS Ocean Sciences Symposium

In 2024, Conduit Re was a bronze sponsor of the ASU Bermuda Institute of Ocean Sciences (“BIOS”) Ocean Sciences Symposium program. The program included a series of events, one of which was their “Science Showcase” which recognised the contributions the station has made while educating attendees on the emerging opportunities for marine science to improve planetary health, the economy and the lives of people.

Conduit Re believes that material systemic progress for our industry on climate matters requires collaboration. The symposium brought together stakeholders including leading ocean scientists, community leaders and elected officials, and corporate partners from the financial and risk industries. Through keynote addresses and panel discussions, they focused on key themes such as ASU BIOS Future Opportunities, Ocean Observations and Trends, Autonomous Systems and Robotics, and Ocean Services.

The event commemorated the contributions of BIOS over the past 120 years while marking World Ocean Day. BIOS’ achievements include the world’s longest-running time-series for physical oceanographic data, including temperature, salinity, and dissolved oxygen measurements; along with another long-term time-series study examining biogeochemical cycles in the Sargasso Sea near Bermuda.

BIOS’ studies have proven invaluable in ocean and atmospheric science by producing data that helps

better understand global climate change and the ocean’s responses to variations in the Earth’s atmosphere. They have highlighted the importance of biological diversity in understanding biological and chemical cycles, including “active” carbon transport by migratory zooplankton as part of the ocean’s Biological Carbon Pump.

Their scientists have also focused on carbon exchange between the ocean and atmosphere, seeking an understanding of how the ocean responds to increased levels of atmospheric carbon dioxide. The Bermuda Bio-Optics Project is another example of the role BIOS is playing to support world renowned research: they are supporting NASA’s Plankton, Aerosol, Cloud Ocean Ecosystem (“PACE”) satellite mission. PACE is designed to use a combination of an ocean colour instrument, which measures the intensity of light over the electromagnetic spectrum, and multi-angle polarimeters, which measure how the oscillation of sunlight is changed by clouds, aerosols and the ocean.

We recognise that (re)insurance can play a pivotal role in addressing climate change, provided it offers the right products to the market and collaborates with clients to drive the necessary transition. We hope that (re)insurance symposium attendees will continue these important discussions within their organisations and networks, and that the event accelerated global progress toward the development of innovative technologies.

We were honoured to support the celebration of BIOS’s remarkable achievements and to assist in sharing their groundbreaking knowledge and research with fellow scientists and key stakeholders at the 2024 symposium.



ASU BIOS’s ocean sciences symposium celebrated BIOS’ achievements and brought together leading ocean scientists, community leaders and elected officials, and corporate partners to discuss emerging opportunities for marine science. Photo by James Doughty.

# Our environmental business approach

While much of this report is focused on the impact that we can have, it is equally important to consider the extent to which we are exposed to climate and nature risk across underwriting, investments and operations, and how we effectively manage current and emerging risk.

Climate and nature risks are deeply intertwined. They are integral to our risk management framework and considered alongside other sources of material risk. We have identified physical and transitional risks associated with climate change, and nature loss, as emerging risks.

In our 2024 ClimateWise Report we describe the impacts and implications of climate- and nature-related risks and opportunities on our business model and performance and strategy and management of these risks and opportunities. The report is available on our website. A summary of this is set out below.

Our policies to manage these risks have been approved by the Board<sup>21</sup> following consideration by executive management and the ESG Committee. The Board monitors performance based on these policies through the Underwriting Committee, the Risk, Capital, and Compliance Committee and/or the Audit Committee<sup>22</sup>.

## Underwriting

At its core, (re)insurers provide protection to individuals and companies against adverse events through risk transfer and risk sharing mechanisms. Within underwriting, the impact of climate change varies based on the underlying risks being reinsured and the time horizons over which losses from those risks may occur.

We provide our cedants with a questionnaire which communicates Conduit Re's views on ESG matters and asks cedants a set of ESG related questions, alongside other standard questions associated with further risk traits.

Below we have described our material risks and opportunities across each of our primary business areas. Generally, we consider short-term to be within one-year, medium term to be within five-years and long-term to be within ten-years. The assessment of the impacts on our exposure over medium- and long-term time horizons inherently carries a significant level of uncertainty. This is due to the unpredictability of climate change pathways, their interaction with emerging or evolving risks - stemming from changes in physical and transitional risks - and responses made by governments, markets and customers to these changes. Additionally, the resulting impacts on known risk drivers remain uncertain.

The Board defines tolerance levels for underwriting exposure, considering peril and class of business for these tolerances. These tolerance levels, together with the business plan, inform our underwriting strategy and what business the underwriting team seek to assume from the market. It also informs and guides what retrocession coverage the company seeks from the market, to reduce its net exposure to risks, including climate related perils.

Our priority is to continue building a balanced and diversified portfolio. Our underwriting portfolio is split by class of business, and climate change and nature loss are relevant to each in slightly different ways.

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<sup>21</sup> Of CHL and CRL

<sup>22</sup> The Underwriting Committee and Risk, Capital and Compliance Committees are CRL committees. Both CHL and CRL each have an Audit Committee.



## Environment (continued)



### Property

#### Physical Risks:

Property lines are, on the face of it, most directly exposed to climate change. Changing weather patterns, rising water levels and increased frequency and severity of extreme weather events can have immediate and observable impacts on exposures, which are catalysed by nature loss. There is a risk we could experience an increase in frequency and severity of claims as a result of increased frequency and intensity of extreme weather events. This could result in higher loss ratios, reducing profitability. There is also the risk that large-scale catastrophe events lead to a 'climate shock', which causes widespread financial strain on the Company and economy. There is increasingly a risk of mass population movements as communities respond to these changing weather patterns and increased risks. This may increase concentration risk and reduce diversification of underlying insureds, thus increasing absorption of losses.

#### Mitigating actions:

The time horizon for property coverage is typically annual, however, so the impact of long-term climate change is more easily measured. Current weather patterns are included in the scenarios used by our catastrophe modellers. These, together with past weather-related losses, are factored into our considerations on pricing and terms and conditions by our Underwriters and their teams when negotiating contracts, and when designing the company's outwards reinsurance program.

This risk is further mitigated by the Company's diversification and exposure limitations. We classify approximately one third of the entire Property, Casualty and Specialty portfolio at 31 December 2024 as exposed to catastrophe risk.

Thus, there is currently no long-term impact expected from climate change on our ability to provide unique solutions to our clients, with a focus on underwriting profitability. More detail on our exposure to weather related perils can be found in our Financial Condition Report, which is published on our website each May.

#### Opportunities:

The increase in the frequency and severity of significant weather events, as well as the growing populations and values in vulnerable areas, is

increasing the demand for property insurance, especially in the United States. This is contributing to an increase in premiums by reinsurance companies, as well as an increase in attachment points and improvements in terms and conditions. We consider this opportunity to remain across our long term.

From a longer-term strategic perspective, climate change is likely to exacerbate the protection gap and lead to potentially unsatisfied demand for coverage. This impact provides opportunity for the industry and if we can manage our portfolio of exposures through careful risk selection and high-quality modelling, this otherwise unsatisfied demand could provide profitable growth for our business and benefits for society.



### Casualty

#### Transitional Risks:

Casualty lines face indirect exposure to climate change and nature loss, with the insurance losses typically driven by liability from damage or harm linked to the business activities of insured customers.

These lines are particularly vulnerable to transitional climate risks, which stem from evolving regulatory restrictions and disclosure requirements. Governments may impose new regulations, such as carbon taxes, emissions caps, or mandates to divest from fossil fuels, potentially leading to stranded assets or business failures. In addition, growing litigation related to climate-related issues, including cases of greenwashing, could increase claims. These regulatory risks are likely to result in higher liability claims across certain sectors.

Further, losses may involve compensating, or remedying, damage caused to the underlying insureds' customers, employees or other stakeholders including wider society and/or governmental bodies.

As the regulatory landscape is beginning to change, we consider this risk to be medium to long term.

#### Mitigating actions:

Casualty exposure is more challenging to measure and contain and typically is longer in duration than property risks. This means horizon-scanning and monitoring and understanding global trends is crucial to enable our underwriters to make the most

## Environment (continued)

appropriate decisions. Our casualty underwriting approach is extremely data driven. Our underwriters look to understand, as granularly as possible, the risks embedded in a proposed book of business, from which they calculate the relative risks and required rates for said book. Further, our casualty business, and underwriting portfolio overall, remains well diversified as shown in our 2024 Annual Report and Accounts, mitigating outsized impacts of any one risk on our profitability.

### **Opportunities:**

As mentioned, as more economies strive to be more sustainable, there is an influx of new and increased ESG regulation, litigation, frameworks, investor demands and innovation pressures. Alongside these, an associated array of insurable transition risks have developed, creating a burgeoning casualty market. As this is uncharted territory, there are pricing risks associated, as there are for any new market. Currently, casualty lines are offering a reasonable return for the risks we assume, but care is needed to ensure we are containing losses from risks that are yet to fully emerge.



### **Specialty**

#### **Risks:**

Specialty lines include coverage for businesses exposed to classes such as marine, energy, political violence, engineering and construction, environmental, terrorism, whole account and aviation risks. This also extends to renewable energy industries, such as solar farms and sustainable aviation fuels. These lines are typically exposed to some aspects of both the risks and opportunities set out for the property and casualty considerations and therefore risks and opportunities that are both physical, in the potential damage caused to sites from climate change induced weather events, and transitional in the changing regulatory landscape.

#### **Opportunities:**

Reinsurance has a role to play in providing protection to those in transitioning industries and a careful balance between each of the environmental and social concerns must be found, all within the context of delivering returns for shareholders and reducing the coverage gap.

#### **Mitigating actions:**

As mentioned above, our Company's strategy is to have a diversified portfolio, which enhances our resilience to any one risk. Our exposure to large losses (as discussed in our ClimateWise Report and Annual Report and Accounts, available on our website) are relatively low compared to our capital which provides extensive resilience to climate and nature events. As a company, we underwrite using data driven approaches therefore select products and cedants where the data can be provided to adequately price a policy. This supports adequate pricing of our policies, enabling better management of our exposure to climate related innovative products which often do not have a sufficient pricing related history, such as green infrastructure, new farming techniques and new renewable energy products.

## **Investments**

#### **Risks:**

The implications of climate change and nature-related risks on our investment portfolio remain largely uncertain. Climate change risk can affect all risk categories including market risk, credit risk, liquidity risk and our concentration exposure. It is possible that a major climate event, or series of large climate and nature events, causing significant losses results in new regulatory and governmental requirements to correct a market. This may include introducing new policies and measures such as tax changes for certain industries that we may have exposure to.

#### **Mitigating actions:**

Our investment portfolio is relatively lower risk and highly liquid in nature with fixed maturity. Over the planning horizon we aim to have relatively limited performance exposure to climate-related change and nature loss.

Our investment guidelines restrict investments in companies generating a significant portion of their revenues from activities associated with a significant environmental impact, such as coal, arctic drilling, oil sands, and thermal coal generation.

From a social perspective we seek to avoid certain activities, locations and industries where our view is that, on balance, supporting the activities conflicts with our aim to act responsibly. While our criteria remain under constant review, examples include limitations on for-profit-prisons, tobacco,

## Environment (continued)

controversial weapons and approximately 50 countries with questionable human rights records.

More details on the environmental and social restrictions in place for our investments can be found in [Appendix 2](#).

### **Our impact:**

For corporate issuers which have an ESG rating, our investment managers target our portfolio to meet a minimum weighted average ESG rating while also meeting our required credit quality and diversification objectives.

We have a small equity investment in a unique product and business development firm, Incubex, who specialise in global environmental markets, climate risk, and related commodities.

All our investment managers are signatories to the United Nations Principles for Responsible Investment.

## **Operations**

### **Risks:**

Over the longer-term, our operating expenses may increase as a result of climate change. Our primary office location is on an island where food supply is heavily import dependent, water supply is rain dependent and use of clean energy is currently limited, albeit increasing. Hurricanes can occur relatively frequently in Bermuda, the strength and frequency of which are forecast to increase as a result of climate change. Bermuda currently has robust infrastructure, providing resilience to, and protection from, hurricanes, thus we do not expect any significant damage to our office nor interruptions to our operations.

### **Mitigating actions:**

We limit our climate-related impact by having our reinsurance operations based in a single location with short commutes and limited need for extensive business travel. Our outsourcing due diligence process incorporates questions on vendors' ESG practices.

### **Our impact:**

We held several employee engagement initiatives throughout the year, as detailed throughout this report, to encourage the adoption of sustainable practices by our colleagues. We also support sustainability initiatives locally through the Conduit Foundation. We actively encourage the use of recycling facilities in the office and encourage staff

to only print what is necessary, minimising our waste. We limit our e-waste by only replacing IT equipment when required, following which, items are repurposed and donated.

## **External relations**

Addressing both the management of our own exposure to climate risk and the greater impact we can have as part of a wider industry, both our Executive Chairman and our Chief Risk and Sustainability Officer are regular participants in various industry groups that seek to progress a consistent and transparent approach for addressing and reporting on climate-related matters. Both also speak on the topic at industry events and with the (re)insurance press.

## **Training**

To execute our ESG strategy, we need the support of our people. That can only be achieved when they understand what we want to do and why. To achieve this, we provide our staff with educational tools. This year we provided tailored insurance sustainability training for our employees.

## **Responsibilities**

Each member of our executive team has ESG principles embedded in their day-to-day responsibilities. Attainment of their ESG related objectives and responsibilities are considered in their annual appraisal and remuneration review. Details on these responsibilities are included in the [Governance](#) section of this report. For more details on our Remuneration Policy, please refer to our Annual Report and Accounts, available on our [website](#).



# Social



# Social key facts and figures

## Staff based in Bermuda

64 (2023: 57)

### We nurture local talent

69% of Bermuda-based staff do not require a work permit<sup>23</sup> (2023: 74%)

“Conduit is dedicated to the long-term sustainability of our business and island by encouraging employee engagement in community service, volunteering, and fundraising. We empower our team through continuous learning and offering the resources and support needed for professional growth and success.”

**Heather Mello**  
Head of Human Resources



Heather Mello, HR

## Internships provided in 2024

9 (2023: 7)

## Number of charities supported in 2024<sup>24</sup>

27 (2023: 22)

## University scholarships provided

2 (2023: 1)

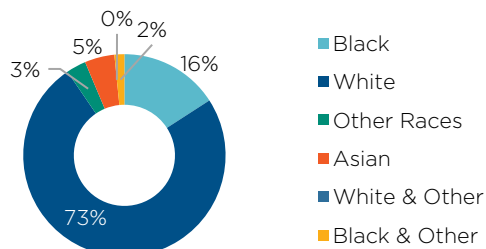
## Donations pledged to local charities

Over \$430,000<sup>25</sup>  
(2023: over \$190,000)

## Social factors considered in our

# Underwriting and investment policies

## Diversity of our workforce as at 31/12/2024<sup>26</sup>



<sup>23</sup> Work permit is the term commonly used in Bermuda for what may be called a working visa in other jurisdictions. A low proportion of staff requiring a work permit is an indicator of seeking to nurture local talent.  
<sup>24</sup> This excludes donations and funds raised related to the Gala of Giving and matching employees' donations

<sup>25</sup> The amount donated includes the Foundation's matching program, sponsored events and donations.  
<sup>26</sup> These categories are required to be used in our reporting of new hires to the Government of Bermuda.

## Our values

Conduit Re's approach to social aims and policies is focused primarily on where we can have the most tangible impact: our people and our community. We seek to be a responsible employer and to positively contribute to our community. By factoring societal considerations into our underwriting and investment policies we seek to support the transition to a more sustainable economy.

We are guided by our values and our belief that responsible organisations will perform, and be valued, better in the long-term. Additionally, we recognise the value of a diverse organisation, which we have actively nurtured and cultivated since inception. We recognise that a diverse organisation can lead to diversity of thought with positive outcomes.

Our core values, underpinned by the key principles of transparency, collaboration, being responsible and forward-thinking, shape how we operate internally on a day-to-day basis and influence how we want to be seen by our wider stakeholders - cedants, brokers, investors and our wider community.

Our values are:

1. Act boldly and challenge, approach every day with intellectual curiosity.
2. Be collaborative, know the plan and own your part in it.
3. Be environmentally and socially responsible while operating with integrity.
4. Be data-driven, learn and develop while enjoying the journey.

These core values inform the way we approach our work and our working relationships within both our teams and with our clients. They are supported by our daily interactions through:

- An open, transparent approach where all ideas are welcome, and mistakes are a part of developing and learning
- Information sharing is a daily occurrence
- Communication is strong, consistent and not just top down

- Everyone is welcome and can be themselves - we embrace individuality and recognise that inclusivity will not only create a positive environment but will enhance our overall achievements
- We are a lean company where everyone works hard to drive the business forward
- Formality and hierarchy are kept to a minimum and flexibility and responding to individual needs is key
- Significant opportunities for developing skills and careers. Potential will be identified and colleagues will be appointed into new roles wherever possible and will be supported in realising their potential through training and coaching
- A vibrant, fun environment where working as a team is a given and a pleasure. Our people like and want to work together
- We celebrate success
- We embrace technology



# We actively seek diversity

We believe the diversity we have in our Board, management and staff provides good governance. We encourage diversity to support us in making better decisions through alternate perspectives. Board and senior management diversity is key and we address this later in the Governance section of this report.

Diversity is also important in a social context, reducing the risk of bias, discrimination and creating a more fair and equitable society. To this end we are focused on the development of diverse local talent and on inclusivity.

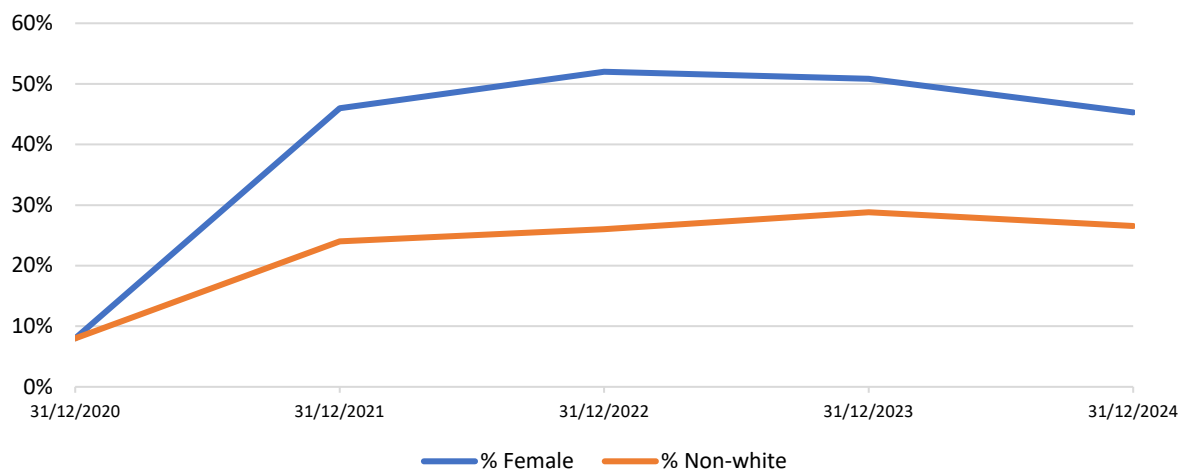
Conduit Re embraces and supports our employees' differences, including but not limited to differences in:

- age
- ethnicity
- gender
- gender identity or expression
- language differences
- nationality or national origin
- family or marital status
- physical or mental development abilities

- race
- religion or belief
- sexual orientation
- skin colour
- social economic class
- education
- work and behavioural styles
- political affiliation
- and other characteristics that make our employees unique

On launch in December 2020, while diversity of thought had been front of mind and was reflected in the range of backgrounds and career histories of our initial team, diversity from the perspective of gender, race and age was limited. The team was largely white, male and middle-aged. As our team grows, gender diversity has improved both across our entire staff base and in relation to executive management and their direct reports. Racial diversity has also progressed, though more gradually.

**Gender and racial diversity since our inception in 2020**



## We support our employees

Conduit Re seeks to provide security for our employees by making available a suite of generous benefits and allowances which are consistent for all employees<sup>27</sup> regardless of seniority. This includes access to fully paid health insurance, gym allowance, vacation, compassionate leave, sick leave, short-term disability leave, parental leave, time off for voting, medical appointments, and leave for both public and civic duty. Pension, life insurance and long-term disability protections are also provided and are linked to wider compensation levels.

Conduit also prioritises supporting new parents. We provide up to six months paid leave. Parental leave is available for all new parents, and we support returning parents by offering a phased return, and flexible working, to ensure a positive reintegration experience.

Noting that 2022 and 2023 saw exceptional cost-of-living increases by all in Bermuda, for 2024 management approved a fixed-term cost of living allowance ("COLA") for staff. In determining the appropriate level for the COLA, management's focus was to ensure that those with the greatest need received the greatest assistance, while also ensuring that the support given was reasonable. 91% of staff employed on 31/12/2024 received a COLA for 2024.

We also support local flexible working arrangements with each staff member provided a full work from home setup upon joining. Practically, we find our staff thrive from being predominantly office-based, leveraging remote working typically in response to either times when quiet focus is needed or in response to personal circumstances.

As part of being a responsible employer, Conduit has a comprehensive performance management process and a bonus scheme that is in part equity based; we want all our team to feel

ownership of the business. This is deeply embedded in the culture at Conduit, where employees at all levels are consistently encouraged and rewarded for thinking and acting as owners of the business.

Starting in 2022 we introduced an annual anonymous employee survey. It asks questions about employee engagement, our culture and several aspects of ESG. The results tell us what we are doing well and where there is space for improvement. By discussing the results with each team, we were able to gain valuable insights into what matters most for our staff. This is vital feedback that helps us continuously improve our working culture.



<sup>27</sup> Some benefits are subject to completion of a successful probationary period. The two London-based employees have slightly different benefits.

## Employee Spotlight: Investing in Growth

We support our employees' professional development. At Conduit, we believe that supporting our employees' educational goals not only benefits their personal growth but also contributes to our collective success. This year, we've seen several of our team members advance their qualifications, with the Company funding their exams and certifications. For some this also included paid leave to support their studies.

This is in addition to attendance at industry conferences and online training. In 2024 this included overseas training with the Reinsurance Association of America and The University of Texas, as well as courses taken by staff with CPA Bermuda CPD to support personal and professional development. Additionally, we provide lunch and learn sessions on diverse topics and require completion of training specific to individuals' roles, demonstrating our commitment to fostering a culture of continuous learning and professional growth.

We would like to congratulate the following employees who successfully completed exams and professional certifications in 2024 supported by the company:



**Juliette Ferrari-McComb**  
Enterprise Risk Management,  
Associate of Institute and Faculty  
of Actuaries



**Bathsheba Jones**  
Underwriting Assistant, Associate  
in Insurance



**Alexandra Porter**  
Underwriting Business Support  
Lead: The Institutes  
Understanding Premium Auditing



**Carlos Gray**  
Junior Catastrophe Analyst,  
Associate in Reinsurance



**Ryan Marshall**  
Management Accountant, CFA  
Program Level II



**Tyson Barnett**  
Underwriting Data Assistant, The  
Institutes Maximizing Value with  
Data and Technology

Next year, we will continue to support our employees' growth by funding professional exams and certifications, offering tailored training programs, and providing access to learning platforms. Our focus remains on cultivating a culture of continuous learning to empower our team and contribute to the Company's success.



## We foster connection and wellbeing

In 2024, our Social Committee and Charity Action Committee were combined to create one committee with a unified approach to community and employee engagement. The outputs relating to supporting the community are discussed later in this report.

The staff led committee encourages employees to participate in events that promote both engagement and well-being. In 2024, company-wide organised events included summer and winter parties, events around Halloween, quarter-ends, Oktoberfest, and decorating the office for the festive season. Teams are also provided with a budget to organise independent events to strengthen connections and celebrate successes.

The committee fosters an active, outdoor culture, as demonstrated with employees' involvement in the corporate pickleball league and the company-wide lessons organised.

These initiatives not only offer a fun, inclusive way for employees to stay active but also strengthen team bonds and encourage a healthy work-life balance. By offering opportunities for social interaction and physical activity, the Social Committee helps create a positive, vibrant workplace culture.



*Conduit staff attending a pickleball lesson and social event*

We recognise the importance of personal well-being. To support our employees, we have two staff who are certified mental health first aiders. Conduit Re has also partnered with Benedict Associates Ltd. to provide Employee Assistance Program (EAP) services to our staff.

During the Company's busy season, we secured the services of a local clinic to provide 15-minute in office back/neck massages for our staff. In summer, we offer early finishes on Fridays for staff to enjoy Bermuda's weather, subject of course to any deadlines being met.



## We support our local community

Conduit is known not only for its business achievements and employee support, but also for the positive impact we have on our wider community.

While Conduit has established the Conduit Foundation to support the community from a charitable standpoint, as a company, Conduit has also supported local initiatives that seek to advance Bermuda and support local interests and initiatives.

Each employee is provided with one day of paid time off each year to participate in a volunteer programme or fundraising initiative of each individual's choice. In 2024, our staff donated more than 830 hours of their time to charitable causes.

Conduit also has a team volunteer initiative where staff members participate in community service by offering their time and skills to support a local charity. In 2024, employees gave back to Waterstart, one of the Conduit Foundation supported charities, by participating in a clean-up at Burt Island, home to Waterstart's living classroom. After suffering extensive damage from storms, to ensure it can continue to welcome students safely, Waterstart constructed a new roof and completed extensive refurbishments to its one building. Volunteers spent the day painting and landscaping at the charity's base, contributing to enhancing the space and creating a positive environment for both the organisation and its beneficiaries.

As part of our employee engagement and educational program, we invited Transitional Community Services, a local Bermuda charity, to our offices to provide an overview to staff on the charity's goals and how staff can get involved.



Conduit staff volunteering with Waterstart during our 2024 Charity Impact Day



## Social (continued)

In addition to this, for the second year running, each Friday, two staff members volunteer with Meals on Wheels to deliver hot meals to the homes of those less mobile in our community. This is organised through a rota system, with all employees encouraged to register. To date, we have seen strong participation across various departments and seniority levels.

Employees generously participated in donation drives this winter, supporting Eliza DoLittle, Toys4Tots, Salvation Army Anonymous Santa and Foster Parent Association. Employees are also encouraged to donate blood at the local hospital.

More broadly, training is provided by Saving Children and Revealing Secrets (“SCARS”) every two years for our staff. This is a Bermuda programme to create awareness of, and prevent, child abuse.

We are proud to have sponsored and taken part in the annual Relay for Life of Bermuda for the second time. This important event sees teams relay on the athletics track over 24 hours to signify that cancer never sleeps, to raise funds for education and cancer treatment supporting equal access for all. Conduit Re was able to raise over \$11,000 for the charity; giving us a great target to surpass for 2025.

The Company has provided support to local sports aligned with the interests of our staff, notably making a multi-year commitment to support the national field hockey team’s participation in regional competitions.

Conduit supported staff to attend local women’s network events hosted by Women in Reinsurance Bermuda in 2024. We were proud to sponsor the Chairwomen’s Toast at the Women in Reinsurance



*Conduit staff, joined by our CEO, attending the WiRe Women's Day Gala*

(WiRe) Women’s Day Gala, featuring guest speaker Karen Clark. WiRe’s mission is to promote the professional development of women working in Bermuda’s reinsurance market.

This year, in place of traditional holiday gifts for our employees, the company provided employees the opportunity to have a donation made to a Bermuda-registered charity of each employee’s choice, totalling \$3,800. This initiative reflects our continued commitment to supporting the causes that are most meaningful to our team.



*An example of just one collection initiative among many at Conduit, organised to support the community*



*Relay for Life 2024 was well attended by Conduit staff*





## Social (continued)

This collective effort showcases the team's commitment to social responsibility and teamwork while fostering a sense of community involvement.

These efforts of Conduit, its Foundation and our staff were recognised by The Association of Fundraising Professionals' Bermuda Chapter on National Philanthropy Day, November 15 2024, by partnering with the Bermuda National Trust to plant a tree in the Royal Naval Dockyard Cemetery in honour of Conduit Re.



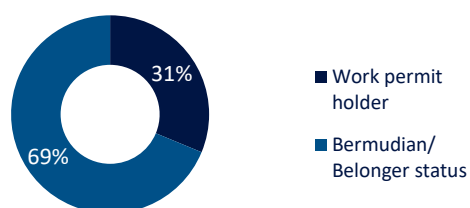
*Conduit's Chief Operating Officer, Stuart Quinlan, and Head of HR, Heather Mello, planting a tree in honour of National Philanthropy Day*





# Internships, scholarships and local employment

When it comes to our talent, 69% of our Bermuda based employees do not require work permits, demonstrating our commitment to local talent. We hope through our internship and scholarship programmes, growing business, and support of Bermuda as a domicile for other companies, we can continue to create jobs locally and support Bermuda’s economy.



We believe that internships and scholarships play an important role in supporting diversity, equity, and inclusion.

In 2024, we provided nine (2023: seven) summer internships to local students. considering the size of our company, this was a significant cohort.

Conduit Re’s internship programme is distinguished by the breadth of exposure and flexibility offered to the interns. All interns are taken on with the aim of ensuring that they each experience substantial work, with flexibility in terms of the departments, assignment length and timing at Conduit. All of this means that the interns have an increased opportunity to gain real insight into the different strands of work done at Conduit Re and how those strands are woven together.

Through our programme, we work with students to: develop their professional skills and knowledge, gain valuable insights to a career in the insurance

market in Bermuda, and better understand what a career in (re)insurance could look like for them. We have also supported our interns to participate in The Association of Bermuda Insurers and Reinsurers intern networking events and Conduit has participated in the Bermuda Foundation for Insurance Studies internship programme.

As mentioned earlier, an important achievement this year was in the progression from intern to full time employee for one of the returning 2023 interns. In 2023 and 2024, a business student interned with both the risk and underwriting teams respectively. Following their graduation, they have accepted a full-time position as an Underwriting Assistant here at Conduit.

In addition, In Partnership with the Association of Bermuda International Companies (“ABIC”), the Conduit Foundation is currently supporting Daniel MacPhee with three years of funding from 2023 for their actuarial studies at university in Canada. As part of the award, Conduit Re has also assigned its Chief Actuary, Andrew Couper, to be a mentor to Daniel to help guide him through his studies and provide advice on attaining his future career goals.

From 2024, the Foundation is supporting a second recipient through ABIC, Chasity Armstrong, with three years of funding at university in the UK where she is studying for a Bachelor’s degree in Computer Science (Cyber Security). Our Deputy CEO and COO, Stuart Quinlan, is a mentor to Chasity Armstrong, pictured together below.

We hope by offering these placements we will continue to encourage our local young talent to join the (re)insurance industry and provide them with relevant knowledge and experience. By doing so, we hope to support both the sustainability of international business in Bermuda and the availability of jobs for local talent.



Conduit’s COO, Stuart Quinlan, awarding Chasity Armstrong her ABIC scholarship



Conduit’s 2024 Internship cohort

# The Conduit Foundation

The Conduit Foundation is dedicated to supporting local charities in Bermuda, as we believe that by supporting local charities, we can have the greatest impact in our community. Charities are typically suggested by employees, and after initial consideration by the Head of Human Resources, a proposal is considered by the Protector Committee of the Conduit Foundation.

The Foundation's mission is to make a positive impact on the Bermuda community by supporting organisations and outreach projects focused on the environment, diversity and inclusion initiatives, education, and Bermuda's vulnerable populations.



The Foundation seeks to align its contributions to the UN Sustainable Development Goals ("SDGs").

During 2024 all except two categories have been supported by the Foundation. Those two related to clean drinking water, and access to cheap clean energy. These two SDGs are, however, supported through our carbon offset programmes. Details on The Foundation's Mission and mandate can be found in [Appendix 3](#).

The Foundation has a generous matching programme. Any local charitable donations made by our staff to charities with causes that also fall within the Foundation's mission will be matched by the Foundation - the donation matching is capped at \$5,000 for any one initiative and the overall annual matching budget that the Foundation has set is to be \$50,000 annually.

## 2024 achievements

The Foundation had yet another active year making donations to more than a dozen charities, totalling over \$430,000<sup>28</sup>, additionally supporting 13 charities with over \$435,000 from funds raised through the Gala of Giving organised by Conduit.

Details of the charities donated to can be found in [Appendix 3](#). The charitable events supported include the Bermuda Youth Climate Summit and seasonal campaigns to provide food or other essentials to families in need.

### Charity auction raised over \$435,000 for 13 charities

The company organised a Gala of Giving for the second time in Bermuda, following the success of the inaugural Gala in 2023, and having previously been involved in similar fundraising events.

The second Gala of Giving successfully raised over \$435,000 for 13 charitable causes. These much-needed funds were split equally among the charities and surpassed last year's record of \$310,000.

Organised by Conduit Re with assistance from local businesses, the event brought over 350 people together for a dinner, comedy and music performances, and both a silent and live auction. The prizes were generously donated by attendees and fellow Bermuda based companies

Conduit Re supported the Gala through:

- sponsorship of entertainment for the evening
- providing staff time to organise the event, including sourcing donated auction prizes
- purchased tables at the event for several directors and staff to attend

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<sup>28</sup> The amount donated includes the Foundations matching program, sponsored events, and pledged donations.

## Social (continued)

The Conduit Foundation supported the event by:

- formally taking responsibility from a licencing and compliance perspective
- donating to the event in the form of the Conduit staff matching programme

A number of other companies also supported the event via a mix of financial contributions and service provided at no or reduced charge.

Seven of Conduit's executives and Board members donated prizes that collected a total of \$60,000. Attendees on behalf of Conduit Re also donated a further \$48,000 through the auctions and in additional pledges.

The charities are already supported by the Conduit Foundation and were initially proposed by Conduit's staff. Details on the charities supported can be found in [Appendix 3](#).



Images taken from the second Gala of Giving, hosted by Conduit in 2024 and attended by over 350 guests



## Social (continued)

Financial contributions made to the Gala of Giving by Conduit Re, the Conduit Foundation, Conduit employees and Non-Executive Directors are broken down in the table below.

<b>Gala of Giving proceeds attributable to Conduit, its staff and Foundation (\$)</b>	<b>2024</b>	<b>2023</b>
Purchase of three tables at the Gala of Giving by Conduit Re	31,000	36,000
Sponsorship of entertainment by Conduit Re	32,650	32,744
Auction proceeds from Conduit Re's employees and NEDs	23,750	30,250
Charity pledges donated by Conduit Re's employees and NEDs	14,304	10,400
Matching of charity pledges by the Foundation, donated by Conduit Re's employees	10,304	9,400
Value (based on winning bid) of auctioned items which were donated by Conduit Re's Board members and Executives (excluding those auction items successful bid for by Conduit related staff / NEDs)	60,200	31,886
<b>Total</b>	<b>172,208</b>	<b>150,680</b>

Total donations made by the Foundation to the charities selected by staff, detailed in [Appendix 3](#), in 2024 are shown in the table below:

<b>The Conduit Foundation: Donations made in 2024 (\$)</b>	<b>2024</b>	<b>2023</b>
Donations made <sup>29</sup>	353,240	132,500
Matching of employee donations by the Foundation <sup>30</sup>	37,363	20,892
Sponsorship of charitable events <sup>31</sup>	40,678	37,000
<b>Total</b>	<b>431,280</b>	<b>190,392</b>

<sup>29</sup> The total value donated includes \$30,000 for scholarships (2023: \$20,000).

<sup>30</sup> The total matched value includes \$10,304 towards staff matching of Gala of Giving pledges (2023: \$9,400)

<sup>31</sup> The value of sponsored events excludes sponsorships made by Conduit Re, including sponsorship of the Gala of Giving and ASU BIOS symposium in 2024. The 2023 figure has been restated from our 2023 Report to remove sponsorship of the Gala of Giving by Conduit Re

## Social (continued)

### 2025 commitments

The Foundation has committed to supporting two Bermudians with university scholarships through to 2026 and 2027.

In 2023, we commenced our support for a four-year programme to support students at Bermuda College with the electric vehicle mechanic's programme.

Our volunteering support with Meal on Wheels will continue in 2025

We have also committed to supporting a clean-up with Keep Bermuda Beautiful for Earth Day 2024.



### Recognition

In 2024, Conduit was awarded the InsuranceERM's inaugural Bermuda-based re/insurer of the year title after firmly establishing itself within the global reinsurance market and the Bermudian community. This reflects Conduit's efforts to grow a diversified team in Bermuda while supporting its local community through voluntary and scholarship initiatives.



# Governance



# Governance key facts

“Robust corporate and risk governance ensure Conduit remains accountable and well prepared for future developments, while the company is able to maximise its impact on both people and the planet today.”

**Neil Eckert**

Executive Chairman



Neil Eckert, EC

- Regulated by the Bermuda Monetary Authority
- Investment managers are signatories to The United Nations Principles of Responsible Investments
- Our investment guidelines make specific reference to restricting investments in companies with significant exposures to certain environmentally harmful sectors
- We have an ESG Committee, Chaired by Lord Soames and made up of INEDs, Executive Directors and Senior Management supported by a staff led Climate Working Group
- UK Corporate Governance Code voluntarily applied
- Two thirds of the CHL Board and half of the CRL Board are independent directors with diversity policies in place
- TCFD and ClimateWise disclosures are produced annually
- CEO and other Executive Committee members hold company shares and have share incentive schemes
- ESG materiality analysis conducted/reviewed at least annually
- Commitment to respecting human rights at a company-wide level



## Summary

Good governance is the foundation for a well-run and successful company, and it is the foundation for achieving ESG related objectives. Aspects of our governance are described in our Annual Report and Accounts, our Financial Condition Report, and our ClimateWise Report, each of which are available on our [website](#). In this ESG Report, we summarise aspects of governance particularly applicable to managing our environmental and social risks and opportunities.

Relevant parts of our governance structure sit at holding (CHL) and operating (CRL) level. Beyond legal obligations under Bermuda law, CHL governance has been designed to meet expected requirements, particularly focused on operating as a UK listed company, while CRL governance has been designed to focus on operating as a regulated (re)insurer.

The board of each entity is the highest governance body, and both boards have a suitable balance of independent versus non-independent directors and diversity from a gender and race perspective. The four independent directors of CRL, all Bermuda residents, are also independent directors of CHL alongside two further independent directors of CHL.

The boards have established appropriate sub-committees to support their work, as shown in the Governance Structure on page 51. This includes the establishment of an ESG Committee.

The ESG Committee is not a Board committee and is independently chaired by Lord Soames, who is neither a director nor employee. Other members of the ESG Committee include our Executive Chairman, an Independent Non-Executive Director, Deputy Chief Executive Officer, Head of Human Resources, Chief Risk and Sustainability Officer, and the General Counsel.

As per the Committee's Terms of Reference, responsibilities of the ESG Committee include but are not limited to:

As a UK listed, Bermuda regulated, organisation we have strong governance frameworks and policies in place. This is also what our stakeholders expect of us. We deliver our fiduciary duties to shareholders, provide protection to policyholders and participate appropriately in the wider economic system and society.

- sustain net zero across Scope 1, 2 and select Scope 3 emissions through a combination of sound business practices and strategically chosen offset initiatives;
- continue to make progress towards the UN Environment Programme's Principles for Sustainable Insurance;
- challenge convention, improve business practices over outdated norms and help build a business which is regarded as great to work for, great to be invested in and great to have as a community partner;
- bring sound ESG principles into the day-to-day life of the Group promoting better risk management, innovation, sustainable outperformance and community engagement.

The boards have delegated various authorities to executive management, within defined policies and appetites that include those relating to ESG and receive quarterly reporting on performance and compliance.

From a management perspective, Conduit Re operates a 'three lines of defence' governance model with independence within and between each second- and third-line function. Further details can be found in our Financial Condition Report, typically available each May, on our website.

As a listed and regulated financial services organisation, there are many policies and procedures that are required of us. Some of these are about managing the risks we face as a business, including ESG related risks which are managed as part of our risk framework; while others allow us to impactfully apply our corporate values to the

## Governance (continued)

policies and guidelines that drive what we do, day-to-day across our underwriting, investments and operations.

The ESG Committee is supported by the Climate Working Group which is chaired by the Chief Risk and Sustainability Officer. The Climate Working Group meets quarterly and includes representatives from the following teams: Risk, Catastrophe Modelling, Actuarial, Operations/IT, and Finance/Investments. Its role is to engage a cross section of staff on climate-related matters relevant to their business areas and identify and propose priorities for initiatives, including employee engagement. The working group develop and consider materials that subsequently are used with the Executive Committee and/or ESG Committee.

More information on governance and management of climate risk can be found in our 2024 ClimateWise report, available on our [website](#).

### Training

Ongoing training and education of Board and staff is an important component of strong governance. During the year training sessions have been run and/or online facilities made available to both staff and the Board. Some training is mandatory. Topics have included:

- Anti-Bribery & Anti-Corruption in Insurance Firms
- Anti-Money Laundering
- Conflicts of Interest
- Information Security & Cyber Risk Awareness
- Conduit Tax and Operating Guidelines
- Conduit Code of Conduct and Whistleblowing
- Sanctions
- IFRS-17 Impacts for both the finance team and non-accountants and Board members
- Sustainability
- Data classification and handling
- Excel
- Ethics
- Catastrophe risk management
- Privacy
- And many more that are specific to individuals' roles

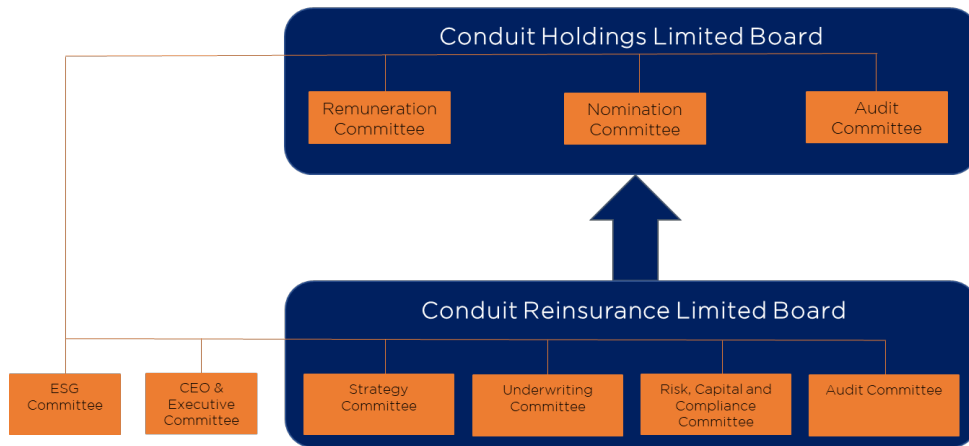
### Terms of reference and corporate policies

Each Board committee, the ESG Committee and management committees have formal terms of reference and records of each meeting are maintained.

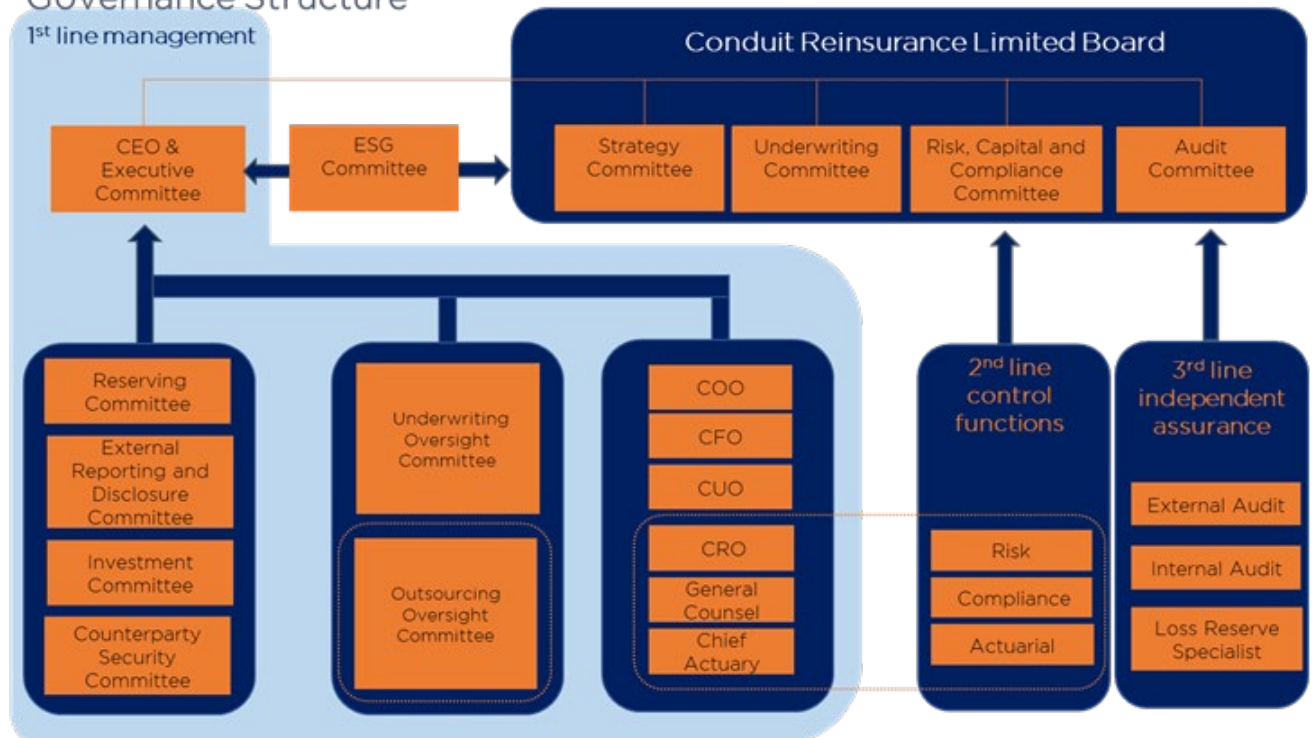
Conduit Re also has an extensive suite of corporate policies that provide the parameters within which we operate. Some of these are regulatory or compliance in nature while others are about codifying the processes and controls that we put in place operationally to execute our strategy and business plan.

Please refer to [Appendix 4](#) for a list of policies in place during 2024.

## Conduit Group Governance Structure



## Conduit Re Governance Structure

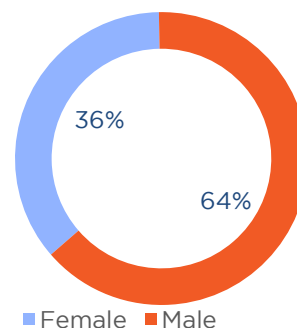


## Diversity within Board and senior management

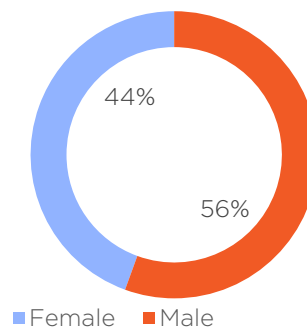
Our Board and senior management have been selected to provide diverse perspectives. Biographies of the Board and Executive team can be found in the [Annual Report and Accounts](#). The Board's effectiveness is evaluated on a periodic basis and are described in the Annual Report and Accounts. Two thirds of the CHL Board and half of the CRL Board are independent directors.

From a management perspective, diversity of thought remains actively sought in recruitment processes, with no dominant grouping of individuals having previously worked together at a single employer.

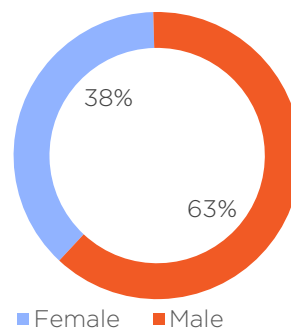
**Gender of our Executives and their direct reports <sup>32</sup>:**



**Gender of the CHL Board of Directors:**



**Gender of the CRL Board of Directors:**



<sup>32</sup> Each graph represents data as at 31/12/2024



## Reward

Our Remuneration Policy is detailed in our Annual Report and Accounts, available on our [website](#).

Our executive team are passionate about ESG matters and each have ESG principles embedded in their day-to-day responsibilities and performance goals, as detailed in the table below. Attainment of their ESG related objectives and responsibilities are considered in their annual appraisal and remuneration review.

Executive Management	ESG responsibilities
<p>Neil Eckert, Executive Chairman</p>	<p>Neil Eckert is Executive Chairman and an Executive Director of Conduit Holdings Limited. The Board has set expectations in relation to the Executive Chairman’s role for Conduit Re with specific emphasis on promoting climate-aware action for our industry, achieved through engagement with peers, suppliers (for example brokers) and the wider industry. This takes the form of one-to-one meetings, contributing to thought leadership articles, speaking at events, and actively participating in the SMI.</p>
<p>Trevor Carvey, Chief Executive Officer</p>	<p>As well as serving on the Board of CHL, Trevor is a Director of CRL and chairs the Executive Committee. Trevor oversees our entire operation and guides the executive team, emphasising the importance of ESG. Committee memberships: Investment Committee, Counterparty Security Committee, Disclosure Committee, CRL Underwriting Committee*, Risk Capital and Compliance Committee, CRL Strategy Committee</p>
<p>Elaine Whelan, Chief Financial Officer</p>	<p>Elaine serves on the Board of CHL and is responsible for all aspects of Conduit Re’s financial management and reporting. Elaine is also a Director of CRL. Elaine leads our external financial reporting and transparency initiatives; oversees our ESG-conscious investment portfolio; and engages with our external portfolio managers. This includes ensuring all investment managers continue to be PRI signatories, investment guidelines (as detailed in Appendix 2) are met, the portfolios ESG rating meet our target while also meeting our required credit quality and diversification objectives, and limiting performance exposure to climate-related change and nature loss. Committee memberships: Investment Committee (Chair), Reserving Committee, Counterparty Security Committee, Disclosure Committee, Outsourcing Oversight Committee, Risk Capital and Compliance Committee, CRL Strategy Committee</p>
<p>Stuart Quinlan, Deputy Chief Executive Officer and Chief Operating Officer</p>	<p>Stuart is responsible for overseeing Conduit’s operations, IT, claims and human resources. This is completed in consideration of managing Conduit’s, and our service providers’, environmental impact, for example through</p>

## Governance (continued)

Executive Management	ESG responsibilities
	<p>questioning vendors' ESG practices as part of our outsourcing due diligence process. Stuart serves on the CRL Board.</p> <p>Stuart also provides senior executive input to the Conduit Foundation and represents Conduit in the community, supported by Heather Mello, Head of HR.</p> <p>Committee memberships: Outsourcing Oversight Committee (Chair), Disclosure Committee (Chair), Reserving Committee, Investment Committee, Counterparty Security Committee, ESG Committee<sup>33</sup>, CRL Underwriting Committee, CRL Strategy Committee</p>
<p>Greg Roberts, Chief Underwriting Officer</p>	<p>Greg oversees our entire underwriting business, ensuring new business is in line with our ESG underwriting policies and guidelines (as detailed in <a href="#">Appendix 2</a>) and the Board approved plan. As CUO, he also leads our engagement with clients and brokers.</p> <p>Greg ensures the selected level of premium, exposure and aggregation risks, from both physical and transitional risks associated with climate change and nature loss, are in line with the Board approved appetite.</p> <p>Committee memberships: CRL Underwriting Committee, Counterparty Security Committee, Disclosure Committee, CRL Strategy Committee</p>
<p>Andrew Smith, Chief Risk Officer and Chief Sustainability Officer</p>	<p>Ensures that environmental and climate risks are embedded into our risk management framework and that appropriate reporting frameworks are in place for our regulators, rating agencies and investors. Andrew is responsible for reporting against ESG related disclosures, and chairs our Climate Working Group. He is a member of, and provides updates to, the ESG Committee. Andrew represents Conduit on external forums such as the ABIR Climate Risk Committee and ABIR Policy Committee.</p> <p>Committee memberships: Counterparty Security Committee (Chair), Disclosure Committee, Outsourcing Oversight Committee, ESG Committee, CRL Strategy Committee</p>
<p>Andrew Couper, Chief Actuary</p>	<p>Andrew is responsible for the actuarial function including pricing, reserving and capital modelling. Andrew ensures that environmental and climate matters are suitably considered in these areas. Andrew is a member of the Climate Working Group.</p> <p>Committee memberships: Reserving Committee (Chair), Investment Committee, Disclosure Committee</p>
<p>Greg Lunn, General Counsel</p>	<p>Greg is responsible for all legal, compliance and corporate secretarial aspects of Conduit's business.</p> <p>Greg Supports our ESG Committee and the Board ensuring that management is held to account in delivering our ESG objectives. Greg also serves on the Protector Committee of the Conduit Foundation. Greg serves on the CRL Board.</p>

<sup>33</sup> More details on the responsibilities of the ESG Committee and its members can be found on page 49.

## Governance (continued)

<b>Executive Management</b>	<b>ESG responsibilities</b>
	Committee memberships: Reserving Committee, Disclosure Committee, Outsourcing Oversight Committee, ESG Committee, CRL Strategy Committee



## Management of risk

As a regulated reinsurance company, Conduit Re has a risk management framework, overseen by the Chief Risk Officer with board oversight via the Risk, Capital and Compliance Committee of CRL and the Audit Committee of CHL.

A Financial Condition Report, which provides a description of the material risks to Conduit Re and the associated response, is typically published on our website each May in line with Bermuda regulatory requirements. The material risks are those associated with operating as a reinsurance company but with wider consideration of more generic risks that apply to any company including those associated with the macroeconomic environment, ESG and cyber.

The Introduction and Environment section of this report also contain details of how we think about and manage applicable risks. Cyber risk is also of relevance. As a reinsurer we can assume cyber risk by writing it as a reinsurance risk type and as a company we are exposed to direct cyber risk ourselves. To date, we have generally sought to avoid writing affirmative cyber reinsurance, but we may do so in future, subject to strict risk appetite and risk containment mechanisms.

In relation to our own direct cyber risk exposures, our inherent risk as a pure reinsurer is lower than many other industries. Time criticality of system-based processing is limited and outages of 48 hours or less are unlikely to have a material impact from a financial performance perspective. Longer outages are only likely to have a significant impact on certain key dates associated with our industry. We also hold a limited amount of personal information, further reducing our risk.

Conversely, we are all based in a single office, on an island exposed to windstorm risk. Bermuda is heavily dependent on a single power station which has, in the four years to 31 December 2024, had one complete outage.

Despite the relatively low inherent risk, we take cyber security and data privacy very seriously:

- The topic has been discussed at Board level, forms part of the regular reporting by the Chief Operations Officer and featured in the Chief Risk and Sustainability Officer's reporting;
- All staff have mandatory continuous awareness training on the topic, with training provided every few weeks;
- Our infrastructure has been designed to be cloud based using leading providers of technology. We insist on redundancy for critical services;
- We have no in-house physical servers, and our staff can work anywhere that has an internet connection. All have a full work from home setup;
- We have endpoint-based security supplemented by secure routing of internet traffic via a dedicated service;
- We conduct security reviews of our providers and review their performance;
- Cyber risk is part of the standard internal audit cycle. Execution of the audit is outsourced to specialist teams at a 'Big 4' accounting firm;
- Our office has backup power facilities and we have redundancy in our internet connectivity;
- Processes are in place to provide us with specialist support in the event of certain cyber related events.

# Appendices



# Appendix 1: Memberships relevant to ESG

## Sustainable Markets Initiative Insurance Taskforce (“SMI”)



**Sustainable  
Markets  
Initiative**

The Sustainable Markets Initiative (“SMI”) has a mission to accelerate the world’s transition to a sustainable future through a coordinated global effort. The Sustainable Markets Initiative was launched by His Majesty King Charles III, while Prince of Wales, at The World Economic Forum 2020 Annual Meeting in Davos, Switzerland.

At his invitation, leaders from a number of the global insurance firms formed an insurance taskforce as part of the SMI, to drive progress as a group and accelerate the pace of industry transitions towards a more resilient and sustainable future, putting Nature, People and Planet at the heart of global value creation. For more information, please visit their website [here](#).

By being a member of this taskforce, we work in collaboration with our peers towards a more sustainable future. Our Executive Chairman has been an active participant in, and outspoken advocate for, the establishment and work of the taskforce. He has particularly focused on issues relating to supporting investment in the green economy and around carbon considerations in the underwriting portfolio. We have also been supportive of other workstreams and in 2022 became an inaugural signatory to the SMI’s Global Pledge for Sustainable Supply Chains.

## The Association of Bermuda Insurers and Reinsurers (“ABIR”)



The Association of Bermuda Insurers and Reinsurers (“ABIR”) is a member led organisation that represents the public policy interests of Bermuda’s international insurers and reinsurers that protect consumers around the world. Notably, the ABIR Climate Risk Committee is involved on climate matters.

For more information on ABIR, please visit their website [here](#).

Conduit Re has active members on the main relevant committees of ABIR, notably the Policy Committee and the Climate Risk Committee. Through ABIR, Conduit has provided feedback to various regulators, government, and others, on matters pertinent to climate change and other areas of sustainability. This goes beyond the business of insurance, for example engaging with technology / Insurtech providers, the electricity supplier in Bermuda, consultancies and rating agencies. By being members of ABIR’s Climate Risk Committee and Policy Committee, we are able to be involved in the dialogue with policy makers and other stakeholders, to ensure climate-related regulation and policies remains relevant to (re)insurers in Bermuda.

**At Conduit Re, we believe that collaboration is important to progress. We collaborate with members of various organisations for a variety of reasons, but organisations detailed on the following page are those where there is a notable ESG element to their work. We summarise the role of each organisation and explain our reason for being involved.**

## Appendix 1: Memberships relevant to ESG (continued)

### The Reinsurance Association of America (“RAA”)



The Reinsurance Association of America (“RAA”) is a member led organisation for property and casualty reinsurers doing business with insurers in the United States. The RAA is committed to promoting a regulatory environment that ensures the industry remains globally competitive and financially robust.

For more information on the RAA, please visit their website [here](#).

We have joined the RAA to expand our partnership with, and learn from, other reinsurance companies on topics of interest, including areas in environmental, social and governance.

In July 2024, the RAA and the National Oceanic and Atmosphere Administration (NOAA) signed a memorandum of understanding (MOU) to collaborate on the shared goal of analysing and communicating weather and climate hazard risks to key stakeholders. Under the agreement, the RAA and NOAA will:

1. work to improve the usefulness of and develop new risk-related products of significant value to RAA, the insurance industry and other stakeholders;
2. update and expand RAA’s leading Catastrophe Risk Management educational program using the best and latest climate and weather information, and
3. work to better understand the risks faced by communities, especially underserved and vulnerable populations.

### United Nations Environmental Programme Finance Initiative (“UNEP FI”) Principles for Sustainable Insurance (“PSI”) (“UNPSI”)



The UNEP FI Principles for Sustainable Insurance 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 UNEP FI PSI, please visit their website [here](#).

At Conduit, 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 Principles for Sustainable Insurance provide a relevant framework for our industry’s environmental, social and governance risks and opportunities. We felt that joining the PSI was an 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 at the end of 2022, we published our report on progress against their principles in 2023 and 2024, which is available on their website.



## Appendix 1: Memberships relevant to ESG (continued)

### Association of Bermuda International Companies (“ABIC”)



Association of Bermuda International Companies (“ABIC”) is a membership organisation for Bermuda based international companies.

We joined ABIC to develop partnerships with fellow re(insurance) companies, other companies based in Bermuda, and policyholders, to ensure we are able to have an active discussion on pertinent matters with peer companies, and influence regulation and policies.

Through ABIC, we are also providing a higher educational scholarship to a local Bermudian student through their International Companies Education Awards Program (“ICEA”). Their focus is on international business-related fields. For more information, please visit their website [here](#).

ABIC work to help members achieve greater diversity, equity and inclusion (DEI), encouraging them to have a long-term and organisation-wide commitment to an inclusive culture. This is something Conduit Re has done, as evidenced in our values and in our people policies. ABIC provides resources to companies to help them to put this commitment in place. To support ABIC’s DEI advancements, Conduit Re participated in the joint ABIC and ABIR survey.

### ClimateWise



Representing a growing global network of leading insurance industry organisations, ClimateWise helps to align its members’ expertise to directly support society as it responds to the risks and opportunities of climate change. Their areas of focus include disclosures, research, and convening. Our ClimateWise report can be found on our [website](#). For more information on ClimateWise, please visit their website [here](#).

Conduit believes that transparency and comparability are important to advance the debate on the role of insurance in the context of climate change. ClimateWise provides a framework under which transparency and comparability can be achieved. We are governed by, and comply with, the organisation’s principles. Beyond participation, Conduit has also advocated, with international regulators and standard setters, for use of existing frameworks (using ClimateWise as an explicit example) when providing feedback under the umbrella of both the ABIR and the RAA. This has included contributing to feedback in Bermuda, US (federal and state), Europe and Canada.

Recognising developments in ESG reporting, in 2024 ClimateWise undertook a major review of their framework to address requirements including those of the TCFD, IFRS, TNFD and BMA. Our 2024 ClimateWise Report is aligned to their new principles.

We have separately published our ClimateWise Report for each year since the year ending 2021 on our [website](#)

## Appendix 1: Memberships relevant to ESG (continued)

### Bermuda Foundation for Insurance Studies (“BFIS”)



Bermuda Foundation for Insurance Studies (BFIS) ensures local students are provided with opportunities for successful careers in Bermuda’s insurance industry through the provision of scholarships, mentoring, internships and career guidance. For more information on BFIS, please visit their website [here](#).

Since 2021, we have participated in BFIS’ internship programme. We chose to support BFIS to help us protect the sustainability of international business in Bermuda and help local students develop their professional skills and experience, to prepare them to work for a local (re)insurance company.

### Bermuda Underwater Exploration Institute (“BUEI”)



Bermuda Underwater Exploration Institute (BUEI) is a Bermuda registered charity who work to advance everyone’s understanding of our oceans and seas. Being island based; this is a charity of particular importance for us. Conduit is a corporate member of BUEI and our Foundation supports their Youth Climate Summit as an Inspire Partner. Conduit supported this initiative to help local students to make a difference against environmental issues as well as the educational aspects of the programme. For more information on BUEI, please visit their website [here](#).

# Appendix 2: ESG in our underwriting and investments

At Conduit Re, we are cognisant of the important role that the insurance industry, and other parts of the financial services sector, play in supporting the transition to net zero. Through our products, we seek to reduce the protection gap which typically affects those most exposed to climate change and those in more vulnerable communities. We seek to act responsibly considering the requirements and objectives of all our stakeholders.

While ESG considerations have been a factor in our underwriting and investment guidelines since inception, in 2022 we made them more precise and explicit. To the extent that there are any existing reinsurance policies or investments that do not comply with our guidelines, these will not be renewed, or reinvested in, on natural expiry.

## Underwriting guidelines (extract)

As a treaty reinsurer we do not underwrite individual insurance policies, including those relating to the extraction (and associated transportation and supply) of hydrocarbons. To the extent we write reinsurance portfolios that include, or are expected to include, new extraction of any hydrocarbon, this is subject to specific referral to the Chief Underwriting Officer. The referral will consider the risks from multiple perspectives including the consideration of the transition to net zero, while also seeking to avoid any significant exposure to Arctic drilling or extraction of oil from tar sands. Similar considerations and referral would apply to any significant known exposure to activities such as deforestation.

Similarly, we do not write insurance policies associated with certain industries and countries and do not actively seek such exposure from a reinsurance perspective. We maintain an internal list of such activities and countries. Currently the list includes industries such as tobacco, controversial weapons, and for-profit-prisons. The list of countries typically includes those that are either heavily sanctioned, have questionable human rights records or we consider represent an unacceptable risk for other reasons.

## Investment guidelines (description)

Similar restrictions apply for our investment portfolio as for underwriting. What differs is that our investment management is outsourced to various asset managers, with the guidelines applying to each. This, together with data availability, means the form of guideline is more quantitative.

- Tobacco
  - Restrict issuers that derive greater than 5% of their revenues from the manufacture of tobacco products.
  - Restrict issuers that derive greater than 25% of their revenues from tobacco related activities.
- Gambling
  - Restrict issuers that derive greater than 10% of their revenues from gambling-related business activities.
- Weapons
  - Restrict issuers with any tie to controversial weapons (including nuclear missiles) >0% of revenue.
- Civilian firearms
  - Restrict issuers that derive >0% of their revenue from the production of firearms, or  $\geq 3\%$  of their revenue from the retail of firearms.
- Coal, Arctic drilling, and oil sands
  - Restrict issuers that derive >0% of their revenue from the extraction/mining of thermal coal.
  - Restrict companies that derive  $\geq 5\%$  of their revenue from oil sands and/or arctic drilling.
- Thermal coal generation
  - Restrict issuers that derive  $\geq 30\%$  of their revenue from the production of electricity using thermal coal.
- For-profit prisons
  - Restrict Issuers that derive >0% of their revenue from the operation of for-profit prisons.
- Restricted countries
  - Restrict investment in bonds from a selective list of countries consistent with those used mentioned in relation to the underwriting guidelines.

*For more details, please refer to our 2024 ClimateWise Report.*

# Appendix 3: Charities supported by the Conduit Foundation

The Foundation's mission is:

“To make a positive impact on the Bermuda community by supporting organisations and outreach projects focused on the environment, diversity & inclusion initiatives, education and Bermuda's vulnerable populations. The Foundation intends to invest in results-based projects that will make a meaningful impact in the community and reflect Conduit Re's Environmental, Social and Governance values.”

The Foundation was established as a privately funded charity and has a licenced, third-party, trustee. There is a protector committee comprising the Chairman of Conduit Re's ESG Committee and director and non-director representation from Conduit Re.

Typically, donations, or other funding requests, are proposed by the Head of Human Resources for consideration based on recommendations made by staff.

Charitable disbursements are made to Bermuda-based registered charities, or in rare cases, other types of not-for-profit Bermuda organisations (for example the Association of Bermuda Insurers and Reinsurers for the public-school antigen testing programme during the pandemic). These typically fall into four categories:

1. Donations
2. Support for charitable events
3. Staff donation matching
4. Educational awards

The objectives of the Foundation are:

- Prevention or relief of poverty;
- Advancement of education;
- Advancement of health or saving of lives;
- Advancement of citizenship or community development;
- Advancement of arts, culture, heritage or science;
- Advancement of human rights, conflict resolution or reconciliation, or the promotion of religious or racial harmony or equality and diversity;
- Advancement of environmental protection or improvement, which includes without limitation the legal retirement or destruction of environmental credits;
- Relief to those in need because of youth, age, ill-health, disability, financial hardship or other disadvantage; and
- Other charitable purposes the Trustees think fit and which generally fall within the ambit or intention of the definition of Charitable Objectives.

The Conduit Foundation supports local charities in Bermuda as we believe that by supporting local charities, we can have the greatest impact in our community. Charities supported are typically suggested by employees and, after initial consideration by the Head of Human Resources, a proposal is considered by the protector committee of the Conduit Foundation.



## Appendix 3: Charities supported by the Conduit Foundation (continued)

### Big Brothers & Big Sisters Bermuda



Founded in 1978, Big Brothers Big Sisters of Bermuda is a charity which provides a mentoring programme dedicated to helping youth, primarily from single parent homes, realise their potential by facilitating the development of long-term one-on-one relationships.

The Conduit Foundation backs the charity's positive impact in supporting those who are found in disadvantaged positions and bringing together individuals from diverse parts of society.

This supports our Foundation's objective of advancement of citizenship or community development and the advancement of equality.

Years supported: 2024, 2024 (Gala of Giving), 2023, 2023 (Gala of Giving), 2022

Website: <http://www.bbbs.bm/>

health and safety training and outreach programmes.

This supports our Foundation's objectives of advancement of education and advancement of health or saving of lives.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://bermudaredcross.com/>

### Bermuda Red Cross



The Bermuda Red Cross was formed in 1950 as a branch of the British Red Cross Society. Originally a Nursing Reserve, it has grown over the years to provide other community-based programmes focusing on the most vulnerable. The charity provides health and safety courses to educate the public in basic First Aid, CPR AED use, pool lifeguarding and psychosocial first aid response. It also provides free transport for seniors for medical appointments as well as disaster management. Since the COVID pandemic, the charity has faced an unprecedented volume of requests and costs which lead to an urgent appeal for financial support.

The Foundation responded to this appeal to ensure the charity can continue to provide community

### Bermuda College Foundation



Bermuda College recently incorporated an Electric Vehicle training within their Motor Vehicle programmes. As Bermuda residents seek to reduce their carbon emissions, there has been an increase in demand for electric vehicles. This programme upskills those currently in the automotive industry, as well as incoming students, in repair and maintenance of electric and hybrid cars.

Conduit chose to provide a bursary for the Bermuda College Foundation Vehicle Mechanics programme to provide training and access to jobs whilst supporting the transition to less polluting vehicles. While the commitment was made in 2022, funding is from 2023 to 2026.

This supports our Foundation's objectives of advancement of education.

Years supported: 2024, 2024 (Gala of Giving), 2023, 2023 (Gala of Giving), 2025, 2026

Website: <https://www.college.bm/>

## Appendix 3: Charities supported by the Conduit Foundation (continued)

### Friends of Christchurch Feeding Programme



The Friends of Christchurch Feeding Programme provide meaningful results in the community by feeding families currently in crisis in Bermuda. The programme serves two to three hundred meals each day, six days per week.

Our Foundation seeks to support those in our local community, especially those in crisis. This supports our Foundation's objectives of prevention or relief of poverty.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://christchurch.bm/>

### Vision Bermuda



Vision Bermuda is dedicated to empowering people who are blind or vision impaired to learn how to live well with vision loss. They help people with no and low vision to maintain independence, learn new skills, participate in social and physical activities to reduce loneliness and isolation. They provide a range of services, classes, social activities and events, including vision rehabilitation therapy, orientation and mobility support, assistive technology and equipment information and training, small group training workshops and many more.

This supports our Foundation's objectives of advancement of health or saving of lives.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://visionbermuda.bm/>

### P.A.L.S.



P.A.L.S. mission is to provide cancer patients with quality care, primarily in the home setting, to enhance quality of life. P.A.L.S. provides medical equipment and services to insured and uninsured patients. Additionally, they can help with hospital bills, living expenses and medical services while patients undergo cancer treatment.

Funds provided by the Foundation assist with the employment of two nurses to provide patient care at home.

This supports our Foundation's objectives of advancement of health or saving of lives and relief to those in need because of ill-health.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://pals.bm/>

### Saving Children And Revealing Secrets (SCARS)



SCARS is Bermuda's only child sexual abuse prevention charity organisation. It was formed to create greater awareness of the devastation that child sexual abuse can cause in the life of a child, a family and a community. SCARS offers, at no cost to the community, prevention training, awareness programmes and informational resources for healing.

In addition to our Charitable Event Sponsorship Donation to Kayak4Kids Event in September, in 2022 we also provided a donation to SCARS directly to allow them to continue their advocacy work and to continue offering their training programmes free of charge. We also make SCARS training available to our staff, many of whom have attended.

## Appendix 3: Charities supported by the Conduit Foundation (continued)

This supports our Foundation's objectives of advancement of health or saving of lives and the advancement of education.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://www.scarsbermuda.com/>

### Living Reefs Bermuda



Bermuda's Living Reefs work to keep Bermuda's reefs and the marine life they support healthy. They launched a Coral Garden Initiative in 2016 and aim to develop a tourism/conservation partnership to ensure the sustainable conservation of the Atlantic's northernmost reefs. Their work is based on scientific studies. Their goal is to restore damaged reefs using innovative state of the art techniques for a range of boulder and branching coral species.

Conduit supports Living Reefs to help protect our environment against stresses, such as temperature changes, acidification, pollution and overfishing.

This supports our Foundation's objectives of advancement of environmental protection or improvement and the advancement of education.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://www.livingreefs.org/>

### Waterstart Ltd.



Since launching in 2001, Waterstart has developed, and continues to expand upon, a collection of highly successful outdoor education programmes. Waterstart promotes environmental awareness, and allows students to participate in woodland restoration, pilot aquaculture studies, seagrass monitoring and fish identification surveys. These programmes allow students to embrace new experiences and gain skills through experiential learning.

We support Waterstart due to the mixed educational and environmental benefits.

This supports our Foundation's objectives of advancement of environmental protection or improvement and the advancement of education.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://waterstartbermuda.org/>

### Tomorrow's Voices



Tomorrow's Voices was established in 2007 to provide low-cost behaviour therapy for children on the severe end of the autism spectrum. As the clinic continues to evolve, it has expanded its mission to assist all individuals with autism and developmental differences over their life span. Tomorrow's Voices subsidises the cost of therapeutic one-on-one Applied Behavioural Analysis services to the parents and guardians of their clients by an estimated 80%. This gives those parents and guardians the ability to access high end, research based, medically necessary services at an affordable cost to ensure their children access the clinical services they need. They also offer seminars for parents, teachers and other therapists.

This supports our Foundation's objectives of advancement of health or saving of lives and relief to those in need.

## Appendix 3: Charities supported by the Conduit Foundation (continued)

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://www.tomorrowsvoices.bm/>

### HOME



HOME works to end homelessness in Bermuda. HOME is working with the Bermuda government, non-governmental agencies, charities, philanthropies, the religious and wider local community to create a collaborative, single plan to eradicate homelessness on our island.

Our donation assisted HOME to invest in one identified rough sleeper to enable them to go through their programme.

This supports our Foundation's objectives of the prevention or relief of poverty.

Years supported: 2024, 2024 (Gala of Giving), 2023 (Gala of Giving), 2022

Website: <https://home.bm/>

### Bermuda National Trust: Paget Marsh



Paget Marsh is one of Bermuda's most important nature reserves, a special habitat virtually unchanged from pre-settlement times. This 25-acre reserve is of great environmental significance, a valuable educational site, and a popular place for visitors and locals to enjoy time in nature.

The Bermuda National Trust sought funding to restore the boardwalk at Paget Marsh. In need of repairs, it has been closed to visitors the past few years. The accessible entrance gate provides virtually the only wheelchair friendly access to a nature reserve in Bermuda.

Given the educational and environmental benefit of this project, the Conduit Foundation committed to being a Platinum sponsor of the marsh. This

supports our Foundation's objectives of the advancement of environmental protection or improvement and the advancement of education.

Years supported: 2024, 2024 (Gala of Giving), 2023, 2023 (Gala of Giving), 2022

Website:

[https://bnt.bm/environment/protected\\_open\\_space/central\\_wetlands/](https://bnt.bm/environment/protected_open_space/central_wetlands/)

### Fibonacci Foundation (Planet Math Bermuda)



The Fibonacci Foundation (Planet Math Bermuda) was founded to fund the community outreach projects of Planet Math, an organisation with a goal of fostering a love and appreciation of mathematics, while bringing math to life among Bermuda's youth. The organisation provides free tutoring to children who need additional assistance.

Their goal in providing scholarships for Summer Camp and free Math tutorials is to ensure that every Bermudian child has the opportunity to develop strong mathematical skills, regardless of their financial background. This investment in their education will not only prepare them for successful careers in Bermuda's math-intensive industries but also promote long-term personal and professional growth, something which resonates with the mission of the Conduit Foundation.

This supports our Foundation's objectives advancement of education.

Year supported: 2024

Website: <https://planetmath.education/>



## Appendix 3: Charities supported by the Conduit Foundation (continued)

### Amber's Wings



Amber's Wings was founded to provide animal therapy to enhance the wellbeing and quality of life of individuals. Their Rising Stars Global Equestrian Program offers horse riding to under-resourced children. Their Equine Assisted Interaction and Learning program provides equine therapy to those with mental health conditions.

This supports our Foundation's objectives of advancement of community development and culture.

Year supported: 2023

Website: <https://amberswings.net/>

### Family Centre



Family Centre is an accredited nonprofit dedicated to improving families' lives in Bermuda. They provide innovative, free of charge mental health counselling services for children, teens, and their families, community outreach programmes, and advocacy initiatives. The mission of the Family Centre is to facilitate healing, hope, and connection to strengthen families and create a healthier Bermuda for our children. The Family Centre is committed to ensuring access to support without barriers.

Supporting this charity is aligned with the Foundation's objectives of advancement of health or saving of lives.

Year supported: 2024

Website: <https://tfc.bm/>

### Bermuda Centre for Creative Learning



BCCL was founded in 2015 with a mission is to empower students by providing a personalised and flexible learning environment that focuses on their social, emotional and academic needs. They support children with learning differences to get the educational support they need on island, this includes children with dyslexia, dysgraphia, dyscalculia, ADHD, extensive function skills and school related apprehension. The organisation uses donations to fund bursaries for students to attend the school.

Supporting this charity is aligned with the Foundation's objectives of advancement of education.

Year supported: 2024

Website: <https://www.bermudacreativelearning.com/>

### Kaleidoscope Arts Foundation



The Kaleidoscope Arts Foundation is a non-profit community art and garden centre dedicated to empowering children through innovative hands-on learning methods. They offer classes, camps, and workshops focusing on skill-building in the arts, enabling young participants to express themselves. Their bursaries to ensure that all children have access to these opportunities, regardless of their financial circumstances.

Supporting this charity is aligned with the Foundation's objectives of advancement of education and art.

Year supported: 2024

Website: <https://www.kaf.bm/>

## Appendix 3: Charities supported by the Conduit Foundation (continued)

### Shift Bermuda



Shift was founded in the 1980s to provide drug resources to parents to prevent substance abuse. Its mission now is to provide evidence based social emotional learning opportunities and programmes to empower youth and adults to make healthy lifestyle choices. Its promise statement is to transform the lives of young people by authentically engaging them in quality Social Emotional Learning (SEL) and Substance Abuse Prevention (SAP) programmes.

Supporting this charity is aligned with the Foundation's objectives of advancement of health or saving of lives.

Year supported: 2024

Website: <https://shift.bm/>

### Meals on Wheels Bermuda



Meals on Wheels Bermuda began serving the elderly and people with disabilities in 1975. Meals on Wheels prepares and delivers freshly cooked meals, island-wide, to persons who are incapacitated or otherwise unable to prepare a nourishing meal on their own and who have no caregiver, friend or family member who can consistently provide this service. With the help of 120 volunteers and 4 part time staff, they cook and deliver approximately 3,800 nourishing individual meals per month while catering to multiple individual dietary requirements. Further, they provide meals in bulk to other local feeding programmes.

Meals on Wheels were looking to purchase new heated food service delivery bags for the volunteers to use during their delivery routes. Upon successfully sourcing a suitable bag, Conduit supplied a donation to purchase enough bags for each of their delivery routes. We have also

committed to our staff volunteering for a weekly delivery route.

This supports our Foundation's objectives of the prevention or relief of poverty and relief to those in need.

Years supported: 2024, 2024 (Gala of Giving), 2023, 2023 (Gala of Giving)

Website: <https://mealsonwheels.bm/>



The Conduit Foundation donated insulated bags to Meals on Wheels.

## Appendix 3: Charities supported by the Conduit Foundation (continued)

### Christmas Drive: Local initiatives supported

In addition to the charitable donations, event sponsorship and employee matching (as detailed in this report), the Foundation supported the following charities' 2024 Christmas Drives:

#### The Eliza Doolittle Society

The Foundation supported their Christmas Feeding Program through provision of supplies and our staff volunteered to prepare the food bags for the week.

#### Foster Parent Association of Bermuda

The Foundation donated money for the Association to purchase gifts and encouraged employees to bring in their own gifts to be donated, which were delivered to the Association.



*Conduit Re's staff volunteered to prepare food bags for The Eliza Doolittle Society.*

#### Home

The Foundation donated food items to go towards a Christmas dinner for their residents.

#### Salvation Army - Anonymous Santa Program

The Foundation donated money to buy gifts for our very own Conduit Re Elves, benefitting 10 boys and 10 girls. We encouraged our staff to also support this worthy cause by securing their own Elf, from the Salvation Army.

#### The Coalition for the Protection on Children - Toys4Tots

The Foundation donated funds to purchase gifts and encouraged staff members to contribute a gift to the collection.

#### The Women's Resource Centre

The Foundation donated turkey vouchers for inclusion in their family hampers this year.



*Toys donated by The Foundation, and its staff, to The Coalition for the Protection of Children - Toys4Tots.*

### Support for The United Nations Global Compact Sustainable Development Goals

All charities supported are aligned to the Foundation's values and mission. They are also aligned to the UN's Sustainable Development Goals (SDGs). The SDGs build on decades of work by the UN and are both a call to action and a shared blueprint for peace and prosperity for people and the planet. Through our partnership with the charities detailed above, we are proud to support the UN's SDGs. In the table below, we have shown which of the UN's SDGs our support is aligned to.



## Appendix 3: Charities supported by the Conduit Foundation (continued)

Charity supported by Conduit Foundation	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Lady Cubitt Compassionate Association (LCCA)	✓		✓					✓							
Bermuda National Trust			✓	✓			✓						✓		
Peak Potential Bermuda				✓	✓			✓							
Bermuda College Foundation	✓			✓		✓	✓		✓	✓	✓		✓		✓
SPCA Bermuda			✓	✓									✓		
The Menuhin Foundation			✓	✓											
The Adult Education School	✓			✓	✓			✓							
The Reading Clinic				✓	✓			✓							
Action on Alzheimer's & Dementia ("AAD")	✓		✓					✓							
Big Brothers & Big Sisters Bermuda (BBBS)	✓		✓	✓											



### Appendix 3: Charities supported by the Conduit Foundation (continued)

Charity supported by Conduit Foundation	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Bermuda Red Cross	✓		✓				✓								
Bermuda Sloop Foundation				✓	✓						✓	✓		✓	
Friends of Christchurch Feeding Program	✓	✓													✓
Vision Bermuda	✓		✓												
S.C.A.R.S.			✓		✓										
P.A.L.S.	✓		✓												
Living Reefs Bermuda			✓	✓				✓			✓	✓		✓	
Waterstart Ltd.				✓							✓	✓			
Tomorrow's Voices			✓	✓											
HOME	✓	✓	✓					✓							
Meals on Wheels Bermuda	✓	✓	✓												
Fibonacci Foundation (Planet Math Bermuda)				✓	✓	✓		✓							
Amber's Wings			✓										✓		

### Appendix 3: Charities supported by the Conduit Foundation (continued)

Charity supported by Conduit Foundation	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Family Centre			✓		✓			✓							
Bermuda Centre for Creative Learning			✓	✓		✓		✓							
Kaleidoscope Arts Foundation			✓	✓				✓							
Shift Bermuda			✓					✓							

## Appendix 4: Policies in place

- Anti-Bribery and Corruption Policy
- Anti-Money Laundering and Anti-Terrorist Financing Policy
- Business Continuity Policy and Plan
- Claims policies
- Commercial Insurers Solvency Self-Assessment (“CISSA”) Policy
- Compliance Policy
- Conduit Actuarial Study Support Policy
- Conduit Code of Conduct (including topics on corruption and bribery<sup>34</sup>, discrimination, confidentiality of information, conflicts of interest, anti-trust and anti-competitive practices, anti-money laundering and anti-terrorist financing, environmental and health and safety, whistleblowing)<sup>35</sup>
- Conduit Finance and Accounting Study Support Policy
- Conduit Training, Development & Tuition Reimbursement Policy
- Conflicts of Interest Policy
- Data Classification and Handling Policy
- Disclosure and External Communications Policy
- Employee Handbook (the handbook includes policies on the following (where applicable, this applies to all employees, representatives, and contractors when they act on behalf of Conduit): Conduct and Disciplinary Procedures, Discriminatory Harassment and Bullying, Diversity and Inclusion, Flexible Working, Learning and Development, Resignation, Sexual Harassment, Working Hours, Workspace Safety and Health)
- Expense Policy
- Fit and Proper Policy
- Governance and Internal Control Policy
- Green Loan Policy
- Investment guidelines
- IT and Information Security Policy
- Market Abuse Regulations (MAR) Manual
- Modern Slavery and Human Trafficking policy
- Non-Audit Services Policy
- Outsourcing Policy
- Privacy Programme
- Recruitment and Selection Policy
- Regulatory and Tax Operating Guideline
- Related Party Transactions
- Risk Policy
- Sanctions Policy
- Share Dealing Code
- Stress and Scenario Testing Policy
- Travel Policy
- Underwriting guidelines
- Whistle-blower Policy and Procedure

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<sup>34</sup> This includes a zero-tolerance policy on all forms of bribery, including but not limited to: enforcing standards and acceptable limits around gifts and hospitality, political and charitable donations.

<sup>35</sup> For details on responsibilities, accountabilities, and reporting lines related to the Code of Conduct, please refer to the Board’s Terms of Reference, available in the Corporate Governance section of our website, as well as our Financial Condition Report. The Company provides a whistleblowing

hotline for staff to report concerns anonymously. Compliance goals are set for all employees, and disciplinary action will be taken if employees violate the policy or fail to meet performance standards. At a minimum of annually, our external auditors review substantial elements of the Company’s compliance framework to ensure they are designed and implemented appropriately, including its policies, adherence to regulatory standards and Codes of Conduct, and reporting of any material breaches.

# Appendix 5: TCFD disclosure table

Conduit Re believes that material progress for our industry on climate matters requires collaboration, and we support it alongside transparent reporting, of which our TCFD disclosures are part of. Below is a summary of our TCFD disclosures, which are intended to provide context alongside a reference to where each topic is explored in more depth. ClimateWise provides an industry-specific framework for TCFD reporting and is most meaningfully read as a standalone document, Our ClimateWise report is available to download on our website.

Extract from CHL’s Annual Report and Accounts 2024:

TCFD pillars	TCFD recommended disclosures	Disclosure status and reference to where disclosures have been made
<p>Governance</p> <p>Disclose the organisation’s governance around climate-related risks and opportunities</p>	<p>A. Describe the board’s oversight of climate-related risks and opportunities.</p>	<p><b>See Principle 1 of our ClimateWise report.</b></p> <p>The Board has held strategy sessions that have considered climate-related risks and opportunities and have established parameters within which management can operate. It receives regular reports and is also supported by the ESG Committee.</p>
	<p>B. Describe management’s role in assessing and managing climate related risks and opportunities.</p>	<p><b>See Principle 1 of our ClimateWise report and the governance section of our ESG Report.</b></p> <p>Climate-related risk is integrated into various management policies. Each Executive Committee member has specific climate responsibilities set out in our ESG Report which is available on our website.</p>
<p>Strategy</p> <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the Organization’s businesses, strategy, and financial planning where such information is material.</p>	<p>A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</p>	<p><b>See Principles 1 and 3 of our ClimateWise report.</b></p> <p>Climate-related risks and opportunities exist across our underwriting, investments and operations.</p>
	<p>B. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.</p>	<p><b>See Principles 1 and 3 of our ClimateWise report.</b></p> <p>Climate-related risks and opportunities exist across our underwriting, investments and operations that are relevant for our business, strategy and financial planning.</p>
	<p>C. Describe the resilience of the organization’s strategy, taking into</p>	<p><b>See Principle 1 of our ClimateWise Report.</b></p>



## Appendix 5: TCFD disclosure table (continued)

TCFD pillars	TCFD recommended disclosures	Disclosure status and reference to where disclosures have been made
	consideration different climate related scenarios, including a 2°C or lower scenario.	Our planning time horizon and the short-tail nature of our insurance liabilities and asset portfolio limit the impact of a 2°C scenario on our business plan and short-term capital management.
<p>Risk Management</p> <p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>A. Describe the organization's processes for identifying and assessing climate related risks.</p> <hr/> <p>B. Describe the organization's processes for managing climate related risks.</p> <hr/> <p>C. Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.</p>	<p><b>See section 3.1 of our ClimateWise report.</b></p> <p>Our processes are integrated with our wider risk management framework described in the enterprise risk management report and in our Financial Condition Report which is available on our website.</p> <hr/> <p><b>See Principle 1 of our ClimateWise report.</b></p> <p>Our processes are integrated with our wider risk management framework described in the enterprise risk management report, as well as in our Financial Condition Report which is available on our website.</p> <hr/> <p><b>See Principles 1 and 3 of our ClimateWise report.</b></p> <p>Our processes are integrated with our wider risk management framework described in the enterprise risk management report, as well as in our Financial Condition Report which is available on our website.</p>
<p>Metrics and Targets</p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p> <hr/> <p>B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <hr/> <p>C. Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.</p>	<p><b>See Principle 4 of our ClimateWise Report.</b></p> <p>Our metrics relate primarily to carbon neutrality and to our business partners' commitment to climate matters.</p> <hr/> <p><b>See Principle 4 of our ClimateWise Report.</b></p> <p>Further detail can also be found in the Environment section of this ESG Report.</p> <hr/> <p><b>See the Environment section of our ESG Report and Principle 4 of our ClimateWise Report.</b></p> <p>Our metrics relate primarily to carbon neutrality and to our business partners' commitment to climate matters.</p>

## Appendix 6: Carbon emissions methodology

### Methodology

We calculated our carbon emissions by applying emission factors to the relevant quantities of activity. The methodology used to calculate our operational greenhouse gas (GHG) emissions is the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol), developed by the World Resources Institute/ World Business Council for Sustainable Development.

Quantity details were sourced as follows:

Business travel data (flights, trains, and hotels) was supplied by the Company's travel agent and supplemented with our own travel records. Commuting details were calculated using information shared by employees. Electricity usage was taken from our utility bills.

Emission factors were sourced as follows:

- Emissions for air travel were calculated using the ICAO Emission Calculator, consistent with 2023 data. Emission factors have changed, and flight classes are now divided into first, business, premium, and economy, leading to higher emission factors for long-haul business flights. Our 2023 emissions calculated using these updated factors are: Business travel emissions: 423.5t; Total Emissions (market based): 591.9t; Gross emissions per employee: 10.3t. <https://www.icao.int/environmental-protection/Carbonoffset/Pages/default.aspx>
- Emission factor for rail travel was taken from information provided by the UK Office for Rail and Road (31.3g (2023: 33g) per passenger km) <https://dataportal.orr.gov.uk/statistics/infrastructure-and-emissions/rail-emissions/table-6100-estimates-of-normalised-passenger-carbon-dioxide-equivalent-co2e-emissions/>
- Emission factors for petrol cars and bikes was taken from the UK Government's 2024 Government's Greenhouse Gas Conversion Factors for Company Reporting; this is the same source as 2023 however we observed a shift from employees commuting by moped to car, increasing emissions.

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

- Emission factors for electric bikes and cars was calculated using the electricity usage per mile as per the manufacturer's specifications and the local/ market-based electricity emissions factors, as applicable
- Emission factors for hotels were taken from the Cornell Hotel Sustainability Benchmarking Index 2024, which is the updated source from 2023. Unless specified in our travel reports, we assume our employees have stayed in 4-star hotels. In the event that a 4-star hotel emission factor is not available for that location, we used the average for hotels in that specific location. <https://ecommons.cornell.edu/items/f50b30f1-40ea-4c87-95d0-83c8009f6497>
- Emission factor for electricity's location-based method for our London office uses the Grid Electricity Emissions Factors published by the UK government (204.93kg/kWh; 2023: 0.208.71kg/kWh) <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>
- The market method for our London office uses emission information provided by our electricity provider (254g/kWh; 2023: 159g/kWh) <https://www.edfenergy.com/fuel-mix>
- Emission factor for the location-based method for electricity used by our Bermuda office is The IFI Dataset of Default Grid Factors v.3.2 (753g/kWh) from which there is no change in emissions factor from 2023 <https://unfccc.int/documents/461676>
- Emission factor for the market-based method for our Bermuda office uses an emission factor provided to us directly by our electricity provider (666.3g/kWh; 2023: 716.8g/kWh)

Emission factors for our suppliers was based on their published net market emissions and financial reports, to the extent that this is disclosed. We define our suppliers as brokers and vendors whose costs are allocated to our "Other Operating Expenses" within our Annual Report and Accounts. To complete this exercise, we identified all suppliers

## Appendix 6: Carbon emissions methodology (continued)

for which Conduit Re had a spend in 2024 greater than \$400,000, which was 21 suppliers in total and 52% of our total spend. Of these suppliers, 13 disclosed their carbon emissions, of which six were brokers and seven were other vendors. We calculated our share of their emissions using our spend as a percentage of their total revenue, multiplied by their Scope 1 and Scope 2 carbon emissions for 2024. This provided us with our carbon emissions for 13 suppliers which made up 44% of our total spend. Each of these suppliers have net zero targets. As it is typically larger companies who disclose their carbon emissions, and our greatest spend is typically with the larger companies, it is less likely that our smaller suppliers, who did not form part of our sample, will disclose their emissions.

To calculate estimated emissions generated by these companies in our supply chain, we calculated the average tCO<sub>2</sub>e per dollar spent on our researched suppliers from the information generated above. We multiplied this average tCO<sub>2</sub>e by the remaining 56% of our spend to calculate emissions associated with the suppliers who either did not disclose their emissions or who had not been included in our sample. We combined the results from the two exercises, which provided us with an overall estimate of our share of carbon emissions generated by suppliers in our value chain.

Previously, many suppliers disclosed only their total emissions, and did not breakdown their Scope 1, 2 and 3 emissions. Now their reports are more advanced, suppliers are providing this breakdown. We have therefore updated our methodology for 2024, and restated the comparative for 2023, to include only emissions related to Scope 1 and 2 from suppliers, in line with PCAF's (Partnership for Carbon Accounting Financials) guidance. Where this is not provided, we continue to use total emissions.

We do not include emissions related to our investment portfolio as we do not have consistent and timely access to suitable high-quality data. We have performed analysis of those investments with greatest negative impact and have factored this into restrictions in our investment guidelines.

We have not yet calculated the emissions connected with our underwriting portfolio. We follow PCAF's guidance on how to calculate greenhouse gas emissions, from which treaty reinsurance is currently out of scope. Once there is clear guidance on how to account for Scope 3 emissions related to treaty reinsurance, we will determine any revisions to our plan and associated actions and targets.

# Appendix 7: Carbon emissions: Independent Limited Assurance Report of KPMG Audit Limited to Conduit Holdings Limited



Independent Practitioners' Limited Assurance Report

To the Board of Directors of Conduit Holdings Limited

Report on Selected Information described below for the year ended 31 December 2024

## Conclusion

We have performed a limited assurance engagement on whether the selected Greenhouse Gas emissions of Conduit Holdings Limited ("Conduit") for the year ended 31 December 2024 has been prepared in accordance with the Reporting Criteria. The scope of our work includes only the selected Greenhouse Gas emissions within Conduit's Annual Report and Accounts, ClimateWise Report and ESG Report for the year ended 31 December 2024 (collectively "the Reports") marked with the symbol Δ ("the Selected Information"). These are also listed in the Appendix to this report. The Reporting Criteria we used to form our judgements are set out in Appendix 6 of the 2024 ESG Report ("the Reporting Criteria"). The Selected Information needs to be read together with the Reporting Criteria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Information of Conduit for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with Reporting Criteria.

Our conclusion on the Selected Information does not extend to any other information that accompanies or contains the Selected Information and our report.

## Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Intended use or purpose

Our report has been prepared for Conduit solely in accordance with the terms of our engagement. We have consented to the publication of our report on <https://conduitreinsurance.com/esg/esg-reports/esg-reports-and-downloads/> for the purpose of Conduit showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of Conduit determined by Conduit's



## Appendix 7: Carbon emissions: Independent Limited Assurance Report of KPMG Audit Limited to Conduit Holdings Limited (continued)

needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Conduit for any purpose or in any context. Any party other than Conduit who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG Audit Limited will accept no responsibility or liability in respect of our report to any other party.

Our conclusion is not modified in respect of this matter.

### Responsibilities for the Selected Information

Management of Conduit are responsible for:

- o designing, implementing and maintaining internal control relevant to the preparation of the Selected Information such that they are free from material misstatement, whether due to fraud or error;
- o selecting or developing suitable criteria for preparing the Selected Information and appropriately referring to or describing the criteria used; and
- o properly calculating and reporting the Selected Information in accordance with the Reporting Criteria.

### Inherent limitations in preparing the Selected Information

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. The Reporting Criteria has been developed to assist Conduit in producing the Selected Information. As a result, the Selected Information may not be suitable for another purpose.

### Our responsibilities

We are responsible for:

- o planning and performing the engagement to obtain limited assurance about whether the

- Selected Information is free from material misstatement, whether due to fraud or error;
- o forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- o reporting our conclusion to the Board of Directors.

### Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Information that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- o limited substantive testing including agreeing a selection of the inputs into the Selected Information to corresponding supporting information and performing analytical procedures on certain inputs;
- o considering the appropriateness of the carbon conversion factor calculations and other unit conversion factor calculations used by reference to widely recognised and established conversion factors;
- o re-performing a selection of the carbon conversion factor calculations and other unit conversion factor calculations;
- o re-performing the mathematical calculation of the Selected Information in accordance with the Reporting Criteria; and
- o reading the narrative accompanying the Selected Information in the Reports with regard to the Reporting Criteria, and for consistency with our findings.

## Appendix 7: Carbon emissions: Independent Limited Assurance Report of KPMG Audit Limited to Conduit Holdings Limited (continued)

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

*KPMG Audit Limited*

Chartered Professional Accountants

Hamilton, Bermuda

26 February 2025

The maintenance and integrity of Conduit's website is the responsibility of the Directors of Conduit; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Reports presented on Conduit's website since the date of our report.

### Appendix

The Underlying Selected Data that constitutes the Selected Information are listed below. The information in this Appendix needs to be read together with the limited assurance report and the Reporting Criteria.

Selected Information included within the Reports for the year ended 31 December 2024:

<b>Underlying Selected Data</b>	<b>Unit</b>	<b>Value</b>
Direct emissions - Scope 1	tCO <sub>2</sub> e	0
Location based indirect energy emissions - Scope 2	tCO <sub>2</sub> e	152.4
Market based indirect energy emissions - Scope 2	tCO <sub>2</sub> e	135.2
Business travel emissions (Flights) - Scope 3	tCO <sub>2</sub> e	403.9
Business travel emissions (Hotels) - Scope 3	tCO <sub>2</sub> e	27.7
Staff Commuting (Scope 3)	tCO <sub>2</sub> e	21.6
Total Gross emissions from operations - Location based *	tCO <sub>2</sub> e	605.6
Total Gross emissions from operations - Market based *	tCO <sub>2</sub> e	588.4
Gross emissions per average employee - Location based	tCO <sub>2</sub> e	9.5
Gross emissions per average employee - Market based	tCO <sub>2</sub> e	9.3

\* Note that this total excludes Conduit's share of suppliers' emissions



## CONDUIT RE

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