canopius

ClimateWise Report 2026

REPORTING YEAR 2025/2026

Company number 129591

ClimateWise Principles 2026

Principle	Theme	Reference	Sub-Principle
1. Steering Transition	Governance	1.1	Ensure that our Board has oversight of climate- and nature-related risk and opportunity management, including any transition plans.
		1.2	Ensure that our senior management has responsibility of climate- and nature-related risk and opportunity management, including any transition plans.
		1.3	Create a clear link between governance and oversight, establishing a robust governance framework and underlying policies and procedures.
		1.4	Ensure that our Board and senior management have the required knowledge and incentives to oversee risks and establish a culture aware of environmental issues.
	Strategy	1.5	Describe the impacts and implications of climate- and nature-related risks and opportunities on our business model and performance, strategy, and any decision-making processes.
		1.6	Describe how environmental resilience plans are incorporated into business decision making, including disclosure of any material outcomes of climate risk scenarios.
		1.7	Describe the outcomes of our materiality analysis and any material climate- and nature-related risks and opportunities that affect our prospects.
	Risk Management	1.8	Establish appropriate processes to identify, assess and prioritise climate- and nature-related impacts, risks and opportunities.
		1.9	Put in place mechanisms to monitor and manage climate- and nature-related risks and opportunities.
		1.10	Describe how scenario analysis has been used to inform the identification, assessment and management of climate- and nature-related risks.
2. Engaging Stakeholders	Operations	2.1	Manage and seek to reduce the environmental impacts of the internal operations and physical assets under our control.
		2.2	Engage our employees on our commitment to address climate- change and nature, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate- and nature-informed choices outside work.
	Value Chain	2.3	Understand and disclose the sources of emissions and adverse climate- and nature-related impacts on our value chain, that might in turn impact our business.
		2.4	Advocate and engage across the supply chain to encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business.
	Innovate & Advocate	2.5	Support and undertake research and development to inform current business strategies, develop new products, and help support and incentivise our customers and stakeholders, including affected communities, in adapting to and mitigating climate- and nature-related issues.
		2.6	Promote and actively engage in public debate on climate- and nature-related issues and the need for action by publicly communicating our beliefs and strategy on climate- and nature-related issues and providing support and tools to our customers/clients so that they can assess their levels of risk.
		2.7	Where appropriate, work with policy makers and share our research with scientists, society, business, governments and NGOs in order to advance a common interest.

ClimateWise Principles 2026

Principle	Theme	Reference	Sub-Principle
3. Enabling Transition	Investments	3.1	Integrate consideration of climate- and nature-related risks and opportunities into investment strategies and decision making.
		3.2	Take action to manage the implications of climate- and nature-related risks and opportunities on, and of, our investments.
	Underwriting	3.3	Develop and use models to incorporate climate- and nature-related issues and describe how the outputs of the models inform our underwriting decisions.
		3.4	Incorporate clauses in our insurance policies' terms and conditions that incentivise the reduction of exposure to climate- and nature-related issues of the insured structures through pricing of policies.
	Transition Plans	3.5	Disclose our climate- and nature-related transition plans and the objectives, priorities and commitments we are looking to address.
		3.6	Describe how the transition plan is overseen, resourced and implemented.
4. Disclosing Effectively	Measure & Monitor	4.1	Measure and disclose the impacts and potential impacts on our business of material climate- and nature-related risks and opportunities, including the results of the resilience analysis.
		4.2	Disclose the metrics used to measure and manage our contribution to climate- and nature-related risks, and targets used for monitoring progress.
	Report Robustly	4.3	Maintain and enhance a robust reporting regime, processes and internal controls over climate-related disclosures in order to avoid material errors or material misstatements.
	Disclose Transparently	4.4	Annual submission against the ClimateWise Principles.
		4.5	Annual public disclosure of the climate-related disclosures including ClimateWise Principles as part of annual reporting.
		4.6	Ensure reports are easy to understand, accurate, prudently and neutrally presented, well explained and allow organisations to be held to account.

Foreword from our Group CEO

"Canopius is, first and foremost, a commercial (re)insurer with a clear ambition: to be an exceptional underwriting company.

Everything we do flows from the discipline of understanding risk well and pricing it accurately, and a changing climate is now an inseparable part of that picture. We do not treat climate as something set apart from the business; we treat it as one of the many forces shaping the risks we assess, the opportunities we pursue and the value we bring to our clients.

That is why we continue to support ClimateWise and to report against its principles. The framework, and the independent benchmarking behind it, gives us a valuable external perspective on where our understanding is strong and where it can be sharper. Used well, it makes us a better underwriter, more alert to how risk is evolving, and better placed to help our clients navigate it.

Much of our effort over the past year has gone into the foundational work of understanding our own baseline, building an honest, evidence-based picture of where we stand today. That work is less visible than headline targets, but for an underwriting business it is the right place to begin: we cannot manage, price or improve what we have not first taken the time to measure and understand.

Our aim is to grow responsibly and profitably, and to stand with our clients where they need us most. As their world changes, we want to bring capacity, expertise and judgment they can rely on supporting them through transition at a pace that is realistic for their businesses and sound for ours. We are clear-eyed that this is a complex and evolving landscape, and that there is more for all of us to do. We will not get everything right, but we intend to keep learning and improving.

Underpinning all of this is a simple expectation of ourselves: to be accountable for the commitments we make and empowered to act on them. My thanks go to our teams for the progress reflected in this report, and I look forward to the further strides we will make together."



NEIL ROBERTSON
Group Chief Executive Officer, Canopius

July 2026



"As a specialty insurer, understanding risk is what we do, and climate is among the most important risks of our time. Our task is to assess it with rigour, price it with discipline and help our clients navigate the transition with confidence."

Introduction

Canopius has been a ClimateWise member since 2023 and remains committed to supporting action on climate- and nature-related challenges.

This report explains how we align with the ClimateWise Principles and how we are embedding climate and nature considerations across our strategy and business activities, including underwriting, investments, operations, risk management, actuarial, communications and governance.

Reporting against the ClimateWise Principles reinforces our commitment to transparency and accountability. Clear and consistent communication on climate risk is essential to building stakeholder trust and supporting the long-term resilience and success of our business.

We look forward to strengthening our engagement with ClimateWise and contributing to collective progress across the insurance sector in addressing climate- and nature-related risks and opportunities.



2025-2026 Summary of Progress Highlights

Throughout the reporting period, Canopius took steps to strengthen its approach to managing climate and nature-related risks and opportunities across the business. Key areas of progress include:

Steering Transition

We enhanced our understanding of material climate- and nature-related issues by completing our first Double Materiality Assessment, expansion of transition risk assessments across underwriting portfolios, and further development of our approach to measuring insurance-associated emissions (IAEs). We also deepened our understanding of nature-related risks through a materiality assessment and scenario analysis on selected portfolios.

Engaging Stakeholders

Employee engagement and capability building was strengthened through the launch of the Canopius Sustainability Community (CSC), delivery of targeted learning opportunities and roll out of an insurance-industry specific sustainability training for all colleagues. We also expanded engagement on nature and biodiversity through our new charity partner.

Enabling Transition

We continued to develop our climate risk and investment capabilities, including annual climate scenario analysis of our investment portfolio, the introduction of sustainability investment KPIs, and enhanced engagement with asset managers on emissions and ESG reporting. We also progressed work on climate liability and transition risk with key stakeholders in Underwriting and Exposure Management.

Disclosing Effectively

We improved the quality and transparency of climate-related disclosures through enhancements to emissions methodologies, expanded use of climate-related metrics, and clearer articulation of assumptions, limitations and emerging areas of development.

Together, these activities have helped strengthen the foundations of our climate- and nature-related governance, risk management and reporting capabilities. While many aspects of our approach continue to evolve, the work undertaken during the year has improved our understanding of material risks and opportunities and provided a stronger basis for future decision making and disclosures.

Principle 1

Steering Transition

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Principle 1: Steering Transition

2025-2026: Key Progress Highlights

1

Double Materiality Assessment (DMA)

Completed our first DMA to prioritise the sustainability topics most relevant to Canopius and to inform future strategy, risk management and reporting.

2

Insurance-Associated Emissions (IAEs)

Enhanced our IAEs methodology through improved data, portfolio mapping and alignment with the PCAF methodology.

3

Nature Risk Assessment

Undertook nature materiality and CatNet analysis to identify priority portfolios and deepen our understanding of nature-related exposures.

4

Climate Liability Analysis

Expanded climate liability scenario analysis and monitoring to improve understanding of emerging litigation risks.

5

Responsible Underwriting Process Enhancements

Improved the Responsible Underwriting referral process through greater automation, monitoring and reporting capabilities.

6

Board Climate Risk Training

Climate risk training was completed by the Legal Entity Boards, ESS Committee and UK Executive Committee (ExCo), with a focus on relevant climate risk regulatory requirements.

Principle 1: Steering Transition

Sub-Principle 1.1

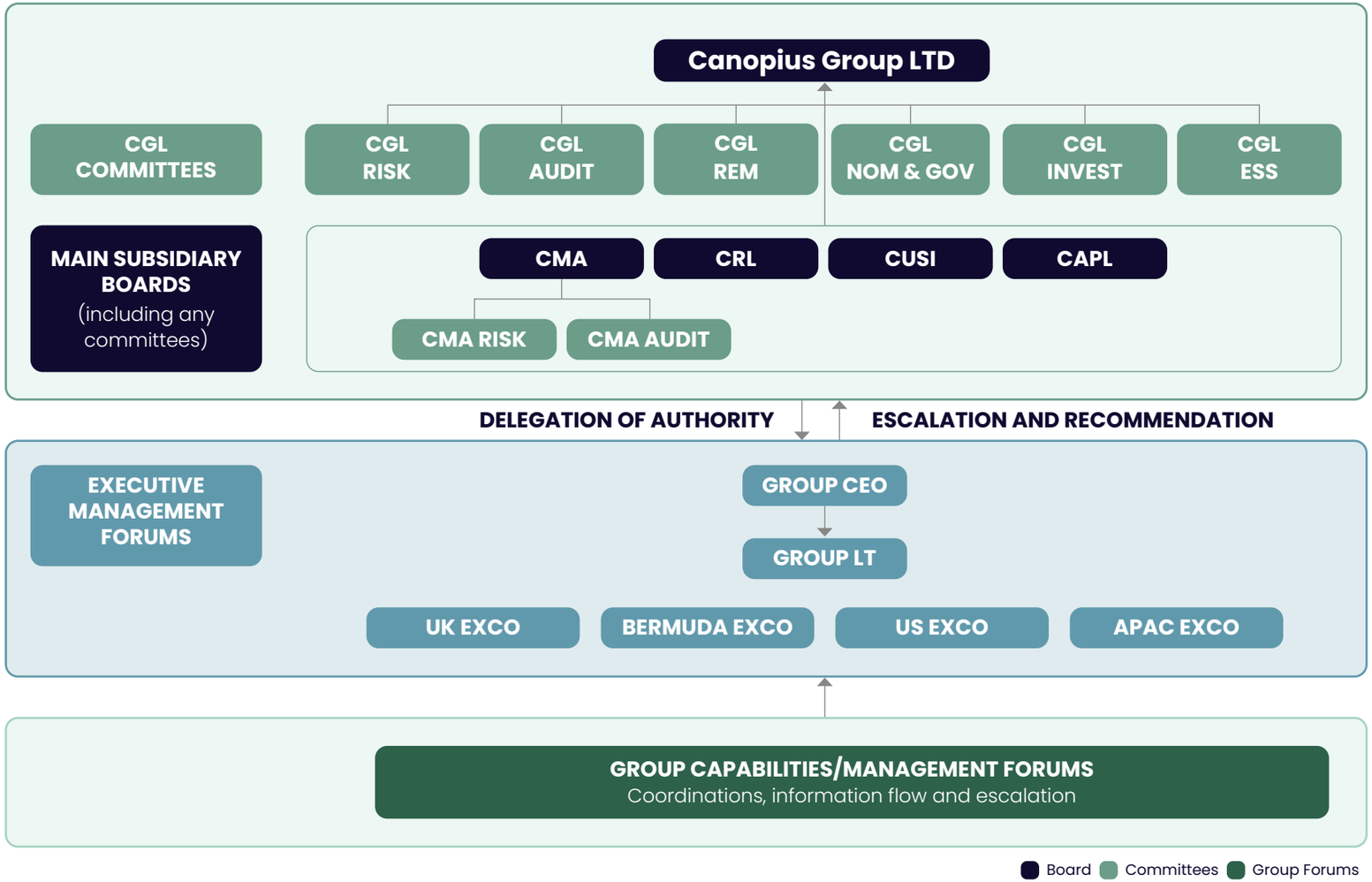
Ensure that our Board has oversight of climate and nature-related risk and opportunity management, including any transition plans.

Overall Board Responsibilities

Canopius maintains a clear and established governance framework that ensures climate- and nature-related risks and opportunities are subject to robust oversight. Board oversight is evidenced through active review, challenge and direction, including requests for further analysis, clarification and supporting papers on key strategic and risk-related matters. The framework is also embedded across strategic decision making, risk management and operational delivery.

Committees

The Board retains ultimate accountability for oversight of climate- and nature-related matters, supported by a structured governance framework comprising dedicated Committees and defined escalation pathways.



Principle 1: Steering Transition

Sub-Principle 1.1

Environmental, Social and Sustainability (ESS) Committee

Central to this framework is the Environmental, Social and Sustainability (ESS) Committee, which operates under delegated authority from the CGL Board and plays an integral role in supporting Board oversight of the Group's sustainability strategy and transition planning activities.

During 2026, the Committee continued to review progress against the Canopius Transition Plan and emissions reduction initiatives, including the Group's carbon footprint, performance against agreed success indicators and the development of new decarbonisation initiatives. This included Board approval of the Group's Emissions Reduction Plan, providing direct oversight of the Group's approach to emissions reduction and supporting implementation of the wider Transition Plan. The Committee receives quarterly updates on sustainability performance, risks and opportunities, ensuring continuous Board visibility and oversight of climate- and nature-related matters.

In addition to monitoring performance, the ESS Committee actively shapes the forward-looking sustainability strategy and agenda. This includes review of sustainability KPIs, oversight of climate risk management, emissions initiatives and the governance framework for sustainability, including its application to underwriting activities.

In 2026, the ESS Committee reviewed and endorsed key priorities, including refreshing the Canopius Transition Plan, strengthening climate risk integration and disclosures, and further developing the Group's approach to nature-related risks and biodiversity considerations. This included early development of the Group's approach to nature-related risks, including biodiversity considerations in underwriting and operational dependencies. The introduction of sustainability KPIs further enhanced oversight by enabling more structured and transparent performance monitoring across core business areas – underwriting, investments and operations.

The Committee receives updates on evolving sustainability and climate related regulatory requirements across the Group's Legal Entities and provides oversight and challenge regarding management's response to those developments. This includes reviewing progress against jurisdiction-specific action plans, including the PRA's SS5/25 on enhancing banks' and insurers' approaches to managing climate-related risks; and the BMA's guidance on the management of climate change risks for commercial insurers. This supports compliance with applicable regulatory expectations and strengthens Board visibility of emerging requirements and implementation activity.

Risk Committees

Oversight is further reinforced through the Risk Committees, which embed climate-related considerations within the Enterprise Risk Management (ERM) framework, including the risk register and risk appetite statements. Climate change and catastrophe risks are recognised as key drivers of the Group's risk profile and are monitored through established processes such as scenario analysis, stress testing and emerging risk assessments. Board-level discussions also consider emerging risks such as geopolitical developments, sanctions risk and inflation, supported by scenario analysis and enhancements to the Group's risk management framework. Outputs from these assessments are escalated through the Risk Committees and Leadership Team (LT) to the ESS Committee and Board, enabling challenge, reprioritisation and informed decision making.

In parallel, the CMA Risk Committee provides oversight of climate related risks for Canopius Managing Agents Ltd (CMA) and its managed syndicates, including review of scenario analysis, stress testing, and regulatory reporting. The CMA Board retains ultimate accountability for governance and annually approves the CMA's Own Risk and Solvency Assessment (ORSA) report, which includes climate-related content.

Dedicated agenda items relating to climate risk are discussed by both the CGL and CMA Risk Committees.



Principle 1: Steering Transition

Sub-Principle 1.1

Climate Risk Activities

Climate Risk Oversight and Activities	Description
CGL Risk Committee / CMA Risk Committee	The Risk Committees receive quarterly updates on risk management, including climate risks where relevant, and compliance. For CMA, additional regulatory expectations include the oversight of the Prudential Regulation Authority (PRA) SS5/25 on managing the financial risks of climate change.
Risk Appetite Statements	The Group and CMA risk appetite statements include consideration of climate risks. Risk appetite statements are prepared by relevant management groups and reviewed by the respective Risk Committee prior to Board approval.
Emerging Risk Register	The Emerging Risk Register is regularly updated and presented to the Risk Committee quarterly.
Risk Register	The Risk Register is reviewed at least annually and refreshed through the quarterly RCSA process, and has been updated to reflect climate and other sustainability-linked risk drivers.
CMA Specific ORSA Process	The ORSA process includes all risk categories and identifies material risks to the business. It covers the financial risks of climate change, including underlying exposures to physical, transition, liability and investment risk. The ORSA process is overseen by the Risk Committee.
Climate Scenario Analysis	The climate change risk scenarios are informed from the 2021 Climate Biennial Exploratory Scenario (CBES) published by the Bank of England and presented in the ORSA.
Sustainability Strategy	The Group Sustainability Strategy is approved by the Board, and management activities are overseen by ESS Committee and executed by Sustainability Forum.
Quarterly Business Reviews (QBR)	Quarterly oversight of progress made and identification of new risks and opportunities for each business unit.

The Governance Pathway

The governance pathway is designed to ensure that climate- and nature-related risks and opportunities are appropriately identified, monitored, managed and escalated across the Group. Management forums support the implementation of sustainability initiatives and monitor progress against agreed objectives, while Group-level committees provide coordination, challenge and oversight. Through established reporting and escalation pathways, material matters are elevated to the ESS Committee and Board as appropriate, ensuring climate- and nature-related considerations are embedded within strategic decision making, risk management and business planning activities.

Climate Risk Training

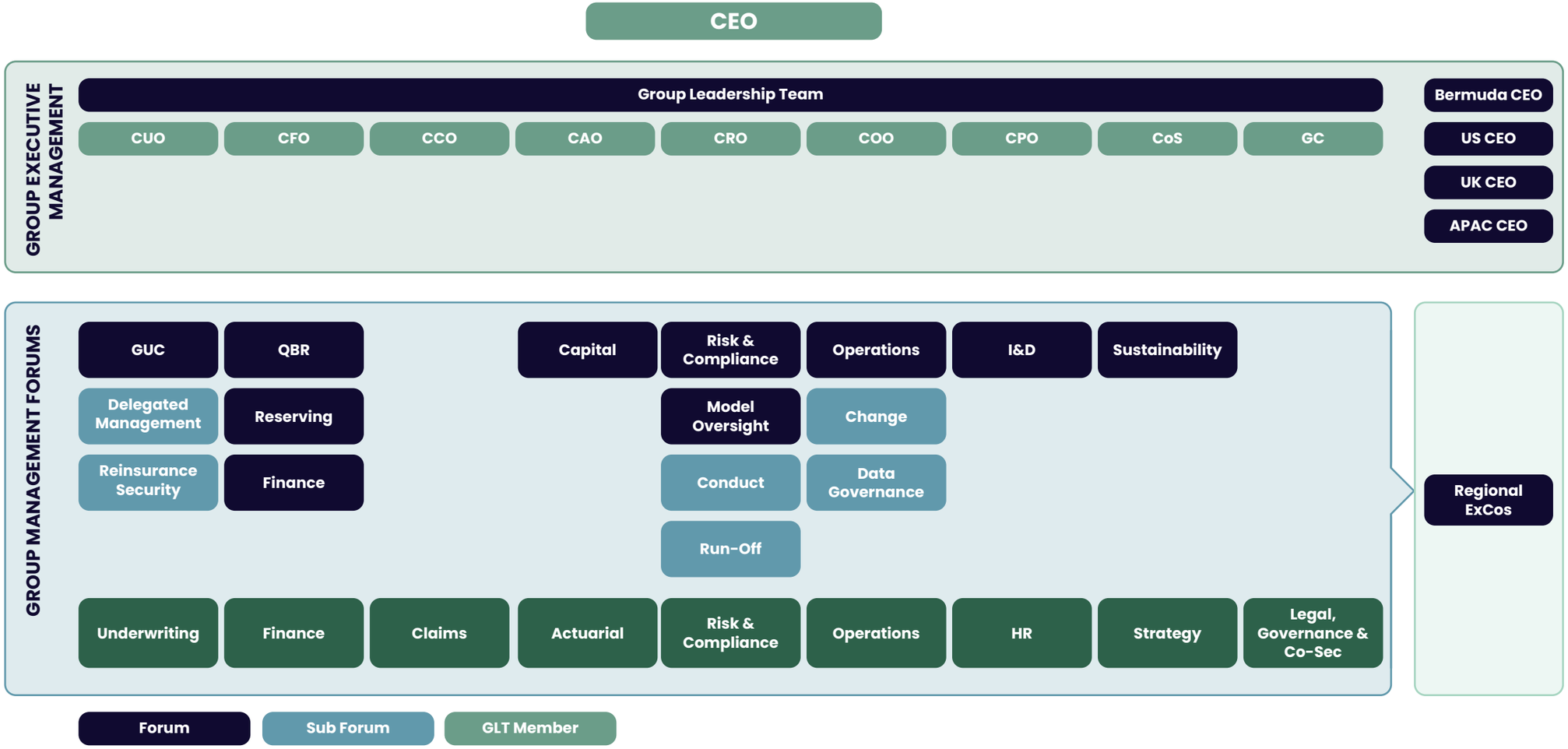
To support effective decision making, Boards, Executive Committees and ESS Committee members received targeted climate risk training designed to enhance their ability to provide effective oversight and challenge of climate and nature related matters. This includes business planning, climate scenario analysis, qualitative assessments, quantitative monitoring and indicators used to assess and oversee climate-related risks. Targeted climate risk training will continue to be delivered to Board members to address identified knowledge gaps and support understanding of evolving climate and nature related risks (refer to Sub-Principle 1.4).

Principle 1: Steering Transition

Sub-Principle 1.2

Ensure that our senior management has responsibility of climate- and nature-related risk and opportunity management, including any transition plans.

At senior management level, responsibility for the management of climate- and nature-related risks and opportunities is defined and embedded across the Group's leadership structure.



Principle 1: Steering Transition

Sub-Principle 1.2

Senior Management Accountability and Strategic Direction

At senior management level, responsibility sits with the Group LT, which supports the delivery of the Group's sustainability strategy and provides management oversight of climate- and nature-related matters. The LT supports the integration of these considerations into business planning, operational delivery and financial reporting, including through data-driven dashboards and management information to inform decision making.

Over the past 12 months, the LT reviewed and supported delivery of the Canopius Transition Plan and emissions reduction initiatives, including oversight of carbon footprint reporting and the development of new decarbonisation activity. Progress is monitored against defined success indicators and KPIs to ensure sustainability performance remains aligned with agreed strategic objectives.

Governance Forums, Challenge and Escalation

Senior management supports both regulatory and voluntary sustainability and climate disclosure requirements through formal review, challenge and escalation processes. Sustainability-related outputs, including ClimateWise disclosures, are reviewed and challenged at LT level before being escalated to the Board and its Committees where appropriate.

Group-level oversight is supported through established governance forums and reporting structures, including the LT and ESS Committee, which review sustainability performance, transition planning, emissions reduction initiatives and progress against agreed success indicators. This provides a clear governance pathway through which management updates, risks, opportunities and performance metrics are reviewed, challenged and escalated to the appropriate governance bodies, supporting informed decision making and Board oversight.

Group-Wide Coordination on Climate Risk – The Sustainability Forum

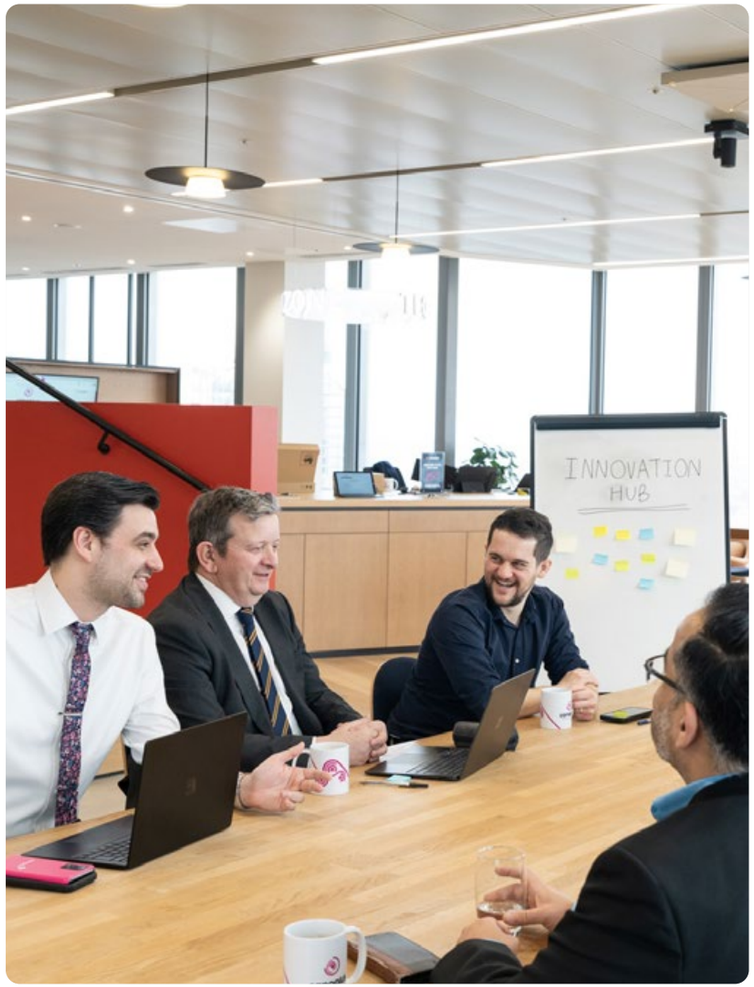
The Sustainability Forum, co-chaired by the Group Chief of Staff & Head of Strategy and the Head of Sustainability, meets quarterly and supports Group-wide coordination on sustainability and climate-related matters. It brings together senior representatives from key capabilities and regions to provide diverse perspectives, effective challenge, oversight and alignment across Legal Entities.

This governance structure supports oversight, alignment and implementation across Legal Entities, while ensuring climate-related decisions benefit from broad stakeholder input and a coordinated Group-wide approach.



Principle 1: Steering Transition

Sub-Principle 1.2



The Sustainability Team and Supporting Working Groups

The Sustainability team plays a central role coordinating between the Board, Committees and management. Reporting to the Group Chief of Staff & Chief Strategy Officer, the team supports Working Groups, Management Forums, the ESS Committee, Entity Boards and the LT by coordinating the delivery of strategic priorities, facilitating reporting and monitoring activities and supporting implementation across the business. Through the Sustainability Forum, Climate Risk Working Group and associated reporting structures, the Sustainability team facilitates the flow of information from operational activity to senior management and Board-level governance.

The Climate Risk Working Group supports the Sustainability Forum by maintaining climate risk documentation, engaging with stakeholders across the organisation, and coordinating risk assessments using qualitative and quantitative approaches across physical, transition and liability risk. The Sustainability Quantitative Working Group provides additional analytical support, including the development and review of climate modelling, scenario analysis, reverse stress testing and other quantitative risk deep dives.

Together, these governance forums help ensure that climate- and nature-related matters are not assessed in isolation, but are considered through established risk, sustainability, underwriting, investment and operational processes. Outputs are reviewed through the Sustainability Forum and, where appropriate, escalated through established governance channels to the ESS Committee, Legal Entity Boards, Risk Committees or other relevant governance bodies. This supports timely prioritisation of material matters, informed decision making and clear accountability for follow-up actions.

Evidence of this integration can be seen in the delivery of emissions reduction initiatives, supplier engagement programmes and ongoing enhancements to carbon measurement and reporting methodologies (refer to Sub-Principles 2.1 and 2.3). For example, supplier engagement initiatives have resulted in increased data coverage and improved visibility of emissions across key areas of the business, supporting more informed decision making.

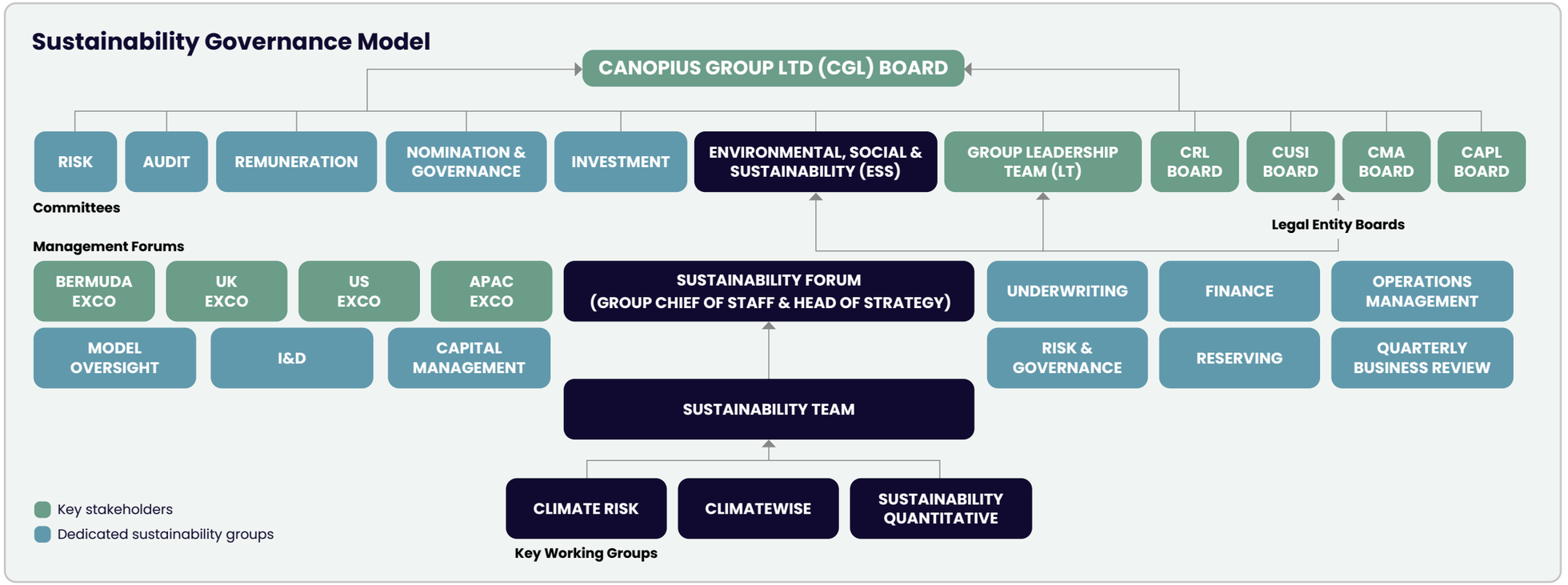
Legal Entity Responsibilities and Local Regulatory Alignment

In certain jurisdictions, regulation imposes additional responsibilities for climate-related risk management at legal entity level. For example, under the Bank of England's Prudential Regulation Authority (PRA) Senior Managers and Certification Regime (SMCR), the UK Chief Risk Officer holds formal accountability for identifying and managing the financial risks of climate change for the UK regulated entity. As part of governance enhancements and alignment to local regulatory requirements, allocation of senior management responsibilities for Canopius Reinsurance Limited (CRL) in Bermuda and Canopius Managing Agents Ltd. (CMA) in the UK were agreed by their respective Legal Entity Boards. These entity-level accountabilities help embed climate- and nature-related risk management practices within the business, while supporting alignment between Group-level oversight and local regulatory requirements, drawing on strategic decisions made by the ESS Committee and LT.

Principle 1: Steering Transition

Sub-Principle 1.3

Create a clear link between governance and oversight, establishing a robust governance framework and underlying policies and procedures.



The link between governance and operational delivery is strengthened through an integrated framework of governance structures, policies and processes that ensure climate- and nature-related considerations are embedded across the organisation. Canopius has established a Group-wide governance framework that connects strategic sustainability oversight with operational delivery across Underwriting, Investments and Operations. This is supported by a suite of Responsible Business policies (Responsible Underwriting Policy and Framework, Responsible Investment Policy and Responsible Operations Policy); the Climate Risk Framework; and Climate Risk Playbook, which define how climate-related risks are identified, assessed, monitored, reported and escalated across the Group and relevant Legal Entities; Emissions Reduction Plan; Risk Appetite Framework; and related compliance procedures. Together, these documents provide the framework through which climate- and nature-related risks are identified, assessed, monitored, reported and escalated across the Group, translating governance expectations into defined responsibilities, controls and reporting processes.

Principle 1: Steering Transition

Sub-Principle 1.3

Governance Linkage and Oversight

The Climate Risk Playbook provides the operational link between governance oversight and climate risk management. It documents roles, responsibilities, management processes and escalation pathways that support the Climate Risk Framework, enabling the Board, ESS Committee, Sustainability Forum, Climate Risk Working Group and relevant management teams to understand how climate-related risks are managed in practice. This supports clear accountability, effective challenge and consistent reporting through established governance channels.

Underwriting Governance and Policy Alignment

In Underwriting, governance oversight is supported by documented processes for assessing physical, transition and liability risks. The Climate Risk Playbook sets out the use of scenario-based stress testing for physical risk, qualitative transition risk assessments by line of business, and liability risk scenarios linked to climate litigation exposures.

Investment Governance and Policy Alignment

In Investments, the governance framework is supported by documented assessment and reporting processes for climate-related risks within the investment portfolio. The Climate Risk Playbook sets out how transition risk scenarios are used to assess potential impacts over longer-term horizons, with outputs shared with the Investments team, Sustainability team and Sustainability Forum as relevant. The Responsible Investment Policy and Framework (refer to Sub-Principle 3.1) support this approach by aligning investment decision making, risk monitoring and reporting with the Group's sustainability objectives and risk appetite.

Operational Governance and Policy Alignment

In Operations, governance oversight is linked to operational resilience, emissions reduction and business continuity processes. The Climate Risk Playbook and Responsible Operations policy recognises that climate and environmental hazards may affect office locations, supply chains, IT systems and critical business processes, and links these considerations to Business Continuity Management and annual scenario testing. Operational transition risk is further addressed through the Group's Emissions Reduction Plan, including initiatives relating to facilities, business travel, procurement and supplier engagement. This demonstrates how climate-related considerations are embedded within operational management and overseen through relevant governance channels.

Monitoring and Reporting

Structured performance monitoring and reporting support Board and Committee oversight, including climate risk outputs, operational metrics, and relevant regulatory reporting (refer to Sub-Principle 4.3). These processes enable senior management and governance bodies to monitor risk, assess performance, review mitigation activity and consider emerging issues in a timely and informed way. They also help ensure that climate- and nature-related risks are embedded in business decision making, subject to appropriate challenge, and escalated through defined reporting routes where required.

Key Roles in Climate Risk Management

The effective management of climate-related risks at Canopius is supported by a broad network of stakeholders across the organisation. This includes the Sustainability team as a centre of expertise on climate risk specifically, but also various individuals from the Risk Management capability and related capabilities such as Actuarial and Exposure Management.

The implementation of climate-related policies and procedures is linked to strategic oversight at Board and management level through the Sustainability team and the chain of accountabilities to the relevant Board committee.

Principle 1: Steering Transition

Sub-Principle 1.4

Ensure that our Board and Senior Management have the required knowledge and incentives to oversee risks and establish a culture aware of environmental issues.

In 2025, Canopius delivered sustainability and climate training to support Board and senior management capability in line with regulatory expectations, including those set out by the PRA and BMA. The training focused on strengthening understanding of the principal climate risk drivers relevant to the business, including physical risks arising from acute weather events and longer-term climate trends, transition risks associated with the shift to a lower-carbon economy, and liability risks linked to potential claims or litigation arising from climate-related loss or damage. This has supported more informed Board and Committee oversight of climate-related financial risks, regulatory requirements and associated governance responsibilities.

In 2026, Canopius further enhanced this programme by engaging external expertise from David Carlin and the Better Insurance Network to deliver targeted training for Boards, ExCo and ESS Committee members. The programme was designed to reinforce understanding of their responsibilities in respect of climate-related risks and opportunities, and to address identified knowledge gaps in climate risk oversight. The training centred on insurance-specific considerations, scenario analysis with particular focus on climate litigation, transition risks and transition-related opportunities, thereby supporting continued alignment with PRA and BMA expectations and strengthening governance capability across the Group.

In addition to these training activities, the Board and senior management reviewed and agreed their allocated sustainability and climate-related roles and responsibilities, alongside the terms of reference for Committees, Forums and Working Groups with climate and nature-related oversight. This further reinforces the Group's governance framework by clarifying accountability, embedding climate and nature-related risk management practices, and supporting the identification of appropriate reporting and escalation opportunities to senior management and relevant governance bodies.

Beyond formal training, ongoing engagement through established Forums further supports knowledge development and oversight. Climate-related matters are discussed at the ESS Committee, Leadership Team and Risk Committees, including deep dives into emerging topics such as climate liability risk, scenario analysis and regulatory developments. This ensures that Board members and senior management further develop their understanding of key risks, assumptions and oversee management actions.

Canopius recognises that building knowledge is not limited to the Board and senior management alone. While targeted training supports senior leaders in providing effective oversight, challenge and direction, broader sustainability engagement initiatives help embed environmental awareness across the organisation. This includes employee engagement activities, roll-out of Group-wide insurance-specific sustainability training, sustainability-focused events and the launch of a Group-wide Sustainability Community, designed to promote knowledge sharing, education and participation across business units and regions. By strengthening understanding at all levels, Canopius is supporting a culture in which colleagues can better recognise climate- and nature-related risks, contribute to improved risk management practices, and support more robust, consistent and decision-useful reporting.

Together, these activities support a culture in which climate- and nature-related considerations are increasingly embedded within decision making, with accountability reinforced through governance structures, training and ongoing Board-level engagement.



Principle 1: Steering Transition

Sub-Principle 1.5

Describe the impacts and implications of climate- and nature-related risks and opportunities on our business model and performance, strategy and any decision-making processes.



Canopius Strategy and Business Plan

Canopius' overall strategic goal is to build a world-class insurance business by leveraging its London market leadership, expanding its presence in the United States through strategic partnerships. In addition, Canopius is scaling operations in Bermuda, and in the Asia Pacific region via its offices in Singapore and Australia. Canopius emphasises profitability, diversification, and innovation as core pillars of its growth strategy.

At the centre of Canopius' operations is a rigorous and expert-led underwriting strategy, focused on disciplines where the company has deep expertise and competitive advantage. Recognising the inherent volatility in underwriting complex specialty risks, Canopius mitigates exposure by diversifying its risk allocation across product lines, underwriting platforms, and geographies.

The company practices active cycle management, adjusting its portfolio based on market conditions, and invests in data analytics and digital tools to enhance pricing accuracy and risk selection. Innovation is integrated across activities, including the development of non-risk bearing revenue streams and the exploration of new distribution models. Canopius' strong balance sheet provides a robust foundation to support its business plans.

In 2025, Canopius delivered a refreshed three-year plan focused on underwriting discipline, responding to market rate pressures and strengthening its digital capabilities. Supported by strong financial performance in 2025, the business remains well placed to sustain profitable growth.

In 2026, as part of the business planning process, Canopius engaged with underwriters to complete climate transition risk assessments across relevant product lines. Underwriters were briefed on the process to strengthen their understanding of climate risk and were given the opportunity to review and challenge the assessment scores. This provided a forward-looking view of risk for the most relevant lines of business and helped embed material sustainability topics into business planning and risk management, ensuring sustainability-related risks and opportunities continue to inform strategic decision making (refer to Sub-Principle 1.10 for further information). The process focused on underwriting teams with the greatest exposure to climate and transition risk and, as more data becomes available, Canopius intends to extend it to additional teams in future planning cycles.



Principle 1: Steering Transition

Sub-Principle 1.5

Canopius' Sustainability Strategy

Sustainability is fundamental to the Group's purpose of giving clients confidence and resilience. It also strengthens the business' ability to attract and retain high-quality talent, business and capital.

- We see sustainability as a driver of innovation and opportunity.
- We aim to balance commercial success with social and environmental responsibility.
- We take a forward-looking view of risk in a rapidly changing world.
- We focus pragmatically on areas where we can make the greatest difference.

The business' ambition is to help clients operate more sustainably while continuing to improve Canopius' operations. We put this into practice through three core principles:

Three Core Principles

Protect our clients

Meet the evolving needs of our clients in the context of sustainability risks.

Resilience – help our clients to be stronger in the face of adversity.

Transition – support our clients in their efforts to mitigate risk and adapt their business models.

Innovation – partner with our brokers and intermediaries on solutions for emerging and escalating risks, meeting new client needs.

Advance our business

Integrate new processes and analytics to improve risk understanding and to make our operations more sustainable.

Analytics – make more informed decisions by leveraging data and analytics.

Integration – embed sustainability across all areas of the business.

Reporting – demonstrate accountability and transparency.

Engage our people

Foster an inclusive and diverse workforce, informed and engaged on sustainability topics.

CSR – actively contribute to social and environmental resilience.

Development – arm our people with knowledge and skills.

Inclusion & Diversity – strengthen our culture by promoting an inclusive and diverse workforce.

Impact of Climate Considerations on Our Strategy and Planning

Integrating climate risk into Canopius' strategy and business planning is increasingly important. As climate-related considerations evolve, we are working to further embed them into key decision-making processes, including underwriting strategy, reinsurance purchasing and capital management. This therefore remains an important area of focus for both senior management and the Board.

Catastrophe risk is a material driver of capital and is therefore subject to rigorous validation, including consideration of physical climate risk. Canopius has invested significantly in catastrophe modelling capabilities and in developing its own view of risk. We use third-party catastrophe models and portfolio modelling tools to assess natural catastrophe exposure, incorporating climate change impacts directly.

Transition risks associated with the shift to a lower-carbon economy are less mature but still evolving. In the 2027 business planning process, we captured underwriting considerations for transition risk by line of business using qualitative heatmaps and information sheets completed for each relevant team. This is an iterative process, giving underwriters the opportunity to comment on and challenge the assessments (refer to Sub-Principle 3.3). The aggregated transition risk heatmaps for each portfolio will inform entity and Group business plan approvals. Liability risk is being assessed in a similar way, using climate liability scenarios and specific allowances within planned loss ratios. This is helping us build clearer recognition of climate risk into the planning process, which we intend to strengthen over time.

Alongside climate risk considerations, opportunities to "insure the transition" also help shape our strategy. As a leading international (re)insurer, we play an important role in the energy transition by providing products and assurances that support clients in meeting their objectives. We are therefore seeking to broaden our offering by innovating for emerging risks, complementing existing lines.

With specialist sustainability talent now embedded in the business, the team is conducting market-wide research and working with underwriting, MGAs and brokers to identify and develop climate and transition innovation opportunities, laying the groundwork for a more structured approach at Canopius. The Sustainability team has also partnered with the newly formed Innovation team to help shape sustainable product innovation through a two-day consultant-led event, collaborating on an internal initiative exploring sustainability-linked products, and ongoing product ideation.

Principle 1: Steering Transition

Sub-Principle 1.6

Describe how environmental resilience plans are incorporated into business decision making, including disclosure of any material outcomes of climate risk scenarios.

Business resilience planning is a key component of Canopius' risk management and strategic planning processes, helping to ensure the Group remains resilient to evolving environmental, climate and other systemic risks while continuing to deliver long-term value for stakeholders. It is integrated into decision making across our underwriting, investment and operational activities to support the long-term resilience of the Group in the face of increasing climate risks.

Climate-related risks and opportunities are increasingly incorporated into underwriting portfolio reviews, helping to inform strategic priorities and enhance understanding of potential risk concentrations and emerging trends (refer to Sub-Principle 1.5). These considerations are further supported through Canopius' risk management framework, where material risks are escalated through established governance and oversight processes (refer to Sub-Principle 1.8). In addition, climate scenario analysis is used to assess the resilience of our investment portfolio under a range of transition pathways, supporting investment oversight and improving our understanding of potential long-term exposures and opportunities (refer to Sub-Principle 3.1).

From an operational perspective, Canopius maintains an Organisational Resilience framework aligned to ISO 22301 and relevant regulatory requirements. The framework is designed to ensure the continuity of important business services through business continuity planning, incident management, disaster recovery and regular testing exercises. Business impact assessments, dependency mapping and resilience testing help identify and address potential vulnerabilities across our operations, systems and third-party relationships. It supports the Group's ability to respond to a range of disruption events, including those that could arise from the increasing frequency and severity of extreme weather and other environmental risks. Insights from resilience assessments and scenario analysis are used to strengthen preparedness and inform ongoing business planning and risk management activities.

Further details of our climate scenario analysis approach and key findings are provided in Sub-Principle 1.10.



Principle 1: Steering Transition

Sub-Principle 1.7

Describe the outcomes of our materiality analysis and any material climate- and nature-related risks and opportunities that affect our prospects.

Understanding the materiality of climate- and nature-related risks and impacts is essential to maintaining long-term business resilience and supporting informed decision making. As a risk-taking organisation, Canopius employs a range of established qualitative and quantitative assessment methods to identify, evaluate and monitor risks that may affect our business, clients and wider stakeholders. Historically, these activities have focused primarily on the financial implications of climate change; however, growing recognition of the interconnected challenges of climate change, nature loss and biodiversity decline has broadened the scope of our assessments.

This section outlines the range of processes and methodologies used by Canopius to identify, assess and monitor material climate- and nature-related risks, opportunities and impacts. It covers our climate and emerging risk assessment processes, the outcomes of our first Double Materiality Assessment (DMA), our approach to assessing transition risk and IAEs, and the steps we have taken to better understand nature-related dependencies, impacts and risks across our underwriting portfolio. Together, these activities provide a more comprehensive understanding of the sustainability issues most relevant to Canopius and help inform our strategy, risk management activities and reporting.

Emerging Risk Process

The emerging risk process is a key mechanism for identifying material risks to the business. Over the past year, the process was updated to clarify how Canopius identifies, assesses and monitors potential emerging risks. The Group Risk team and first line capabilities continuously monitor emerging issues and changes in the external environment through horizon scanning. Issues with potential implications for the emerging risk profile are explored further and reviewed in more detail. As part of the process, the Group Risk team facilitates both ad hoc and scheduled reviews and roundtables with relevant stakeholders to assess emerging issues and identify mitigating actions where required. Emerging risks are also considered and discussed through the quarterly Risk and Controls Self-Assessment process, which is the responsibility of risk owners and managers across the business.

As part of the Emerging Risk Process, new emerging risks are added to the Emerging Risk Register and presented to the Risk Committee through quarterly risk reporting. Updates and key findings from emerging risk assessments are also reported to the Risk Committee for discussion, review and challenge.

Risk Insights Survey

In addition to the Emerging Risk process, the Group Risk team periodically run a “Risk Insights Survey” to seek the input of Board, management and subject matter experts within the organisation to help identify key risks to Canopius’ strategy. The Group Risk team facilitated the review and analysis of the results and presented these back to the Board and LT. Climate remains in the top five emerging risks, whilst recent rapid advancements in artificial intelligence and the volatile geopolitical environment have become higher ranked as emerging risk concerns. The next scheduled Risk Insights Survey is planned for Q3 of 2026.

Understanding our Material Sustainability Topics

In 2026, Canopius completed its first formal Double Materiality Assessment (DMA) to identify and prioritise the sustainability topics most relevant to our business. The assessment considered both:

- Financial materiality – how sustainability-related risks and opportunities may affect Canopius’ business model, strategy, financial performance and long-term prospects; and
- Impact materiality – how Canopius’ activities impact the environment and society through our operations, underwriting activities and investments.

The DMA was undertaken in alignment with the European Sustainability Reporting Standards (ESRS) and covered our global operations, underwriting activities and investment portfolio. The assessment provides a structured framework for identifying material sustainability topics and helps ensure our strategy, risk management activities and disclosures remain focused on the issues of greatest significance to both the business and our stakeholders.

Principle 1: Steering Transition

Sub-Principle 1.7

Our Approach

The assessment followed a six-step methodology aligned to ESRS guidance, summarised below:

01
Context

Business model, value, chain, stakeholders, time horizons

02
Topic Universe

Sector benchmarks, stakeholder inputs

03
Financial Materiality Scoring

Sector benchmarks, stakeholder inputs

04
Impact Materiality Scoring

Severity, scope and irremediability

05
Threshold & Matrix

Document threshold and materiality matrix

06
Governance & Oversight

Sustainability Forum and SME endorsement

The process included:

- Establishing the business context, including our business model, value chain, stakeholder groups, geographies and relevant time horizons.
- Developing a sustainability topic universe using industry benchmarking and insights from the Canopius Risk Insights Survey.
- Assessing each topic from both a financial materiality and impact materiality perspective.
- Applying the Canopius Risk Assessment Matrix (RAM) to ensure alignment with our Enterprise Risk Management framework.
- Combining financial and impact materiality results to determine material topics.
- Validating results through SME review and governance oversight.

This approach enables sustainability-related risks and opportunities to be assessed using a methodology that is consistent with broader enterprise risk management processes across the Group.

The assessment combined desk-based analysis with input from subject matter experts (SMEs) across the business to ensure sustainability topics were evaluated using appropriate technical expertise and business context. SMEs provided challenge and validation of the scoring rationale, underlying assumptions and materiality outcomes. Insights from the Canopius Risk Insights Survey were also incorporated to ensure that stakeholder perspectives and emerging business risks were reflected in the assessment. The process was documented throughout to provide transparency and consistency in the assessment approach.

Principle 1: Steering Transition

Sub-Principle 1.7

Results of the Assessment

The assessment identified a range of environmental, social and governance topics that are material to Canopius from either a financial, impact or double materiality perspective.

The results were consolidated into a Double Materiality Matrix, which plots financial materiality against impact materiality and enables topics to be prioritised according to their significance to the business and wider stakeholders (see right).

The assessment highlighted several significant topics for Canopius. Natural Catastrophe Management was identified as a highly material topic from both a financial and impact perspective, reflecting the importance of effective catastrophe risk management to underwriting performance, portfolio resilience and customer outcomes.

Information Security and Cyber, Artificial Intelligence, Strategic Growth, Talent and Human Capital, and Regulatory and Compliance were also identified as material from both perspectives given their relevance to business performance, organisational resilience and stakeholder impacts. Climate change and responsible investment were identified as important environmental considerations, whilst Operational Decarbonisation and Community Impact demonstrated higher impact materiality than financial materiality, reflecting Canopius' ability to influence broader environmental and social outcomes.

The Group Double Materiality Assessment (DMA) Matrix



1 The impact of climate change from an operational perspective.
2 The impact of Nat Cat Management on our underwriting portfolio.

ENVIRONMENTAL

- E1 Operational Decarbonisation
- E2 Climate Change[1]
- E3 Land & Ecosystem Use
- E4 Nat Cat Management[2]
- E5 Responsible Investment

SOCIAL

- S1 Talent & Human Capital
- S2 Employee Wellbeing
- S3 Culture & DEI
- S4 Community Impact

GOVERNANCE

- G1 Info Sec & Cyber
- G2 AI
- G3 Corporate Governance
- G4 Strategic Growth
- G5 Sustainability Reporting & Disclosure
- G6 Regulatory and Compliance

Principle 1: Steering Transition

Sub-Principle 1.7

Governance and Use of Results

Following completion of the assessment, the methodology, scoring approach and results were reviewed with relevant SMEs to provide challenge and validation. The final outcomes were shared with the Sustainability Forum and ESS Committee, ensuring oversight from senior stakeholders and alignment with broader sustainability priorities and governance processes. The assessment has informed a series of actions to support the integration of material sustainability topics across the business, including:

- **Embedding material topics into business planning, strategy development, and risk management processes.**
- **Prioritising management focus and resource allocation towards the most material sustainability topics.**
- **Strengthening cross-functional governance, accountability, and stakeholder engagement in relation to material sustainability issues.**

In addition to these actions, the assessment has helped to inform this ClimateWise report, ensuring our disclosures focus on the sustainability topics most relevant to Canopius and its stakeholders. The results are also being used to support sustainability strategy development, target setting, risk management activities and future reporting. Material topics identified through the assessment are referenced throughout this report and underpin our approach to managing climate- and nature-related risks and opportunities.

Impact Materiality: Insurance-Associated Emissions (IAEs)

Overview

As a specialty (re)insurer, the most significant climate-related impacts associated with our business arise through our underwriting portfolio rather than our direct operations. Calculating and analysing IAEs provide an important mechanism for understanding these impacts by estimating the greenhouse gas emissions associated with the economic activities we insure.

Measuring IAEs enables us to better understand the climate impacts connected to our underwriting portfolio, identify emissions-intensive sectors and support the integration of climate considerations into risk management and strategic decision making. As a signatory to the Partnership for Carbon Accounting Financials (PCAF), we are committed to progressively improving our approach to emissions measurement and transparency over time.

Governance and Oversight

The Sustainability team leads Canopius' IAE process and is responsible for methodology development, analysis and reporting. The Sustainability team worked closely with colleagues from the Canopius Data team to enhance data quality, strengthen portfolio mapping and improve the robustness of the underlying calculation process from the previous year.

The methodology, assumptions and results were reviewed and discussed with internal stakeholders with updates provided to both the Sustainability Forum, LT and the ESS Committee. This governance structure provides oversight, helping to ensure that emissions insights are understood within the context of wider sustainability priorities and climate-related risks.

IAE Governance Flow Chart



Principle 1: Steering Transition

Sub-Principle 1.7

Improved Data and Methodology

Over the last year, we have strengthened our approach to measuring IAEs. Our previous analysis provided a starting point in understanding the distribution of our underwriting carbon footprint but also highlighted several data and methodological limitations.

In response, we invested in enhanced data capabilities and refined our methodology to improve the reliability, consistency and transparency of the results. A key advancement has been the integration of company-level emissions and financial data from MSCI. This has enabled the integration of reported and modelled emissions data, supplemented by PCAF sector-based estimates where necessary. We also enhanced our internal methodology through more granular sector mapping, improved emissions factor selection and additional validation processes. Together, these improvements have strengthened alignment with PCAF principles and created a more robust framework to build upon.

Key Outcomes and Insights

The updated assessment provides a more comprehensive view of emissions across the underwriting portfolio and confirms that IAEs remain a material climate-related impact for Canopius.

The enhanced methodology enables us to:

- Better identify emissions-intensive sectors within the portfolio.
- Understand the key drivers of portfolio emissions and carbon intensity.
- Improve the quality and coverage of emissions estimates.
- Increase confidence in the directional insights generated from the analysis.
- Establish a stronger baseline for future monitoring and trend analysis.

These insights support a deeper understanding of where climate-related impacts are concentrated across the portfolio and provide an important input into our broader climate risk and sustainability activities.

Limitations and Areas for Future Improvement

Whilst significant progress has been made, we recognise that limitations remain. Key areas for further improvement include data availability and coverage, sector mapping challenges and the sensitivity of attribution methodologies.

As a result, IAE results should currently be interpreted as directional indicators rather than precise measures of portfolio emissions. These limitations influence the decision-usefulness and comparability of results and are common challenges across the insurance industry.

Ongoing Commitment

We remain committed to the continuous improvement of our IAE methodology and future reporting requirements. This includes disclosing our IAEs by the end of next year to fulfil our obligations as a PCAF signatory.

Future efforts for improvement will focus on enhancing data quality, increasing emissions coverage, improving portfolio mapping and further refining calculation methodologies. These ongoing improvements will strengthen our understanding of the climate impacts associated with our underwriting activities and support the integration of emissions-related insights into our sustainability strategy, risk management processes and decision-making frameworks. Additionally, with these improvements, we will be well-placed to meet the PCAF and any other external reporting requirements in the future.

Transition Risk Materiality Assessment

The qualitative transition risk assessment of our underwriting portfolio, described in Sub-Principle 3.3, evaluates the lines of business most exposed to transition risk. Identifying the most affected areas of the portfolio helps us better understand the pressures facing our clients and where we, as an insurer, can have the greatest impact in supporting the transition.

Climate-related Risk Assessment

Climate change remains a sustainability issue for Canopius due to its potential impact on underwriting performance, portfolio resilience and long-term business performance. Our approach to materiality therefore focuses on understanding how climate-related risks and opportunities may affect the business from a financial perspective.

Climate-related risks are identified, assessed and monitored through a range of established risk management processes, including catastrophe modelling, exposure management, scenario analysis and climate risk assessments. These activities help us understand the potential implications of both physical and transition risks and generate outputs such as heatmaps, risk ratings and modelled loss estimates that support decision making across the business (refer to Sub-Principle 1.10).

Climate-related considerations are also integrated into broader risk identification and materiality processes. Through our Emerging Risk Process, Risk Insights Survey and Double Materiality Assessment (refer to Sub-Principle 1.7), we assess how evolving climate-related risks, opportunities and stakeholder expectations may affect the business over different time horizons. Together, these processes help ensure climate-related risks remain subject to ongoing review and continue to inform our strategy, risk management activities and reporting.

Principle 1: Steering Transition

Sub-Principle 1.7

Nature-related Risk Assessment

Understanding our Nature-Related Impacts and Risks

Building on our 2025 DMA, we further developed our understanding of nature- and biodiversity-related impacts, dependencies and risks across our underwriting portfolio. The work builds on the TNFD LEAP (Locate, Evaluate, Assess, Prepare) approach undertaken in the previous year, and forms part of our broader efforts to better understand the relationship between insurance, natural capital and long-term portfolio resilience.

The CatNet Assessment

We combined internal portfolio data using select lines of business and nature-related datasets from CatNet, to assess how nature-related risks and dependencies are distributed across sectors, geographies and lines of business. This enabled us to move beyond high-level screening and develop a more granular understanding of where nature-related risks are most material.

Key Findings

The analysis reinforced that nature-related risks are not distributed evenly across the portfolio. Marine Property, Power & Renewables and Heavy Industry were identified as priority lines of business due to the exposure to nature-related risks and transition pressures. These sectors demonstrate varying dependencies on natural resources and environmental conditions, creating both physical and transition-related risk considerations.

The assessment also highlighted the connection between nature-related impacts and financial risk. For example, Heavy Industry exhibits dependency on natural resources, particularly water, while Marine Property and Power & Renewables demonstrate heightened exposure to location-specific nature- and climate-related risks.

These findings have helped refine our understanding of where nature-related impacts are most material and where further analysis should be prioritised.

Embedding Insights into Underwriting

Findings were shared with Underwriting teams, and selected nature and climate risk indicators will be integrated into monthly portfolio reporting to support ongoing monitoring.

This work represents an important step in moving from identification of nature-related impacts towards the practical integration of nature-related insights within underwriting. This will support our longer-term ambition to strengthen understanding of how nature-related risks may affect our portfolio over time.

Conclusion

The work undertaken over the past 12 months has strengthened Canopius' understanding of climate- and nature-related risks, opportunities and impacts. Through a combination of established risk management processes, our first Double Materiality Assessment, enhanced IAEs analysis and more detailed nature-related assessments, we have developed a broader and more integrated view of the sustainability issues that are most relevant to our business and stakeholders.

The insights generated are increasingly being embedded into governance, strategy, risk management and underwriting processes, helping ensure that climate- and nature-related considerations are reflected in business decision making. As methodologies, data quality and industry practices continue to evolve, we remain committed to further enhancing our assessments and strengthening our understanding of how sustainability-related risks and impacts may affect the long-term resilience of both our business and the communities and environments connected to it.



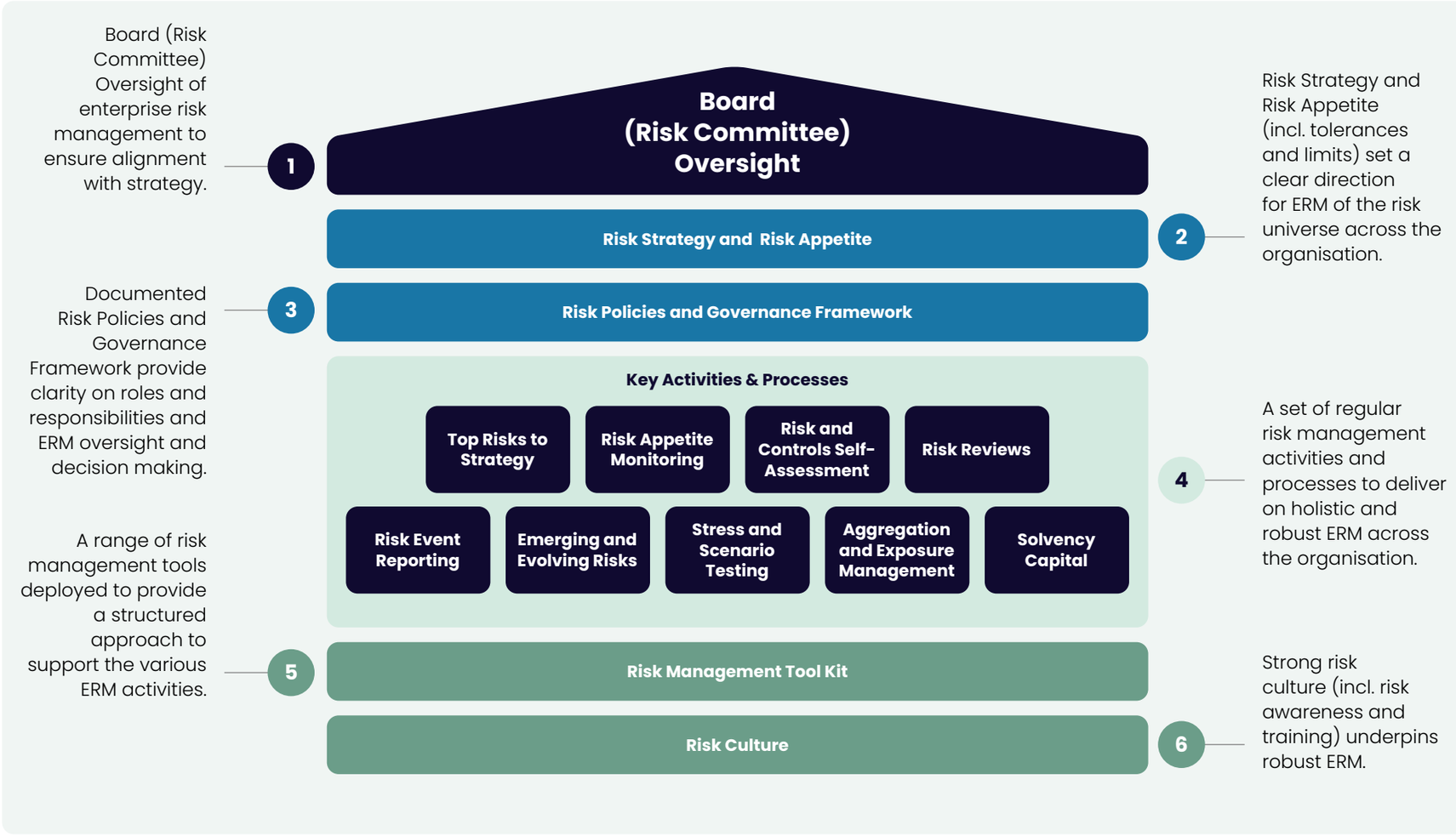
Principle 1: Steering Transition

Sub-Principle 1.8

Establish appropriate processes to identify, assess and prioritise climate and nature-related impacts, risks and opportunities.

ERM Framework

Canopius' Enterprise Risk Management (ERM) Framework is reviewed and updated at least annually to ensure it remains fit for purpose for risk management across the organisation. The ERM Framework comprises a range of policies, processes and procedures, underpinned by a robust risk culture and provides an integrated approach to identifying, assessing and managing both current and emerging risks. Climate risk is considered within ERM activities and processes, such as risk appetite monitoring, risk and control self-assessments, the reporting of risk events and the emerging risk process. Climate risk and its impact on other risks are considered through regular monitoring, reporting and governance processes, ensuring alignment with risk appetite and strategic objectives. Activities such as risk aggregation, scenario analysis and ongoing risk review enable a holistic view of the potential climate risk impacts to the business and supports informed decision making.



Principle 1: Steering Transition

Sub-Principle 1.8

Risk Identification and First Line of Defence

Management of climate-related risks is embedded within the responsibilities of the First Line (see Three Lines of Defence Model on the right), with business units and functions considering these risks as part of ongoing underwriting, investment and operational activities. They assess climate-related risks in their portfolios and areas of work, and discuss climate and sustainability considerations with clients, brokers and partners. The Risk team works with the first line to understand climate risk implications on the broader organisation and sustainability through activities conducted as a part of Canopius' ERM framework. Additionally, oversight activities performed by Risk team, such as deep-dive reviews and scenario testing, together with the independent assurance provided by the Third Line of Defence over internal processes, help ensure adequate governance over climate risk management and sustainability practices.

Risk and Control Self-Assessment (RCSA) Process

The Group RCSA is a process to review the risks on Canopius' risk register with risk owners to ensure it reflects Canopius' risk profile and that key controls are in place and operating effectively to mitigate these risks.

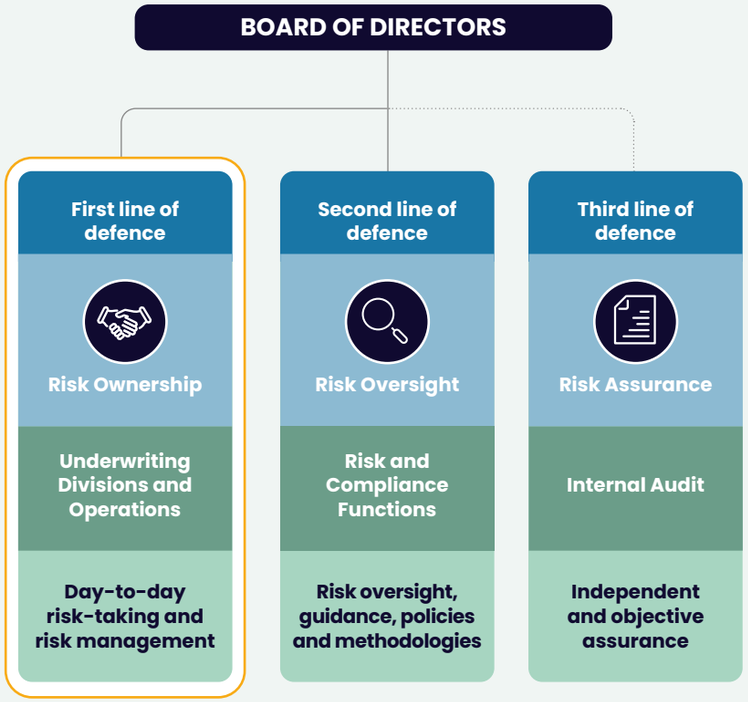
Where relevant, risks arising from climate change are considered and discussed to ensure this is captured sufficiently in Canopius' risk register and key mitigating controls are documented in the controls register and regularly assessed to ensure they operate effectively.

Climate risk is captured as a strategic risk within the Group risk register and is assessed through three core drivers: physical risk, transition risk and liability risk. These drivers are assessed using differentiated tools and methodologies, reflecting their distinct financial impacts, data requirements and time horizons. The approach enables us to identify and assess exposures across the Group and relevant Legal Entities, while recognising that impacts may vary by business area, portfolio and region.

In addition, the risks associated with greenwashing are captured under "reputational" risk, with mitigating controls documented. This supports a broader assessment of climate- and nature-related impacts and opportunities, including risks arising from stakeholder expectations, regulatory developments, responsible underwriting and investment practices, and Canopius' public sustainability commitments.

The Group RCSA for climate risk is informed by the Climate Risk Framework, which brings together the processes used to identify, assess, monitor, report and escalate climate-related matters across underwriting, investments and operations. The framework supports a Group-wide approach, while allowing assessment activity to be tailored to the nature of the exposure, the maturity of available data and the relevant regulatory requirements. It also provides a basis for prioritising material impacts, risks and opportunities by linking assessment outputs to risk appetite, business planning, management reporting, regulatory submissions and Board or Committee oversight.

Three Lines of Defence Model



Principle 1: Steering Transition

Sub-Principle 1.8

Climate Risk Framework

We operate a Group-wide Climate Risk Framework which seeks to provide a basis for understanding of the physical, transition, liability and reputational risks associated with climate change as well as considering growth opportunities. The framework facilitates an ongoing process of discussion and review against current and future climate risk challenges.

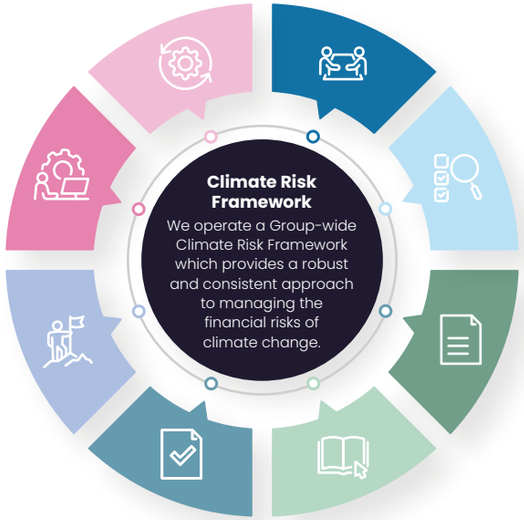
The framework also provides a means of assessment, evaluation, ongoing measurement and reporting of climate risk-related issues. An overview of the framework is provided below, illustrating the components that make up our approach and how it helps us to further understand and evaluate the implications of climate change on our business and that of our clients.

Climate Risk Appetite
Our approach to climate risk appetite setting aligns with our Group risk appetite framework.

Climate Risk Identification
We identify climate risks as physical (natural perils), transition (changes in regulatory and policy, technological innovation, market demand, and reputational risk) and liability.

Climate Risk Capabilities
Climate risk management requires input from various subject matter experts across multiple capabilities including Sustainability. Exposure Management, Risk, Actuarial and Underwriting.

Monitoring and Reporting
Ongoing monitoring and reporting on climate risks occurs on a quarterly or annual cycle.



Climate Risk Governance
We operate a Group-wide climate risk governance model supporting climate strategy, oversight and decision making through Boards, Committees, Management Forums and Working Groups.

Climate Risk Assessment Process
To better understanding climate risks to our business, we perform climate risk assessments, scenario analysis and development, reverse stress testing and qualitative risk assessment.

Climate Risk Documentation
Our approach to climate risk management is documented in the Climate Risk Playbook.

Training and Education
We provide learning materials on climate risk and run dedicated Board training sessions on transition and liability risk.

We recognise the need to continue strengthening our capability to identify and assess climate- and nature-related risks and opportunities. To support this, the Group established the Climate Risk Working Group and the Sustainability Quantitative Working Group (refer to Sub-Principle 1.2). These Working Groups support the development of climate risk management processes, analytical capability, scenario planning, feedback loops into business planning and monitoring, and enhanced management reporting.

The Climate Risk Working Group is responsible for maintaining climate risk management documentation, engaging stakeholders across the organisation, and coordinating comprehensive risk assessments using qualitative and quantitative approaches across physical, transition and liability risks. The Sustainability Quantitative Working Group is focused on advancing quantitative climate risk assessment covering climate risk modelling, scenario analysis, stress tests and other climate risk deep dives.

Principle 1: Steering Transition

Sub-Principle 1.8

Climate Risk Assessment

Identify	Assess	Manage & Measure	Monitor & Report	Plan
IDENTIFY the risks and opportunities for climate and nature • Physical, transition and liability	**ASSESS** the risks using a range of qualitative and quantitative tools • Scenario analysis • Reverse stress test • Qualitative risk assessment	**MANAGE** or mitigate the risk, take up opportunities • Climate risk appetite	**MONITOR** against risk appetite or other internal limits and report quarterly	Provide inputs from risk assessment process into business **PLANNING**

Climate risk assessment outputs are used to inform Canopius' view of exposure and support prioritisation of material climate and nature-related impacts, risks and opportunities. Assessment activity includes physical risk modelling and stress testing, qualitative transition risk heatmaps, liability scenario analysis, investment portfolio scenario analysis, operational resilience testing and emissions-related monitoring. These outputs support business planning, inform underwriting strategy, regulatory reporting, ORSA disclosures and ongoing management oversight. Canopius continues to enhance this process by expanding scenario analysis, improving data quality, and strengthening the connection between assessment outcomes, risk appetite, controls and strategic decision making (refer to Sub-Principle 1.10 for more information on scenario analysis).

Our approach to nature risk assessment and outcomes is covered in Sub-Principle 1.7.



Principle 1: Steering Transition

Sub-Principle 1.9

Put in place mechanisms to monitor and manage climate- and nature-related risks and opportunities.

Monitoring and managing climate- and nature-related risks and opportunities is an increasing area of focus for the Group. We have established a range of processes, monitoring activities and analytical tools to support the identification and assessment of material climate- and nature-related issues across the business.

Oversight is provided through our governance structure, with reporting to relevant Forums, Committees and the Board where appropriate. Climate- and nature-related risks are monitored through a combination of quantitative analysis, qualitative assessments and targeted reviews, helping us understand emerging exposures and areas requiring further consideration.

The following sections outline the key mechanisms currently used to monitor and manage climate- and nature-related risks and opportunities. Our approach will continue to evolve as methodologies, data availability and our understanding of these topics mature.

Risk Appetite Statement on Climate Risks

Our underwriting strategy is fundamental to executing our overarching business objectives. In allocating risk appetite across various risk categories, we assess both the potential returns associated with assuming each risk and our capability to manage its magnitude within an appropriate risk tolerance. The Risk Committee reviews and recommends the risk appetite statements and tolerance limits for approval by the Board.

The impact of climate on our business is captured under strategic risk and insurance risk within our risk appetite framework. At a strategic level, Canopius expects sustainability-associated risks including climate change to be identified, managed and monitored; and considered within strategic planning. Monitoring activities include reporting on a range of quantitative and qualitative metrics under the Climate Risk Framework, ensuring adherence to any climate and nature related policy or regulatory requirement, and ongoing monitoring of the insurance risks against the Responsible Underwriting Policy and Framework.

Our appetite for physical risks of climate change is implicitly captured in our exposure to natural catastrophe perils which includes a representation of the full spectrum of climate-related perils to which the business is materially exposed through its underwriting activities. Tolerance limits for exposure to climate-related perils are set at a range of return periods to ensure that we are monitoring exposure to low severity, high frequency events, and those of greater magnitude which would place more strain on capital. We monitor and report actual exposure against appetite quarterly.

Climate liability risk is assessed and monitored quarterly through a deterministic scenario framework established by the Exposure Management team. This framework utilises climate liability case scenarios designed to test potential exposure under a range of litigation and liability outcomes. Results are reported to Underwriting Management and support ongoing portfolio oversight, including the identification and assessment of material changes in climate liability exposure between quarters.

Given the evolving nature of transition risk and the challenges associated with developing robust quantitative exposure metrics, Canopius currently adopts a primarily qualitative approach to monitoring transition risk. This is supported through a range of complementary monitoring activities, including transition risk assessments, portfolio heat mapping (refer to Sub-Principle 3.3) and analysis of IAEs (refer to Sub-Principle 1.7) to identify sectors and business lines most exposed to transition-related developments. These outputs provide insight into emerging transition-related risks and opportunities, and support underwriting and strategic decision making. We continue to refine our approach to transition risk measurement and monitoring as industry methodologies, data availability and our understanding of transition risk evolve.

Principle 1: Steering Transition

Sub-Principle 1.9

Responsible Underwriting Policy and Framework

We have in place a Responsible Underwriting Policy and Framework to provide a decision-making methodology for escalated environmental issues. These issues relate to activities with adverse impacts on climate and/or nature and are therefore likely to be controversial. We established clear guidelines, evaluation criteria and a referral process to support consistent assessment and decision making. Developed with input from underwriters, the Policy and Framework follow a principles-based approach, assessing specific risks rather than applying blanket rules or exclusions.

We continue to monitor and review the Policy and Framework. In 2026, we refined the process through engagement with relevant teams to increase automation and improve monitoring. An automated intranet form gives us visibility of all referred risks, automatically saves relevant data, notifies the Operations team and creates a more seamless experience for underwriters. This data will also enable accurate reporting of referred risks to senior management, supporting accountability and transparency.

The graphic below shows the thresholds that trigger the referral process. Although the metrics vary by activity, they generally relate to the proportion of an insured's output. For example, an insured deriving 20% of its output from thermal coal would be referred. These risks are subject to conditional appetite and will only be written if they pass the referral process.

Conditional Risk Appetite Under the Responsible Underwriting Framework

20% threshold

conditional appetite applies.



THERMAL COAL



ARCTIC DRILLING



OIL SANDS



FRACKING

Climate Risk Assessment for Underwriting Insights

Canopius regularly reviews the availability and suitability of catastrophe models for the perils to which the business is exposed. Where models are unavailable, we supplement understanding by licensing Swiss Re's CatNet, which provides risk scoring across multiple perils and territories. Through our Premium licence, the business has access to climate risk metrics, enabling underwriters to incorporate factors such as extreme precipitation, drought, heatwaves and sea level rise into their underwriting decisions.

Monitoring Opportunities

We see significant growth opportunities in addressing climate risk, particularly by supporting clients as their needs evolve through the energy transition.

In the second half of 2025, we conducted an "opportunity scoping exercise" to identify sustainable insurance products across climate and transition technologies. This helped us understand where Canopius has relevant existing capabilities and provided a basis for engagement with underwriting teams. Building on this work, we undertook deeper assessments of selected opportunities, including creating products for carbon markets, through discussions with specialist brokers and MGAs alongside the relevant underwriting teams.

Carbon capture, utilisation and storage (CCUS) has also been identified as a strategic growth area that aligns with our existing underwriting expertise and capabilities. We have engaged with brokers to gain further insight into market opportunities and are evaluating the potential for participation in this sector. We are also exploring the development of dedicated CCUS training sessions for relevant underwriting teams to enhance sector knowledge and support business development efforts.

These efforts have strengthened our market understanding and created a platform to develop our knowledge, support business growth and respond to client needs in emerging risk areas. We continue to monitor the market and assess opportunities presented by brokers and other intermediaries. We also provide educational sessions for underwriters to strengthen their understanding of current and emerging risks.

Principle 1: Steering Transition

Sub-Principle 1.9

We continue to invest in capabilities that support the transition to a lower-carbon economy. In Q1 2026, Canopius established a Renewables team in London, expanding our ability to write renewable energy business beyond our existing APAC-based Renewables team in Singapore. This investment strengthens our expertise in the sector, enhances our ability to support clients globally and reflects our confidence in the long-term growth opportunities associated with the energy transition.

Insuring the Transition

As outlined in Sub-Principle 1.7, we are continuing to enhance our understanding of IAEs using reported emissions data from MSCI alongside the PCAF methodology and database. These insights support our assessment of clients' transition progress, help identify sectors most exposed to transition-related risks and opportunities, and inform the development and monitoring of our own insured emissions.

Nature Risk Monitoring

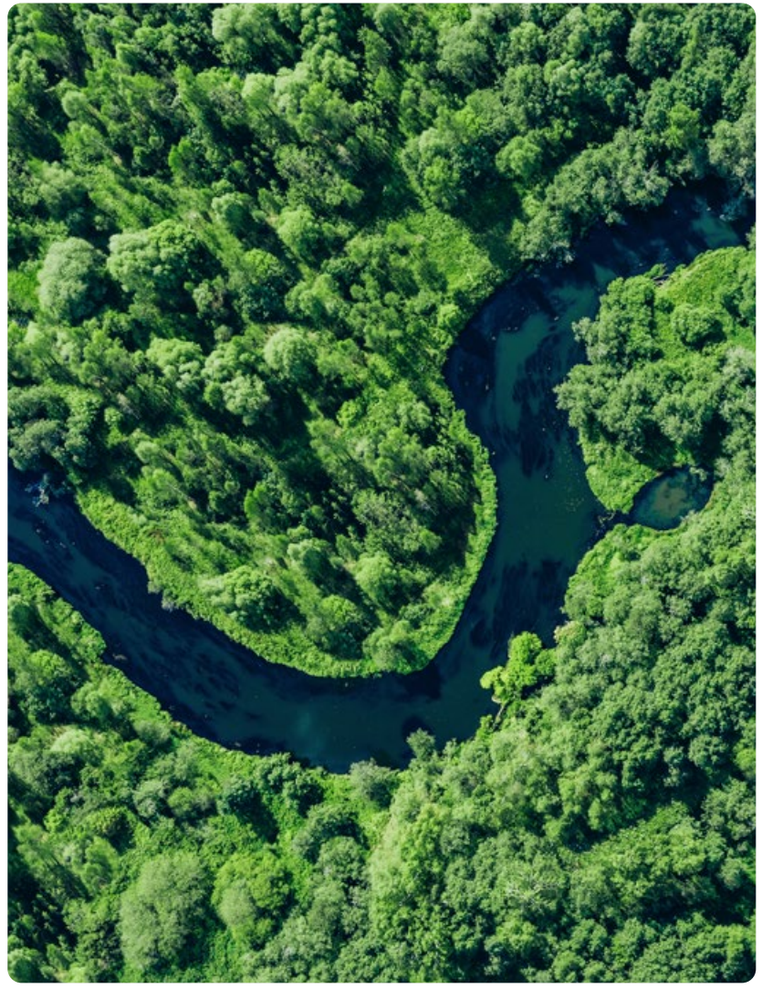
As described in Sub-Principles 1.7 and 1.10, we have enhanced our understanding of nature-related risks through portfolio materiality assessments, asset-level CatNet analysis and engagement with underwriting teams. This work has helped identify key risk drivers and areas of concentrated exposure across Marine Property, Power & Renewables and Heavy Industry.

Our focus is now shifting towards ongoing monitoring. Following discussions with underwriting teams, the analysis was validated as being consistent with their understanding of portfolio exposures and was identified as a valuable addition to existing portfolio management processes. We are therefore working to incorporate selected nature and climate risk indicators into the monthly Power BI portfolio reports provided to underwriters.

This will enable nature-related risks, including drought, sea level rise and biodiversity-related exposures, to be monitored alongside existing portfolio metrics, supporting portfolio management, risk selection and a deeper understanding of how nature-related risks evolve over time. Further details on the underlying assessment and scenario analysis are provided in Sub-Principles 1.7 and 1.10.

Monitoring Against Responsible Business Policies

In 2026, Canopius completed its suite of Responsible Business policies, setting out the Group's climate- and nature-related positions across Underwriting, Investments and Operations. To assess performance against these policies, the Sustainability team developed a core set of KPIs, which are monitored quarterly and reported to the Sustainability Forum and ESS Committee. Regular reporting through the governance framework supports effective oversight of the mechanisms in place to monitor and manage related risks and opportunities (refer to Sub-Principle 4.2).



Principle 1: Steering Transition

Sub-Principle 1.10

Describe how scenario analysis has been used to inform the identification, assessment and management of climate- and nature-related risks.



Scenario Analysis and Climate Risk Assessment

Canopius uses scenario analysis as a key component of its approach to understanding material climate- and nature-related risks. The outputs support strategic decision making across the business, including risk appetite setting, business planning, and the identification of risk management actions.

The Climate Risk Framework incorporates a suite of climate scenarios designed to assess the potential financial implications of physical, transition and liability risks. By considering a range of plausible future pathways and timescales, these assessments help inform the Group's understanding of climate-related uncertainty and resilience. The results are incorporated into annual risk and capital assessments, including the ORSA for CMA and the CISSA for Canopius Reinsurance Limited, and are reviewed through established governance processes prior to Board approval.

Physical Risk Assessment

To evaluate the potential impact of climate change on natural catastrophe exposures, Canopius applies a scenario-based stress testing methodology that examines a range of future climate conditions. The approach considers six climate scenarios, combining different levels of global warming with multiple future time horizons and climate pathways. These scenarios are intended to provide insight into how physical hazards may evolve under differing climate outcomes and to support understanding of both short- and long-term exposure trends.

This methodology also supports the Group's response to evolving regulatory expectations relating to climate risk management and reporting. The approach forms part of the wider Climate Change Framework and is shared with relevant internal forums, including the Group Underwriting and Distribution Forum, as well as being incorporated into annual regulatory risk reports.

The selected scenarios were originally informed by approaches developed for the PRA Climate Biennial Exploratory Scenario exercise and are broadly aligned with climate pathways developed by the Network for Greening the Financial System (NGFS). Together, they provide a range of plausible futures extending from current climatic conditions through to mid-century.

Canopius employs a temperature-based framework rather than relying solely on fixed future dates. This allows a broader set of climate model outputs to be incorporated. It also facilitates a more effective assessment of changes in meteorological hazards relevant to catastrophe risk. While this approach is well suited to many weather-related perils, it has limitations for hazards such as sea level rise, where the timing of temperature increases can materially influence outcomes. Notwithstanding these limitations, the methodology provides a practical and proportionate basis for assessing physical climate risks across the portfolio.

The assessment focuses on those perils that represent the majority of Canopius' natural catastrophe exposure. For each peril, climate change adjustments are developed using a combination of vendor data, academic research and publicly available climate datasets. The adjustment methodology applied reflects the nature of the peril, the maturity of available scientific evidence, and the availability of suitable climate information. These methodologies are used to reflect potential changes in hazard frequency and severity under different climate scenarios and support a more forward-looking view of physical risk exposure.

Principle 1: Steering Transition

Sub-Principle 1.10

The outputs generated through this process contribute to ongoing exposure management activities and provide a consistent mechanism for monitoring climate-related catastrophe risks. By combining catastrophe modelling with a range of climate pathways and scientific evidence, the methodology enhances understanding of potential future risk outcomes and supports climate-related strategic planning, risk management and regulatory expectations such as the PRA CBES.

Uptake of Catastrophe Models

Canopius continues to enhance its catastrophe modelling capability to support the assessment of evolving climate-related risks. As scientific understanding and modelling techniques develop, the Group periodically reviews available modelling tools to ensure they remain appropriate for evaluating current and emerging risk exposures.

The business utilises a range of vendor models to assess catastrophe risk across different regions and perils. Moody's RMS models remain an important component of this framework for evaluating risks such as tropical cyclones and earthquakes. However, recognising the specific characteristics of certain regions, Canopius also uses additional specialist models where these provide greater insight into climate-sensitive exposures. In Australia, for example, particular attention is given to secondary perils including both bushfire and hail and flood, which are expected to be influenced by changing climatic conditions.

The suitability of catastrophe modelling tools is subject to ongoing review, with consideration given to scientific developments, enhancements to hazard representation and changes in portfolio composition. Engagement with modelling providers also helps identify future opportunities for improving climate risk assessment capabilities.

Climate Liability Risk Assessment

As the casualty liability modelling landscape continues to evolve and probabilistic vendor solutions are still in their relative infancy, we continue to leverage our internal suite of deterministic climate liability scenarios to assess and monitor portfolio exposure. Given the dynamic and rapidly developing nature of climate litigation, the ongoing review and enhancement of these scenarios continue to be a key area of focus. Central to this process, is close engagement with internal stakeholders across the business – to ensure our assumptions, methodologies and risk assessments remain aligned with emerging trends within the market.

To support this, the Exposure Management team facilitates a quarterly Liability Working Group with members from Sustainability, Underwriting, Claims and Actuarial teams. The Working Group serves as a key governance mechanism and feedback loop – providing oversight and challenge across scenario development, risk appetite discussions, emerging risk assessment and claims horizon scanning. This cross-functional approach enables a coordinated and forward-looking view of climate liability risk, ensuring that our framework continues to evolve in line with the changing risk landscape.

Critical to our internal methodology is the capture and completeness of underlying fields. We have now built out a robust approach to streamline this process and collate, monitor and measure this output at Group level on a gross and net basis. This output is reported quarterly to senior management – with movements monitored to provide visibility on portfolio contribution and material changes to contributions.

Throughout 2026, the team has maintained close engagement with casualty exposure management model vendors to remain at the forefront of developments across both probabilistic and deterministic solutions. This collaboration is complemented by a series of focused initiatives to help validate, and expand our existing scenario suite, strengthen our analytical capabilities and support future growth across liability lines.

Internally, climate litigation continues to represent a significant and growing risk to our underwriting portfolio, both in terms of current premium exposure and future growth ambitions. In response, we are investing in the continued development of our liability exposure management capabilities to ensure we remain well-positioned to identify, assess, and manage these evolving risks (refer to Sub-Principle 3.3). This includes expanding our specialist expertise through dedicated casualty resource within the Exposure Management team, strengthening our analytical framework through external consultancy projects, and enhancing our ability to support underwriting strategy though the expansion of internal risk tolerance limits and monitoring.

Principle 1: Steering Transition

Sub-Principle 1.10

Transition Risk Assessment

Canopius assesses transition-related risks across all lines of business and entities as part of its broader climate risk assessment process. Given the evolving nature of transition risk scenario analysis within the insurance sector, we have adopted a proportionate approach, and consider the potential impacts of decarbonisation, regulatory change, technological developments and evolving market expectations. This assessment supports business planning and portfolio management by providing a Group-wide view of transition-related risks and opportunities. Further detail is provided in Sub-Principle 3.3.

Nature Stress Testing and Scenario Analysis

As described in Sub-Principle 1.7, Canopius undertook a Nature & Biodiversity Impact Assessment to identify the lines of business with the most significant nature-related dependencies. This assessment identified Marine Property, Power & Renewables and Heavy Industry as priority portfolios for further analysis.

Building on the TNFD LEAP double materiality assessment completed in 2025, and the impact assessment undertaken in 2026, we expanded our use of scenario-based analysis to better understand how climate- and nature-related risks may affect underwriting portfolios over time. Using CatNet, we conducted asset-level analysis across the priority portfolios, assessing exposure to a range of nature- and climate-related variables including drought, sea level rise, biodiversity and ecosystem services (BES), and extreme precipitation.

Scenario Outcomes

The analysis highlighted that nature- and climate-related risks are material across all three priority portfolios, although the way these risks manifest differs by line of business. The findings reinforced the conclusions of the materiality assessment discussed in Sub-Principle 1.7 and provided greater insight into the specific geographies, clients and risk drivers contributing to portfolio exposure.

We will continue to expand our use of nature-related scenario analysis to support risk identification, portfolio management and underwriting decision making, while further refining our understanding of how nature-related risks and dependencies may affect portfolio performance over the short, medium and long term. Building on the materiality assessment described in Sub-Principle 1.7, future work will focus on enhancing data quality, broadening portfolio coverage and embedding nature-related insights into existing underwriting and risk management processes.

Reverse Stress Testing

Reverse Stress Testing (RST) is another method used to assess business resilience. Conducted annually as part of the ORSA/CISSA process, RST identifies scenarios that could make the business model unviable by starting with potential points of failure and working backwards to the underlying causes – unlike traditional stress testing, which begins with predefined scenarios. This includes assessing situations where stakeholder confidence could deteriorate, such as business partners becoming unwilling or unable to transact due to corporate sustainability failure. Senior management reviews the RST, considers mitigating actions and controls for each scenario, and uses the outputs to inform broader risk management and strategic discussions. Although primarily qualitative, the exercise strengthens understanding of potential vulnerabilities and complements scenario analysis across key risk areas.



Principle 2

Engaging Stakeholders

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Principle 2: Engaging Stakeholders

2025-2026: Key Progress Highlights

1

Launched the Canopius Sustainability Community (CSC)

Established the CSC to support a deeper level of engagement, education and collaboration on sustainability topics.

2

Employee Engagement Programme

Introduced a layered engagement model combining Company-wide, team-specific and CSC-led engagement activities on climate and nature.

3

Company-wide Sustainability Training Refresh

Rolled out an updated sustainability training programme tailored to the insurance industry.

4

Nature and Biodiversity Engagement

Expanded UK employee engagement through activities and initiatives with Kew Gardens.

5

Operational Emissions Data Improvements

Worked with Furthr to improve emissions data quality and supply chain transparency.

6

Operational Initiatives

Increased integration of sustainability considerations into office and procurement decisions.

Principle 2: Engaging Stakeholders

Sub-Principle 2.1

Manage and seek to reduce the environmental impacts of the internal operations and physical assets under our control.



Canopius continues to strengthen how it manages the environmental impacts and climate-related risks associated with its operations and physical assets. During the reporting period, we focused on improving data quality across all emissions scopes to better inform targeted reduction initiatives, agree and embed actions, and mature our offsetting strategy.

This work is supported by collaboration across Sustainability, Operations, Facilities, Finance and Procurement, alongside our external partner, Furthr, which has helped improve the robustness, consistency and coverage of emissions data. This has strengthened our understanding of the main drivers of operational emissions and supports the prioritisation of targeted reduction actions across our internal operations and physical assets.

These insights underpin our Emissions Reduction Plan (refer to Sub-Principle 3.5 and 3.6), which provides a structured framework for monitoring progress and guiding operational improvements over short, medium and long-term time horizons. Emissions data is increasingly incorporated into planning and day-to-day decision making, including travel, procurement and workplace operations, helping to embed climate considerations into how the business operates. Operational emissions and reduction initiatives, including offsets are reported in Sub-Principle 2.3.

As part of our 2026 Double Materiality Assessment (refer to Sub-Principle 1.7), we assessed the environmental impacts, risks and opportunities associated with our operational activities, including office buildings, business travel, resource consumption and operational emissions, helping to inform the prioritisation of reduction initiatives and operational decision making.

Office Buildings

Canopius seeks to lease space in more sustainable office buildings where possible, recognising that building design, energy performance and resource efficiency can materially influence our operational footprint over the life of a lease. During the reporting period, this approach informed the decision to further embed sustainability considerations into building-related decisions, including future lease reviews and office moves.

This approach was applied to the opening of our new Manchester office, where environmental credentials formed part of the site selection and fit-out criteria. The office incorporates sustainability features aligned with those implemented in our London office, and the fit-out has achieved a SKA Gold rating, demonstrating best practice in sustainable workplace design.

Our London office at 22 Bishopsgate remains a strong example of this approach. It is a completely renewable building that aims to achieve net-zero status by 2035. This building has been awarded BREEAM Excellent certification and was recognised as the Building of the Year at the 2022 National Sustainability Awards. For the UK we comply with, and report against Streamlined Energy and Carbon Reporting (SECR) and the Energy Savings Opportunity Scheme (ESOS) standards.

Design features in our Singapore office support energy efficiency and reduced cooling demand designed with a double façade and greenery covering 55% of the perimeter to maximise natural light and reduce heat gain. Its petal-like structure at the crown of the building draws in cooler air at a height of 242 meters, thereby reducing the energy required for cooling.

Principle 2: Engaging Stakeholders

Sub-Principle 2.1

In addition, we continue to monitor water use in our offices and have implemented controls, such as sensor-based flow management, to reduce unnecessary consumption. These initiatives create opportunities to improve resource efficiency, reduce emissions and support long-term operational resilience.

Food & Drink

- Filtered tap water and reusable bottles provided
- All coffee is Fairtrade
- Catering in London and Bermuda uses fully recyclable packaging

Tech & Digital Efficiency

- Use digital invoicing, DocuSign, and cloud-based systems to reduce paper use
- Printing is limited to essential needs
- Sensor lighting is installed globally to minimise energy waste



Waste & Recycling

- Phasing out single-use plastics through supplier reviews
- London office achieved an 85% recycling rate, among the top in the building
- Old branded items were donated to local homeless charities during Canopius rebrand

Operations & Supply Chain

- Engaging with suppliers on their sustainability commitments
- A Consolidation Centre in London reduces delivery-related emissions
- Promote low-carbon commuting with cycle-to-work schemes and bike storage

Business Travel and Ways of Working

Canopius is also seeking to reduce the environmental impact of travel and workplace practices by improving the visibility and accessibility of lower-emissions options. The business travel booking platform introduced in 2024 supports employees in identifying more sustainable routes, and we have proactively engaged with our travel provider to enhance this functionality.

Canopius initiated the development of clearer emissions labelling within the platform, including the introduction of indicators showing emissions savings for selected travel options, alongside preference settings to prioritise lower-impact routes. This reflects a shift towards embedding emissions considerations directly into decision making at the point of booking. The enhancements are now being developed by the provider and extended across its wider client base.

Alongside this, our hybrid working model and widespread video-conferencing capability help reduce unnecessary commuting and travel, while maintaining operational effectiveness across a global business.

Next Steps

As our approach matures, we see further opportunities to strengthen operational resilience, improve resource efficiency and enhance transparency through more structured monitoring of emissions and reduction activity. We will continue to build this into operational decision making, including future property and travel-related choices, while improving how progress is tracked and reported over time.

Principle 2: Engaging Stakeholders

Sub-Principle 2.2

Engage our employees on our commitment to address climate change and nature, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate- and nature-informed choices outside work.

Canopius recognises that making climate- and nature-related progress requires active engagement from employees across all functions and geographies. During the reporting period, we strengthened employee engagement, focusing on building awareness, developing role-relevant capability and creating opportunities for employees to actively contribute to sustainability initiatives. This reflects a shift towards a more structured and participatory model of engagement, supporting a culture of shared responsibility across the organisation.

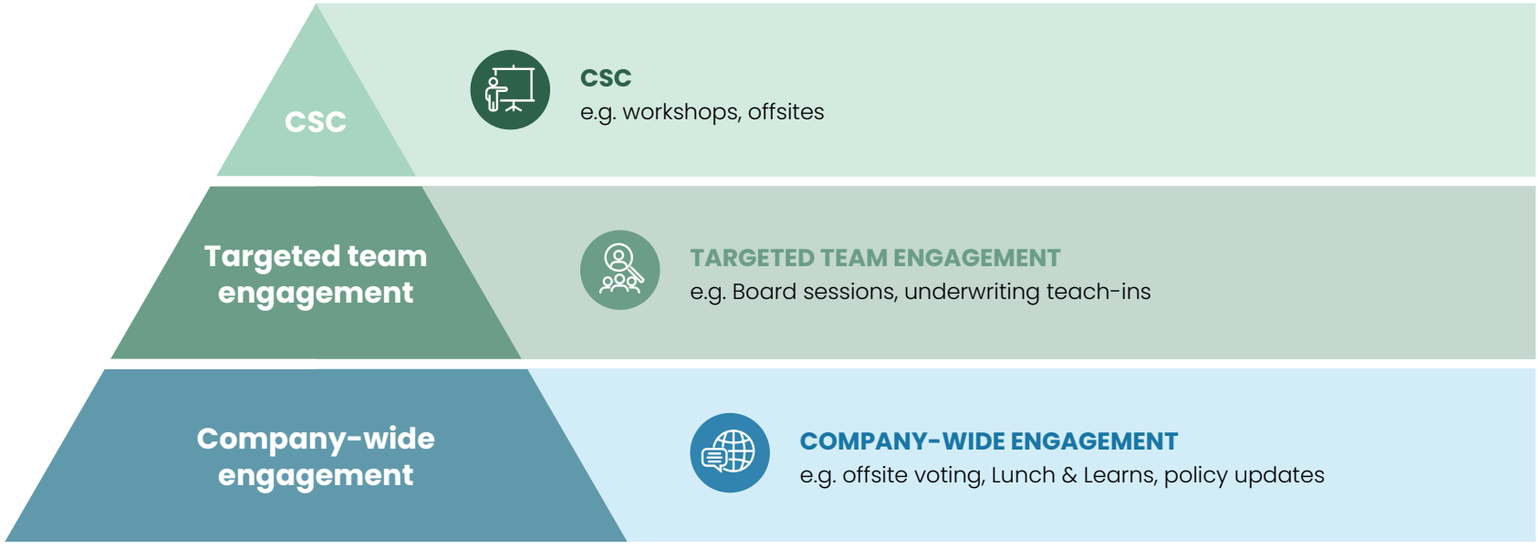
Our 2026 DMA (refer to Sub-Principle 1.7) highlighted employee wellbeing and talent retention as material considerations, reinforcing the role that sustainability initiatives can play in fostering a positive workplace culture, enhancing employee engagement and supporting the attraction and retention of talent.

A Layered Engagement Model

To support this, Canopius implemented a layered engagement model, designed to provide multiple entry points for employees depending on their role, interest and level of involvement.

At a Company-wide level, all employees are provided with access to core sustainability information and engagement opportunities, including regular intranet articles, expert talks and Company-wide initiatives such as the annual carbon offset voting process, where employees are invited to select projects aligned with the Group's sustainability objectives.

Building on this foundation, targeted engagement is delivered to specific teams through role-relevant sessions such as underwriting teach-ins and Board-level training. In addition, employees have the opportunity to engage more deeply through the CSC which provides a network for ongoing collaboration, learning and participation.



Principle 2: Engaging Stakeholders

Sub-Principle 2.2

The Canopius Sustainability Community (CSC)

A key development during the year was the launch of the CSC, an employee-led network designed to support bottom-up engagement across the organisation.

The CSC was developed in partnership with the Marketing & Communications team and approved by the Leadership Team, with a dedicated senior Executive sponsor and allocated annual budget to support employee engagement activities, events, learning opportunities and community initiatives. The CSC provides a structured network for employees to engage with sustainability topics through events, workshops and interactive discussion channels.

Since its launch in Q1 2026, the CSC has supported numerous global activities, enabled greater cross-functional collaboration and knowledge-sharing that actively encourages employees to make more climate- and nature-informed choices both in the workplace and outside of it.

Targeted Team Engagement

Underwriting Climate Risk Cheat Sheets

To strengthen climate literacy and support climate-informed decision making across the business, we developed a series of underwriting climate risk "cheat sheets" in 2026 for lines of business with the greatest exposure to physical and transition risks. Tailored to specific industries, these resources explain how decarbonisation pathways may affect different sectors, covering key physical and transition risk drivers, potential financial implications, and emerging market developments. They also highlight opportunities to support the transition through underwriting and provide practical examples of current and emerging risks relevant to underwriting portfolios.

The cheat sheets formed part of our broader employee engagement and capability-building programme and were introduced through in-person discussions during the business planning process. This provided underwriters with an opportunity to explore climate-related challenges specific to their sectors and discuss potential implications for portfolios and clients. The resources are also hosted on Canopius' Responsible Underwriting Hub, an Intranet site providing employees with ongoing access to climate-related guidance and learning materials.

By equipping underwriters with accessible, sector-specific information, these resources support more informed conversations with clients on emerging risks and transition-related challenges. We will continue to update and expand the cheat sheets based on underwriter feedback and emerging climate risk trends, ensuring the resources remain relevant as climate impacts evolve across additional sectors and product lines.

Team Specific Learning Opportunities

Recognising that climate- and nature-related risks affect business functions in different ways, we organise tailored sessions to complement Company-wide sustainability training with targeted learning opportunities tailored for individual teams. For example, following the positive feedback received from our Company-wide Climate and Health Lunch & Learn, we partnered with a researcher from the London School of Tropical Medicine to deliver a tailored session for the Accident & Health team. The session was adapted to focus specifically on the links between climate change and health outcomes more quantitatively. This targeted approach helps ensure sustainability learning remains relevant, practical and aligned to the needs of different business areas.



Principle 2: Engaging Stakeholders

Sub-Principle 2.2

Company-wide Training and Engagement Opportunities

In parallel, Canopius has evolved its approach to sustainability training to better support colleagues in applying climate considerations within their roles.

Employee Training

During the year, we reviewed the existing Company-wide sustainability training and the feedback received to assess its relevance across different functions and our business. In response, we worked with an external partner, Better Insurance Network, to develop and roll-out a more targeted training that is insurance-sector and role specific. The Company-wide training has a completion target of 100% of full-time colleagues and this progress is monitored and reported monthly until the deadline.

This updated training combines core foundational learning with role-specific content and the opportunity to delve deeper into insurance-sector sustainability topics. Ahead of the full rollout, we conducted a pilot of the training with a selected group of colleagues to ensure that the content was engaging, practical and aligned with employee's needs. Feedback from the pilot was used to refine the training further.

Continuous Learning Opportunities

This structured training is supported by various learning opportunities and expert-led engagement. Throughout the year, Canopius has delivered a series of "Lunch & Learn" sessions covering a range of topics, including carbon offsetting (in partnership with Furthr), climate and health (with the London School of Tropical Medicine), nature and biodiversity (in collaboration with Kew Gardens) and carbon markets through the SUSTAIN festival.

In addition to these sessions, colleagues were offered the opportunity to visit one of our decarbonisation projects in London. These activities are complemented by updates shared via the Company intranet, ensuring that sustainability topics remain visible and accessible across the organisation.

Employee Engagement

In addition to these learning opportunities, employees were invited to participate in the selection of our carbon offset projects through a Company-wide voting process. Ahead of the vote, we hosted educational sessions with subject matter experts from Furthr to help colleagues understand the environmental and community benefits of each project and the role of offsetting within our net-zero strategy. To diversify the portfolio and promote local engagement, the selected projects included one project from each of our key regions – the UK, US and APAC – ensuring employees could support initiatives with both global and regional relevance.

Nature- and Climate-related Volunteering

Beyond formal learning, Canopius continues to promote active participation through climate and nature-linked collaborations and volunteering. During the year, Royal Botanical Gardens Kew was onboarded as a UK charity partner for Canopius, supporting a series of volunteering days and learning opportunities focused on nature and biodiversity conservation. These initiatives provide employees with opportunities to engage directly with environmental challenges, reinforcing awareness and supporting a broader culture of engagement beyond the workplace.



Principle 2: Engaging Stakeholders

Sub-Principle 2.2



Additionally, Canopius offers all employees the opportunity to participate in two paid volunteering days each year, with a particular focus on activities during our annual "Month of Giving". In 2025, we raised £210k in support of charitable initiatives, representing an increase of approximately 89% compared to the prior year. Employee participation in volunteering activities also increased significantly over the period, reflecting growing engagement and alignment with our sustainability objectives.

Metric	2024	2025	H1 2026
Sustainability-related Lunch & Learns	1	3	3
Sustainability-related Intranet Articles	1	5	5
CSC Activities Delivered	–	–	7
Number of CSC Members	–	–	37
Charity Funds Raised	£111k	£210k	–

Support from Canopius' Highest Performers

Canopius senior management support the "Elevate" programme, which is designed to equip high-potential employees with the skills to become future leaders and foster a culture of growth and innovation. In 2025, an Elevate cohort explored the business's nature-related dependencies.

In 2026, another Elevate cohort focused on sustainability-linked products, with a proposal for clearer identification of sustainable business underwritten at Canopius. This encompasses both climate and nature, with the intention to enable enhanced monitoring, including loss history analysis, to support the business case for writing more such business. This initiative reflects our commitment to empowering employees to engage with material climate and nature issues, build understanding and awareness, and directly inform decision making.

Feedback and Future Vision

Employee feedback plays an important role in shaping this approach. Insights from the annual Employee Engagement Survey, which obtained a 91% completion rate, are used to inform the design and prioritisation of sustainability initiatives and structured feedback from the CSC is sought bi-annually, ensuring that engagement remains relevant and responsive to employee needs.

As our approach matures, we see further opportunities to deepen engagement across regions and functions, improve participation, and enhance the measurement of outcomes. Through initiatives such as the layered engagement model and the CSC, Canopius is embedding climate and nature considerations into the day-to-day activities of employees, supporting delivery of our broader sustainability strategy.

Principle 2: Engaging Stakeholders

Sub-Principle 2.3

Understand and disclose the sources of emissions and adverse climate- and nature-related impacts on our upstream and downstream value chain that might in turn impact our business.

In 2026, Canopius completed its 2025 global operational greenhouse gas emissions inventory across Scopes 1, 2 and 3, covering the reporting period 1 January to 31 December 2025. The inventory was prepared by Furthr in accordance with ISO 14064-1:2018 and aligned with the Greenhouse Gas (GHG) Protocol Corporate Standard.

The assessment covers all entities within its operational control boundary across the UK, US, Bermuda, Australia and Singapore. It provides a view of emissions across Canopius' operations and value chain. Scope 3 remains the largest component of the footprint.

Carbon Reduction Initiatives

Canopius reduced total market-based emissions from 17,589 tCO_2e (tonnes of carbon dioxide equivalent) in 2024 to 12,850 tCO_2e in 2025, a reduction of 26.94%. Post-EAC procurement, total emissions were 12,747 tCO_2e.

We experienced improved data quality by increasing the use of supplier-specific disclosures, revenue intensity metrics and activity data. In 2025, 42% of purchased goods and services spend was calculated using revenue intensity metrics or direct supplier disclosure, with a further 2% calculated using activity data. To better understand and improve our data, we launched a series of initiatives with Furthr to improve the quality of data inputs, thereby achieving more accurate total emissions. These initiatives include:

- Strengthened supplier engagement with supplier-reported emissions data. This reduced estimates by 48% on average compared to spend-based methods, rising to 87% for direct cloud and physical data storage disclosures.
- Identified further improvement areas, including access to US and Bermuda supplier data. Inclusion of these suppliers is expected to increase higher-quality supply chain methodology coverage to approximately 60% of total purchased goods and services spent.
- Tracked delivery against agreed success indicators. Direct emissions data or reports were obtained for 29 of our top suppliers; and 15 further suppliers with no public sustainability commitments were contacted directly to communicate Canopius' net zero ambition and data expectations.
- Integrated emissions considerations into premises decisions, including the Manchester office move, where the selected office is EPC B rated and procuring green energy. The New York office move has been postponed to 2027 and will remain a focus for applying environmental criteria.
- Obtained support to continue offsetting travel-related emissions, including the purchase of high-quality offsets for the 2025 travel footprint following review and internal voting with CSC.

Canopius also reduced directly controllable emissions through Energy Attribute Certificates (EACs) for offices where renewable tariffs could not be procured directly, enabling 0 tCO_2e market-based electricity emissions under Scope 2 post-EAC procurement.

Business travel remains a material focus area: flights represented 88% of travel emissions, and the reported reduction in travel emissions was driven primarily by updated DEFRA emission factors rather than a material reduction in underlying travel activity.

Progress against the 2025/2026 operational emissions plan has included approval of proposed initiatives by the Leadership Team and ESS Committee; completion of the first Canopius Transition Plan; implementation work with Facilities and Procurement; purchase of high-quality travel offsets; and completion of the 2025 operational footprint with improved data quality. Canopius also completed 2025 investment and underwriting footprint calculations, supporting a more complete view of emissions across the Group.

Canopius will continue to mature its approach by linking operational climate-related risks to planned actions, decision making and performance monitoring. In 2025, the LT and ESS Committee agreed to an operational net zero target by 2050. To further enhance and focus our commitment, we introduced an interim 2030 target to reduce Scope 1 and 2 emissions by two-thirds. We will continue to procure EAC certificates where renewable tariffs are not available, monitoring supplier decarbonisation commitments, and setting a 2030 supplier target in 2027 (refer to the transition plan in Sub-Principle 3.5 & 3.6).

Principle 2: Engaging Stakeholders

Sub-Principle 2.3

Canopius Group Operational Emissions

GHG emissions (tCO_2e) – market-based*	2024	2025	% Change
Scope 1			
Stationary Combustion	84	37	-57%
Fugitive Emissions	0	0	N/A
Total Scope 1	**84**	**37**	**-57%**
Scope 2			
Purchased Electricity (Market-Based)	107	103	-4%
Purchased Steam, Heat and Cooling	0	26	N/A
Total Scope 2 (Market-Based)	**107**	**129**	**20%**
Total Scope 2 (Market-Based, Post-EAC Procurement)	**107**	**26**	**-76%**
Scope 3			
Purchased Goods and Services	11,228	6,254	-44%
Capital Goods	0	1,171	N/A
Fuel and Energy-Related Activities	43	23	-46%
Upstream Transportation and Distribution	17	39	125%
Waste	0.18	1	294%
Business Travel	5,779	4,603	-20%
Commuting and Homeworking	331	591	78%
Upstream Leased Assets	0	3	N/A
Total Scope 3	**17,397**	**12,684**	**-27%**
Total (Market-Based)	**17,589**	**12,850**	**-27%**
Total (Market-Based, Post-EAC Procurement)	**17,589**	**12,747**	**-28%**

*Market-based emissions reflect emissions associated with the specific electricity contracts or instruments a company purchases, including renewable energy certificates or equivalent market-based instruments. EACs were procured in 2025 for offices where renewable tariffs could not be sourced directly.

NB: Reporting year is 1 January to 31 December.

Reporting Scope and Boundaries

The 2025 emissions inventory was calculated in accordance with ISO 14064-1:2018 and aligned with the GHG Protocol Corporate Standard. Scope 3 emissions were assessed using relevant GHG Protocol categories and calculated through a combination of activity data, supplier-specific disclosures, revenue intensity metrics and spend-based methodologies.

We report as outlined in the GHG Protocol Corporate Reporting Standard, three scopes are as follows:

- **Scope 1** – Covering GHG emissions that Canopius makes directly.
- **Scope 2** – Covering emissions that Canopius makes indirectly.
- **Scope 3** – Covering all associated emissions indirectly contributing to Canopius' value chain.

Primary activity data was used where available, including energy invoices, travel management reports, supplier disclosures, IT product quantities, product carbon footprint data, waste and water data, employee commuting surveys and facility-level information.

Where direct data was incomplete, estimates and assumptions were applied using appropriate methodologies, including regional cost per unit, floor area, full-time employee data, office attendance, postcodes and local commuting patterns. Spend-based methodologies were used where more granular data was unavailable.

Supplier-specific data was used to improve the accuracy of reported Scope 3 emissions and reduce reliance on industry-average factors. This supports better understanding of emissions across the upstream value chain and informs supplier engagement priorities.

Canopius will continue to improve data quality and decision-useful metrics to guide reduction planning and support clearer disclosure of progress.

The footprint covers Canopius' global operating locations in London, Manchester, Bermuda, Singapore, Sydney, Melbourne, Chicago and New York. Reported sources include Scope 1 stationary combustion and fugitive emissions; Scope 2 purchased electricity, steam, heat and cooling; and Scope 3 purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste, business travel, employee commuting and homeworking, and upstream leased assets.

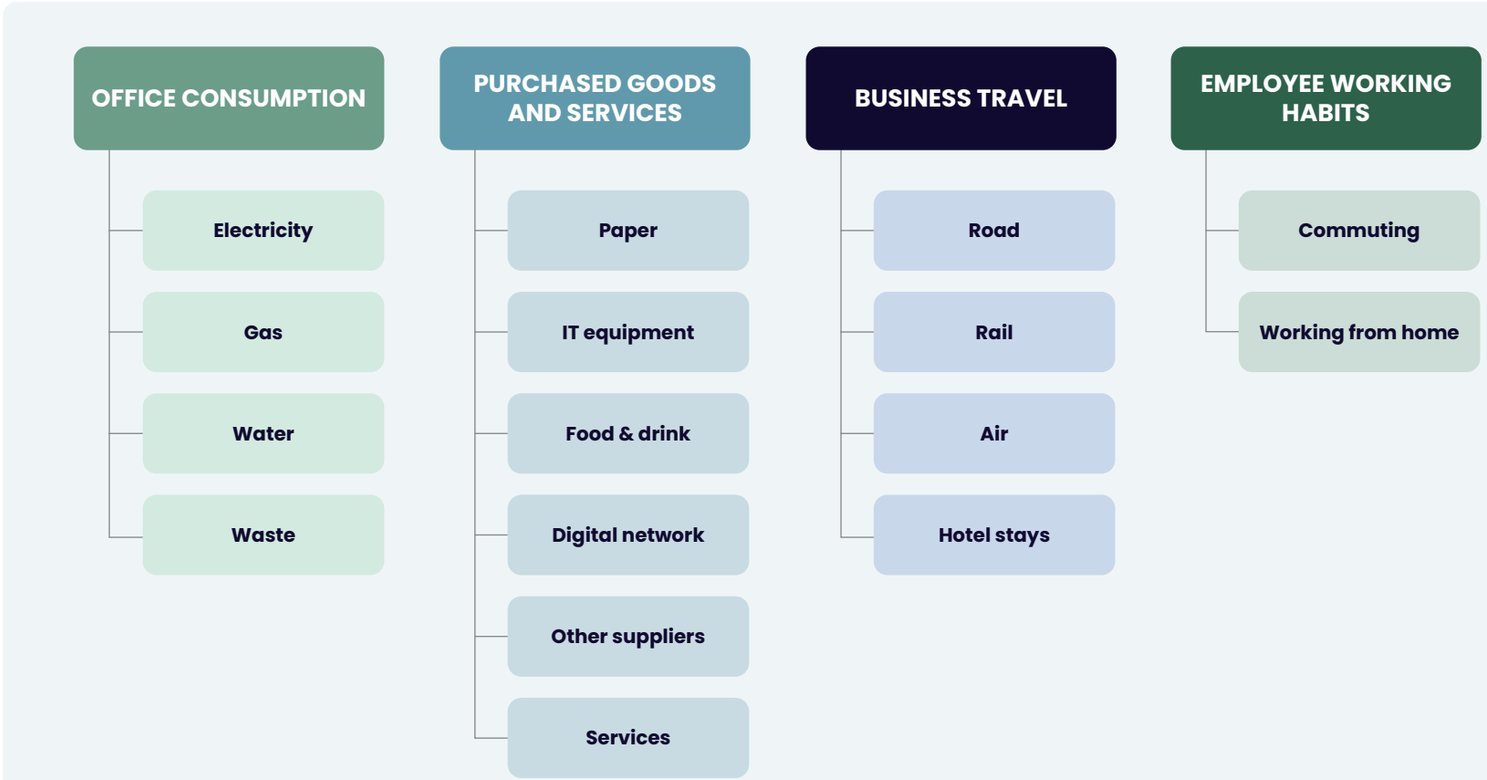
Principle 2: Engaging Stakeholders

Sub-Principle 2.3

Sources of Reported Emissions

Scope 3 emissions totalled 12,684 tCO_2e in 2025 and accounted for the majority of Canopius' operational footprint. The most material categories were purchased goods and services (6,254 tCO_2e), business travel (4,602 tCO_2e), capital goods (1,171 tCO_2e), and employee commuting and homeworking (590 tCO_2e).

Within the supply chain, emissions were concentrated in professional services, IT and technology, property and assets, insurance-related services, entertainment, and people and HR. Within business travel, flights represented 88% of travel emissions; business class travel accounted for 78% of total air emissions where class and distance data was available.



Principle 2: Engaging Stakeholders

Sub-Principle 2.3

Improving GHG Emissions Tracking

Improving emissions data quality remains central to Canopius' ability to manage operational climate-related risks and support credible transition planning. Between 2025 and 2026, the Emissions Reduction Plan has moved from establishing baseline actions to a more targeted, metrics-led approach, with clearer monitoring of supplier data quality, electricity-related emissions, travel emissions and offsetting activity.

Key improvements include the completion of the 2025 operational emissions assessment, which showed a 27% reduction in total operational emissions from 17,547 tCO_2e in 2024 to 12,850 tCO_2e in 2025. The reduction was driven primarily by improved purchased goods and services methodology, including greater use of direct supplier disclosure, and by updated business travel emissions factors. Scope 1 emissions reduced by 57%, purchased electricity reduced by 4%, purchased goods and services reduced by 44%, and business travel reduced by 20%.

The 2026 plan strengthens this position by introducing clearer operational levers and forward-looking monitoring metrics, including:

- Increasing supplier data coverage from 42% of global spend covered by revenue intensity metrics or direct disclosure towards 60% spend coverage;
- Expanding outreach to suppliers and mapping supplier decarbonisation commitments to support the development of a 2030 supplier target;
- Reducing market-based Scope 2 electricity emissions through the purchase of Energy Attribute Certificates, moving from 129 tCO_2e across facilities to 0 tCO_2e for electricity-related emissions post-EAC procurement; and
- Continuing to offset 100% of travel-related emissions with high-quality offsets, while assessing longer-term reduction options such as Sustainable Aviation Fuels.

Overall, the 2026 Emissions Reduction Plan represents a material strengthening of the 2025 approach: it builds on completed baseline actions, introduces more decision-useful monitoring metrics, increases the focus on supplier-specific data and decarbonisation commitments, and creates a clearer pathway towards our operational net zero ambition by 2050.

Carbon Offsetting Strategy

Canopius is committed to achieving operational net zero by 2050 and manages its operational carbon footprint through annual measurement, governance oversight and targeted reduction actions. Where near-term emissions cannot reasonably be eliminated, carbon offsets may be used to address residual emissions, supported by defined quality criteria and oversight from the Sustainability Team, Group Leadership Team, Sustainability Forum and CGL ESS Committee.

Business travel remains a material contributor to Canopius' operational emissions. We seek to reduce travel-related emissions through improved data, employee awareness and travel controls. Residual emissions from business travel in 2025 were offset through high-quality carbon offset projects across key operating regions, including the UK, Americas and APAC.

The 2025 offset portfolio aligns with our offsetting principles by combining verified carbon outcomes with environmental and social co-benefits. The 2025 portfolio includes a mangrove restoration project in Pakistan, an indigenous community-led forest management project in Mexico and a social housing decarbonisation project in the UK.

We will continue to disclose the emissions boundary, the role of offsets in our net zero pathway, and quality criteria for project selection, verification and monitoring (refer to Sub-Principle 3.5 & 3.6).



Principle 2: Engaging Stakeholders

Sub-Principle 2.4

Advocate and engage across the supply chain to encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business.

Canopius recognises that engagement across its supply chain is vital to achieving its operational net-zero ambition and improving the sustainability of its overall value chain. We continue to strengthen our approach to supplier engagement, with a focus on improving data quality, enhancing transparency and supporting suppliers in their own sustainability journeys.

Embedding Sustainability in Procurement

We engage with suppliers primarily through our procurement processes, where sustainability considerations are integrated into due diligence, onboarding and Request for Proposal (RFP) activities. Our "Source to Contract" tool includes a structured ESG due diligence questionnaire alongside targeted questions on climate strategy, emissions disclosure, reduction targets, nature impacts and wider social considerations. The questionnaire assesses supplier environmental maturity, including alignment with recognised standards, emissions reporting practices and future commitments.

This supports a more informed understanding of supply chain impacts and ensures sustainability factors are considered alongside commercial, operational and risk criteria in supplier decision making. Supplier responses are reviewed by the Sustainability team and assigned a risk score, enabling climate- and nature-related considerations to be incorporated into supplier selection and ongoing oversight. Higher-risk responses are reviewed and additional information from the supplier is requested.

Targeted Supplier Engagement and Data Improvement

Building on this foundation, we have begun to move towards more targeted and data-driven engagement with our suppliers. During the year, Canopius collaborated with Furthr to undertake direct outreach to a number of suppliers to obtain more detailed emissions data and better understand their current maturity, including their disclosure practices and reduction targets. As part of this, we identified priority supplier categories where emissions are most material, including purchased goods and services, professional services and technology-related suppliers.

These categories represent a significant proportion of our Scope 3 footprint. This engagement supports the development of a more accurate and decision-useful view of our Scope 3 emissions, which represent the majority of our operational footprint. Additionally, this analysis helps to identify supplier categories that may warrant greater engagement due to their material emissions profile and strategic importance to the business.

Where supplier-specific data has been obtained, this has resulted in a significant improvement in emissions accuracy compared to traditional spend-based methodologies, with supplier-reported data reducing estimated emissions by an average of 48%. Increasing the proportion of suppliers providing primary data or emissions intensity metrics remains a core focus, with 42% of supply chain spend now supported by higher-quality data methodologies and plans to increase this coverage further in future reporting periods.

Strengthening Supplier Governance

Through the refresh of our Supplier Code of Conduct, suppliers are required to attest to their environmental and social practises through our due diligence processes, and to have processes in place to support sustainability throughout their supply chain. These requirements are supported through a central policy framework, helping ensure expectations are clearly communicated and formally acknowledged at the outset of the supplier relationship. As our approach develops, we are exploring opportunities to further enhance how supplier performance is monitored and managed.

Scaling Engagement and Impact

Looking ahead, Canopius will continue to build a more structured supplier engagement approach, including working with Furthr to expand supplier data collection, improve emissions coverage and support suppliers in enhancing their own disclosures. We also see opportunities to strengthen our understanding of supply chain risk concentrations and to further embed sustainability considerations into procurement decision making, supporting both our operational resilience and our contribution to the wider economy-wide transition.

Principle 2: Engaging Stakeholders

Sub-Principle 2.5

Support and undertake research and development to inform current business strategies, develop new products, and help support and incentivise our customers and stakeholders, including affected communities, in adapting to and mitigating climate- and nature-related issues.

As part of our sustainability strategy, we continue to invest in research, analytical capability and knowledge development to strengthen our understanding of climate- and nature-related risks and opportunities. By combining internal expertise with collaboration across specialist partners, we seek to ensure that emerging scientific insights are translated into practical tools, training and decision-making processes. This supports the development of our underwriting capabilities, helps inform business strategy and enhances our ability to respond to evolving climate-related challenges.

Advances in Catastrophe Modelling

Canopius have also partnered with lecturers from University College London to offer windstorm (both tropical cyclone and Severe Convective Storms) and earthquake hazard and protection courses. Participants from Exposure Management, Underwriting and Actuarial teams have attended with the aim of improving their understanding of peril mechanics, and earthquake/wind resistant building design.

Although the courses are primarily designed around core principles, climate considerations are embedded in the meteorological courses to provide relevant, real-world context. For example, Atlantic hurricane seasons with noteworthy events are used as case studies to illustrate how changing climate conditions can influence hazard behaviour. These courses aim to leave attendees with a strong foundation in the perils but also gain a clearer understanding of evolving climate-related risks and implications for their business area.

The Catastrophe Management team has recently been restructured to place greater emphasis on the commercial application of research. Rather than operating as a standalone pillar within Catastrophe Management, its research team is now integrated with the Reporting and Analytics team, ensuring that research priorities are directly aligned with business objectives. This approach enables us to translate developments in climate science and broader research insights into practical, decision-relevant outputs, supporting more informed underwriting and portfolio management.

The focus of this research is aligned to findings from our 2026 DMA (refer to Sub-Principle 1.7), which identified Natural Catastrophe Management as one of the most material sustainability topics for Canopius, reflecting its importance to underwriting performance, portfolio resilience and customer outcomes. Research priorities are selected based on a combination of emerging scientific developments, underwriting needs and areas identified as strategically important to portfolio resilience and client needs.

The Catastrophe Management team plays a key role in assessing and applying the latest scientific insights across regions and perils, ensuring that research is translated into practical underwriting and portfolio management decisions. By integrating research activities more closely with business functions and partnering with academic institutions and industry experts, we continue to enhance our analytical capabilities, support informed decision making and improve resilience to current and emerging climate risks. Additionally, by improving our understanding of climate-related hazards and supporting more informed underwriting decisions, this research also contributes to the wider transition by helping businesses better understand and manage evolving climate risks.



Principle 2: Engaging Stakeholders

Sub-Principle 2.6

Promote and actively engage in public debate on climate- and nature-related issues and the need for action by publicly communicating our beliefs and strategy on climate- and nature-related issues and providing support and tools to our customers/clients so that they can assess their levels of risk.

Our Approach to Public Engagement

As an insurer with a direct interest in climate- and nature-related risks, Canopius recognises its responsibility to contribute to public debate and support the transition into a more resilient economy. Our approach focuses on combining industry collaboration, targeted external engagement and knowledge sharing to support the market in understanding and managing their exposure to climate- and nature-related risks.

Our engagement is guided by the area's most relevant to our business and stakeholders, including climate and physical risk, the role of insurance in enabling transition and the increasing importance of nature-related risks. These priority areas shape how we participate in public forums, develop partnerships and share insight.

Our sustainability strategy and climate-related activities are also communicated through public disclosures, including our annual ClimateWise report and Sustainability Report.

Industry Engagement and Thought Leadership

We actively engage in industry platforms and public forums to share insight and contribute to the development of best practice. This includes participation in key industry associations, working groups and committees, where we collaborate to respond to regulatory developments and shape market approaches to climate- and nature-related risks.

In addition to these forums, Canopius colleagues regularly contribute to external events, including speaking on panels and facilitating breakout sessions. For example, at the SUSTAIN Insurance Festival, we hosted a panel discussion on carbon markets, engaging a broad audience of insurers, brokers and market participants. We also contributed to the SUSTAIN conference sessions through panel participation and hosted a workshop on carbon emissions measurement, supporting peer learning and knowledge exchange across the industry.

Another example was a collaborative session with the Worshipful Company of Insurers' Sustainability Working Group, where we ran a session on "Sustainability and your career". This initiative aimed to build awareness and capability across the next generation of insurance professionals, reinforcing the importance of sustainability as a core competency within the sector.

In addition to hosting sessions, Canopius have contributed to the Better Insurance Network (BIN) training materials. Our Head of Sustainability contributed to a BIN training module on decarbonisation and transition planning, sharing practical insights from our internal work. Our Head of Heavy Industry also contributed to a BIN training module on nature-related risk, drawing on lessons learned through the Elevate programme and work undertaken during 2025 to better understand the interactions between insurance and nature-related impacts and dependencies.

Through these activities, we are strengthening our role as an active contributor to industry dialogue, whilst helping to translate emerging topics into practical insights for the market.



Principle 2: Engaging Stakeholders

Sub-Principle 2.6

Partnerships and Nature-focused Engagement

We are strengthening our external engagement on nature-related issues through strategic partnerships. In 2025, we initiated a corporate membership with the Royal Botanic Gardens, Kew, to deepen understanding of biodiversity risks and opportunities.

This included hosting expert-led sessions for employees, covering both the work at Kew Gardens and broader nature and biodiversity topics, helping to build internal awareness. Building on this, we are working in partnership with Kew Reach and the BIN to co-host an event at Kew Gardens focused on the role of insurance in shaping a nature-positive economy. We are encouraging underwriters, brokers, clients and other value-chain stakeholders to attend.

Our corporate membership reflects a more structured approach to external engagement, connecting scientific expertise with industry dialogue and supporting the integration of nature considerations into underwriting and risk management discussions.

Linking Research to Practice and Building Expertise

We recognise the importance of developing internal expertise through engaging with external research bodies. This year our Senior Sustainability Manager completed the University of Cambridge Institute for Sustainability Leadership (CISL) course, and our Sustainability Associate is undertaking the Chartered Banking Green and Sustainable Finance qualification. These learning opportunities enhance our ability to translate academic research and emerging frameworks into practical applications across our business.

Evolving Engagement with Clients and the Value Chain

Recognising the need to go beyond industry collaboration, we are evolving our approach to engage more directly with clients and the wider value chain. Our participation in events, partnerships and industry forums increasingly provides opportunities to initiate dialogue with insureds and brokers on climate- and nature-related risks and identifying opportunities for product development and innovation.

Through these engagements, we aim to support clients in assessing risk exposures and adapting to emerging challenges, while also identifying opportunities for product development and innovation.

We recognise that there is further opportunity to strengthen direct engagement with clients and the wider value chain. We will continue to build on our current activities to better support clients in understanding and managing climate- and nature-related risks over time.



Palm House Summer 2023 – Ines Stuart-Davidson © Board of Trustees, RBG Kew.

Principle 2: Engaging Stakeholders

Sub-Principle 2.7

Where appropriate, work with policy makers and share our research with scientists, society, business, governments and NGOs in order to advance a common interest.

We recognise that insurers have an important role to play in advancing understanding of climate- and nature-related risks through collaboration with regulators, industry bodies, scientific institutions and wider stakeholder groups.

Canopius contributed to regulatory and industry discussions, supported knowledge sharing across the insurance market and connected scientific expertise with industry practitioners to help build resilience and advance a common understanding of emerging sustainability issues. Our advocacy and external engagement activities are focused on areas most relevant to our business and stakeholders, including climate risk, nature-related risks and resilience. This work builds on the activities outlined in Sub-Principles 2.5 and 2.6, with a specific focus on contributing to policy and broader societal engagement.

Engagement with Policy and Regulatory Developments

Canopius actively engages with regulatory and industry developments relating to climate and sustainability risk management. In 2025, the Prudential Regulation Authority (PRA) consulted on proposed updates to its supervisory expectations for banks and insurers regarding climate-related financial risks. The Sustainability and Risk teams collaborated in assessing the requirements and contributed to the industry response through participation in the Lloyd's Market Association (LMA) Climate Risk Working Group. This enabled Canopius to contribute practical insurance market perspectives to the industry's response to the proposed requirements.

ClimateWise and CISL

Canopius is a proud member of ClimateWise, reflecting our commitment to working alongside industry peers, regulators and academic institutions to strengthen the insurance sector's response to climate- and nature-related challenges. Our Head of Sustainability serves on the ClimateWise Management Committee and contributed to the ClimateWise Insurability Working Group, which developed the Insurability Readiness Matrix to support industry thinking on emerging protection gaps and insurance accessibility. Members of the Sustainability team also participated in the ClimateWise Principles Working Group, helping to shape the continued evolution of the ClimateWise framework.

Engagement with the Scientific Community

We seek to bridge the gap between scientific research and insurance practice by facilitating knowledge exchange between experts and underwriters. During the year, we hosted Professor Rosie Green from the London School of Hygiene & Tropical Medicine for a dedicated session with our Accident & Health Underwriting team. The session explored the links between climate change and human health, helping underwriters better understand emerging climate-related health risks and their potential implications for insurance portfolios.

Through our partnership with the BIN we are hosting a market-wide event focused on the role of insurance in shaping a nature-positive economy. The event will bring together insurance professionals, sustainability specialists and scientists to explore emerging nature-related risks and opportunities. The programme includes a talk from scientific experts at Kew Gardens and Kew Reach on current biodiversity challenges and the latest scientific thinking, alongside an industry panel discussion examining how the insurance sector can support a nature-positive transition and enhance resilience to nature-related risks. By facilitating dialogue between scientific experts and insurance practitioners, we aim to strengthen understanding of nature-related issues and encourage collaboration across the market.

In addition, Canopius partnered with climate modelling specialists Reask to examine the resilience of parts of our underwriting portfolio to near-term climate change impacts. The findings from this work are informing our understanding of physical climate risks and supporting the continued development of our climate risk capabilities. Further details are provided under Sub-Principle 3.3.

Principle 3

Enabling Transition

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Principle 3: Enabling Transition

2025-2026: Key Progress Highlights

1

Investment Sustainability KPIs

Developed and implemented sustainability KPIs to improve oversight of investment-related climate risks and opportunities.

2

Investment Scenario Analysis

Completed annual climate scenario analysis to assess portfolio resilience under different transition pathways.

3

Asset Manager Engagement

Strengthened engagement with asset managers on ESG and emissions data reporting and environmentally positive investment opportunities.

4

Transition Risk Assessments

Completed transition risk assessments again for CMA and Canopius Reinsurance Limited, and newly for our US platform, Canopius US Insurance Inc., allowing for the first Group transition risk assessment to be completed.

5

Climate Risk Modelling

Continued to develop physical climate risk modelling and portfolio analysis capabilities.

Principle 3: Enabling Transition

Sub-Principle 3.1

Integrate consideration of climate- and nature-related risks and opportunities into investment strategies and decision making.

Investment Strategy and Sustainability Integration

Canopius has an investment portfolio with USD $5,223m assets under management (year ending 2025). This is managed entirely by third-party asset managers, through mandates created and owned by the Canopius Investment team.

Our "Core" investments are focused on cash and publicly traded short-duration government, investment-grade corporate credit and a range of securitised assets. These highly liquid and predominantly low-volatility assets are designed to ensure adequate financial resources are available to meet claims obligations, including during adverse business and financial market conditions.

Our "Non-Core" investments are more illiquid and higher risk, with a mandate to enhance long-term returns and diversify sources of investment income across the portfolio. This allocation currently comprises absolute return strategies and illiquid private credit investments.

The Sustainability team works closely with the Investment team to ensure climate-related and broader sustainability considerations are incorporated into investment oversight and decision making alongside traditional risk, return and liquidity metrics. During 2025, this collaboration resulted in the development of a formal sustainability monitoring framework and investment sustainability Key Performance Indicators (KPIs), providing greater transparency over portfolio performance and supporting informed investment decisions. Progress against these indicators is reported regularly to the ESS Committee and the Board.

- External manager participation in recognised responsible investment initiatives, such as the UN Principles for Responsible Investment (PRI), or demonstration of equivalent ESG governance and processes.
- Alignment of external manager policies and investment practices with the Canopius Responsible Investment Policy, including compliance with investment restrictions relating to certain energy-related activities.
- In line with the estimated proportion of US corporate bond indices, progress towards our aspiration to allocate 3% of corporate bond holdings to Green, Social and Sustainable (GSS) bonds.
- ESG ratings of investment holdings, where data is available, measured against relevant benchmarks.
- Carbon intensity of investments, using data provided by external managers where available.
- Annual climate risk stress testing of the investment portfolio.

These measures strengthen our ability to monitor climate-related risks and opportunities, challenge investment managers on sustainability performance and identify areas for future enhancement.

Integrating Sustainability into Investment Decisions

As the Canopius business and investment portfolio continue to grow, there is increasing opportunity to enhance the scale and composition of the non-core asset allocation to include more illiquid and non-publicly traded investments. While our strategic asset allocation remains focused on maintaining a conservative risk profile and continues to avoid significant exposure to long-duration or equity-like investments, the scope for sustainability considerations to inform discussions around future investment opportunities increases.

As an example, we have actively engaged with our private credit manager to ensure sustainability considerations formed part of its search for new global infrastructure debt investments. This engagement reinforced the importance of integrating sustainability alongside financial performance considerations. This contributed to a focus on opportunities with strong sustainability characteristics, including funds classified under Article 8 of the Sustainable Finance Disclosure Regulation (SFDR) and investments that incorporate sustainability-linked lending structures.

Recognising the growing intersection between climate, nature and investment performance, we also undertook targeted research into nature-related investment opportunities. This included engagement with specialist investment managers to improve our understanding of Natural Capital and Timberland investment strategies and their potential role within a diversified portfolio.

Principle 3: Enabling Transition

Sub-Principle 3.1

Responsible Investment Policy

Our Responsible Investment Policy sets out the framework through which sustainability considerations are embedded into our investment decision making, aligned with our broader business strategy and risk appetite. We are committed to deepening our understanding of the climate-related and sustainability exposures within our investment portfolio, applying a proportionate, risk-based lens to this work.

This approach is supported by our 2026 DMA, which identified Responsible Investment as a material sustainability topic and reinforced the importance of managing climate-related risks, opportunities and broader sustainability impacts across our investments (refer to Sub-Principle 1.7). The Policy was shaped in partnership with our Investment team and third-party asset managers, receiving approval from the Group Board.

The Policy addresses several key areas: the criteria we apply when appointing asset managers (who are expected to demonstrate a clear approach to sustainability integration, ideally evidenced through signatory status to the UN Principles for Responsible Investment); the sustainability metrics we require to be reported on a regular basis (including the carbon footprint of our investment portfolio); the activities we exclude from our investment universe (encompassing controversial sectors such as fracking, Arctic drilling, oil sands and thermal coal); and the positive allocations we actively pursue to generate measurable impact (with a target of directing 3% of our assets under management towards GSS Bonds).

In practice, the Policy guides both our engagement with external managers and the data we gather to monitor the composition of our portfolio. It directly influences our investment choices by ruling out certain exposures while encouraging others, subject to market availability and suitability.

Scenario Analysis

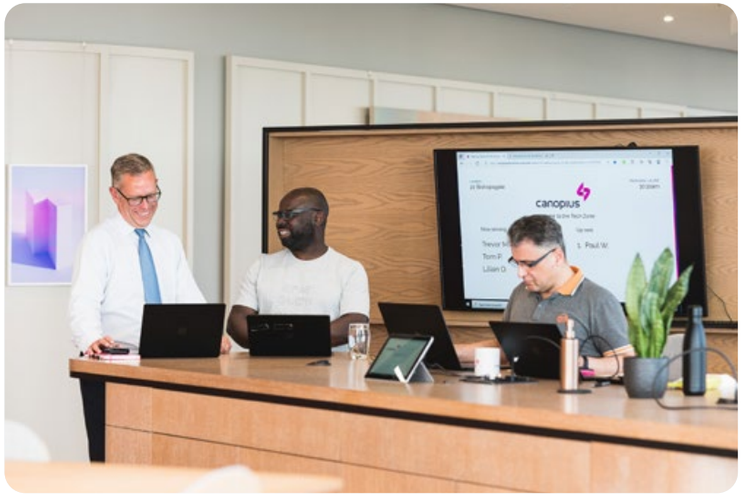
For the second consecutive year, Canopius completed climate scenario analysis across its investment portfolio, and now undertakes this annually. The analysis assesses transition risk through an internal model lens, using the NGFS NiGEM scenarios to evaluate the macroeconomic impacts of physical and transition risk across four pathways – Delayed Transition, Nationally Determined Contributions, Net Zero 2050 and Below 2°C.

Canopius uses the Moody's Economic Scenario Generator to identify the trials where interest-rate and inflation paths most closely align with each NGFS scenario and then apply our internal model cashflows to translate those trials into projected investment income, which we compare against our baseline expectation over a 17-year horizon for both Canopius Managing Agents' (CMA) Syndicate 4444 business and business through Canopius Reinsurance.

The analysis tests the resilience of the current portfolio against current liabilities rather than forecasting future portfolio changes. Across all four pathways, the effect on projected investment returns is contained: even the most adverse pathway, Delayed Transition, reduces projected 17-year investment income by approximately 10%, while the orderly Below 2°C and Net Zero 2050 pathways are broadly neutral. This limited sensitivity reflects the short duration of Canopius' assets and its minimal exposure to carbon-intensive sectors, which reduce interest-rate sensitivity and the risk of credit-spread widening under a disorderly transition.

Based on these results, no change to Canopius' strategic asset allocation, duration positioning or investment risk appetite was considered necessary. The analysis confirmed that the current investment strategy remains resilient across the transition pathways tested and aligned with Board-approved risk appetite. The outputs were reviewed by the Investment and Actuarial teams, shared with the Sustainability Forum and reported to relevant Group Committees, including the ESS Committee.

Canopius recognises the limitations of the methodology: NGFS pathways are static while markets are dynamic; changes in the underlying rate environment can materially affect absolute results; and the analysis currently uses mean liability cashflows. Canopius will continue to refine the approach, including by assessing returns at sector and asset level to identify holdings most sensitive to each pathway and extending the projection across the three-year plan.



Principle 3: Enabling Transition

Sub-Principle 3.2

Take action to manage the implications of climate- and nature-related risks and opportunities on, and of, our investments.

Asset Manager Engagement

As Canopius invests through external asset managers and the portfolio is predominantly invested in fixed income securities, opportunities for direct engagement with investee companies are limited. We do not engage directly with issuers held within our corporate bond portfolio.

Instead, we maintain regular engagement with our external asset managers through quarterly investment oversight meetings. Sustainability and climate-related metrics form part of the reporting requirements discussed during these reviews, enabling ongoing dialogue around portfolio exposures, climate-related risks and evolving market practices. This approach supports greater consideration of climate- and transition-related factors within investment decision making and helps ensure sustainability remains an important part of manager oversight.

Reducing Negative Impact

Climate considerations continue to be incorporated within our investment approach through a series of investment restrictions designed to limit exposure to activities associated with higher climate-related impacts. These restrictions are aligned with our Responsible Underwriting Framework and reflect our broader commitment to supporting the transition to a lower-carbon economy.

Compliance with the restrictions is monitored by each external asset manager using their own screening and monitoring tools, particularly in relation to corporate bond holdings.

Our restrictions focus on limiting investment exposure to companies with significant involvement in certain fossil fuel-related activities. Thresholds have been set at levels that remain more restrictive than current Lloyd's market guidance, reflecting Canopius' risk appetite and sustainability ambitions.

Restricting investments in the following activities (see right) helps reduce the climate-related impacts associated with our investment portfolio:

Controversial Activity	Investment Restriction
OIL & GAS	Canopius has no appetite to invest in companies that derive 20% or more of their turnover from oil & gas activities in the AMAP region*.
THERMAL COAL	Canopius has no appetite to invest in companies that derive 20% or more of their turnover from thermal coal mining or power plants.
OIL SANDS	Canopius has no appetite to invest in companies that derive 20% or more of their turnover from oil sands.
HYDRAULIC FRACTURING	Canopius has no appetite to invest in companies that derive 20% or more of their turnover from hydraulic fracturing.

*AMAP as defined by the Arctic Council. Norway is excluded due to robust additional standards enforced by the Norwegian Petroleum Directorate

Principle 3: Enabling Transition

Sub-Principle 3.2

Carbon Footprint of the Investment Portfolio

Alongside our work to better understand the emissions associated with our operations and underwriting activities, we continue to monitor the carbon profile of our investment portfolio. The Sustainability team collects and reviews greenhouse gas emissions data for the corporate bond portfolio, including metrics such as Weighted Average Carbon Intensity (WACI), where data availability and coverage are currently strongest.

We continue to work with our wider manager base, including structured asset managers, to improve the consistency, availability and quality of climate-related investment data. This supports our longer-term objective of expanding emissions analysis across a broader range of asset classes and strengthening our understanding of portfolio-level climate impacts.

In 2025, the carbon footprint of the corporate bond portfolio was 252 tonnes CO_2e (35.1 tonnes CO_2e excluding Scope 3 emissions), while the WACI was 1470 tonnes CO_2e per $ million revenue (186 tonnes CO_2e excluding Scope 3 emissions). These metrics relate solely to the corporate bond portfolio and do not currently represent total invested assets.

Given ongoing data limitations across certain asset classes, Canopius has not yet established portfolio emissions reduction targets. As data quality, coverage and methodology continue to improve, we will continue to review the appropriateness of future investment-related climate targets.

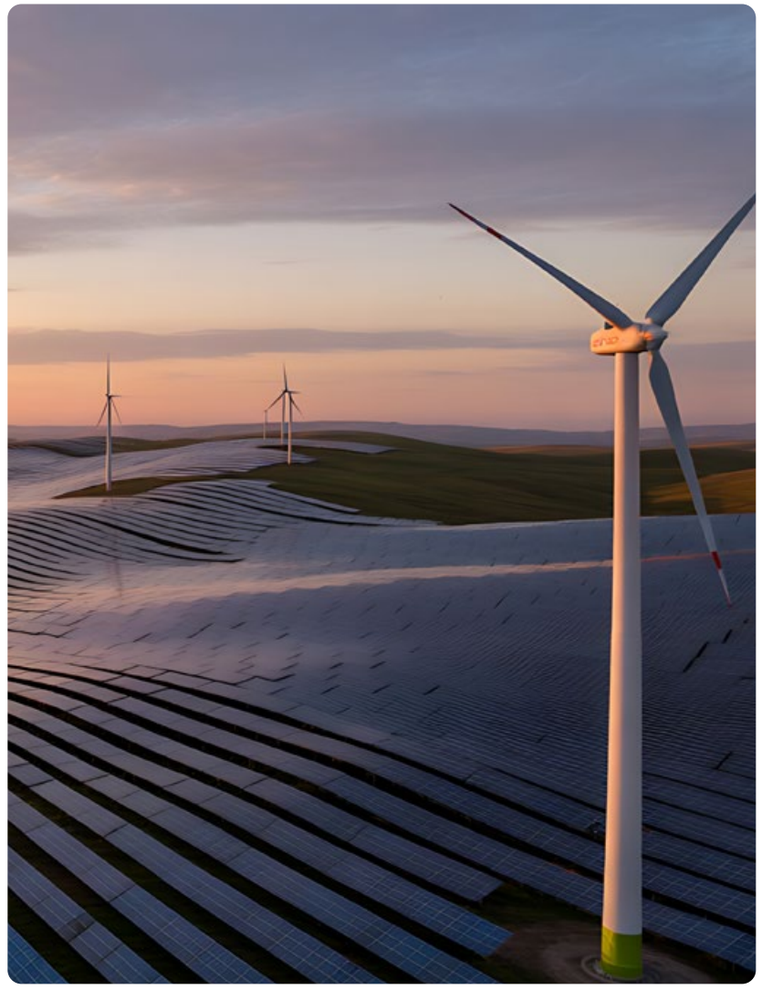
Investment in Opportunity

Alongside managing climate-related risks, we continue to explore investment opportunities that support positive environmental and social outcomes.

In 2025, we established an ambition to allocate 3% of the corporate bond portfolio to GSS Bonds. To support the integrity of this approach, we seek to invest in bonds that meet recognised market standards and certifications where available, and we work with our external managers to identify opportunities that align with our sustainability objectives, investment strategy and risk appetite.

As highlighted in Sub-Principle 3.1, further investments in illiquid global infrastructure debt will be underpinned by a strong focus on sustainability through the explicit inclusion of sustainability-linked loans. Canopius' risk tolerance within its overall strategic asset allocation should be positively impacted by continued growth of the business and the associated scale of the investment portfolio relative to underlying liabilities. This could enhance the scope to invest in riskier illiquid, longer-term and equity-like opportunities.

Against this background we are now actively researching direct impact-oriented investment options that are focused specifically on Timberland or more broadly across the Natural Capital landscape. We believe this would support our objective of alignment with climate awareness and mitigation whilst also enhancing the overall diversification of the investment portfolio. Investments that are focused on improving the stock of Natural Capital can generate stable and attractive investment returns while enhancing the climate change resilience.



Principle 3: Enabling Transition

Sub-Principle 3.3

Develop and use models to incorporate climate- and nature-related issues and describe how the outputs of the models inform our underwriting decisions.

As a global Property & Casualty and Specialty (re)insurer, Canopius recognises that climate change presents a range of interconnected risks that may affect our business, clients and wider society. These include the increasing frequency and severity of weather-related events, the economic and market impacts associated with the transition to a lower-carbon economy, and the growing risk of climate-related litigation. We also recognise the close interdependencies between climate change and nature loss, with many climate-related risks having direct or indirect implications for natural capital and ecosystem resilience.

As these risks continue to evolve, it is important that we develop a proportionate and evidence-based understanding of their potential impacts on our portfolio. Risk quantification, catastrophe modelling and scenario analysis therefore play an important role in helping us assess, monitor and manage climate-related risks and opportunities.

Model Use at Canopius

Catastrophe modelling forms a key component of our approach to understanding and managing physical climate-related risks. We maintain a comprehensive framework for assessing climate-sensitive catastrophe perils across our global underwriting portfolio and regularly review the tools and methodologies used to support risk assessment and portfolio management.

Commercially available catastrophe models are used to evaluate a range of physical hazards, including tropical cyclones, floods, wildfires, severe convective storms and secondary perils such as storm surge. Models are assessed for their suitability against the characteristics of the Canopius portfolio, with outputs reviewed alongside the expertise of our Catastrophe Research team. This enables us to evaluate alternative views of risk, understand the implications of model updates and challenge default model settings where appropriate.

Where material changes in risk are identified, a formal review may be undertaken to determine whether updates to our view of risk are required. This process can include model validation, assessment of model performance and the application of adjustments designed to address known limitations or better reflect the composition of the Canopius portfolio. In circumstances where suitable commercial models are not available, bespoke methodologies are developed internally to support risk assessment and decision making.

View of Risk – North Atlantic Hurricane (case study)

Canopius has developed an internal view of risk for the North Atlantic hurricane (NAHU) peril, which is periodically reviewed alongside updates to vendor models, in addition to any material change in scientific understanding.

To develop the current Canopius view of NAHU risk, multiple scenarios were analysed to represent current hurricane risk, including published debates over whether current observed sea surface temperature increases are due to the Atlantic multidecadal oscillation or to broader climate change.

NAHU is a significant loss driver for Canopius, so has been the focus of efforts to accurately represent current climate conditions (such as recent warming trends) and incorporate some element of climate variability. In developing our own view of risk for NAHU, catastrophe risk management is decoupled from vendor offerings which allows us to better review factors that influence NAHU in isolation, enabling a bespoke view of risk.

This framework establishes the basis for a thorough understanding of NAHU physical risk associated with climate change and the impact of various socioeconomic pathways on catastrophe risks underwritten by Canopius. Future regulatory or disclosure requirements will be more manageable given this initial work and will enable business risks to be evaluated more effectively when making strategic decisions regarding pricing, risk selection, and risk appetite.

Physical Risk

Physical climate risk assessment remains an important component of our wider risk management framework. To support this, Canopius undertakes the PRA's Climate Biennial Exploratory Scenario (CBES) exercise, assessing both physical and transition risks over 10- and 30-year time horizons under the "Early Action", "Late Action" and "No Additional Action" scenarios.

The analysis uses temperature projections aligned to the relevant NGFS pathways, enabling results to be considered alongside Intergovernmental Panel on Climate Change (IPCC) climate projections (refer to Sub-Principle 1.10 for further information). An independent review by Maximum Information, a risk modelling provider, confirmed that our methodology is aligned with approaches used by leading Lloyd's market managing agents.

Climate scenario analysis and stress testing support our understanding of long-term climate-related risks and form an important part of our exposure management framework. These activities contribute to maintaining an "Advanced" rating for analytics and exposure management within our Lloyd's managing agency business.

Principle 3: Enabling Transition

Sub-Principle 3.3

Transition Risk

In the absence of credible quantitative models for transition risk in our underwriting portfolio, we have developed a qualitative assessment for selected lines of business within our Lloyd's syndicate portfolio. This assessment helps us evaluate the financial effects of different transition scenarios and better prepare for the risks and opportunities arising from the shift to a lower-carbon economy.

For each relevant line of business, we assessed four key drivers of transition risk: changes in market demand; policy and regulation; technological change; and reputational risk. We then produced detailed heatmaps by sector and region, as shown below.

The results of these climate risk assessments are discussed with and validated by underwriters for their respective portfolios, then incorporated into the business planning process. Underwriters are expected to identify key climate-related considerations, manage the associated risks and pursue opportunities in line with our risk appetite.

In 2026, transition risk assessments were conducted at both entity and Group level for the first time, strengthening our monitoring of emerging sustainability and transition risks. This supported entity-level regulatory requirements while providing a structured view of the full portfolio. Building on the Lloyd's syndicate assessment undertaken in 2025, this approach enables us to monitor the evolving transition risk landscape year on year. By expanding the assessments to additional entities and at Group level, we can better track transition risk across the business, make more informed decisions and strengthen accountability for each relevant sector.

To deepen our understanding of how transition risk affects clients, we will continue developing our approach to IAEs using MSCI data and the PCAF methodology. (Refer to Sub-Principle 1.7 for further information.)

Transition Risk Drivers

- **Shift in market demand**
- **Policy & regulation**
- **Technological innovation**
- **Reputational risk**

Product	UW Division	Class of Business	Transition Risk
Property	**AUTO BINDERS**	North America	Low
	D&F PROPERTY	Direct & Facultative	Moderate
	ENGINEERING	Engineering	Low
	PROPERTY	Delegated Authority Australia	Low
		Direct & Facultative	Low
		NAV Vave	Low
		North America	Low
		Sabotage and Terrorism	Low
		UK	Low
	PROPERTY BINDERS	Direct & Facultative	Low
		North America	Low

The output of the Transition Risk Assessment in the table above is for illustrative purposes only.

Principle 3: Enabling Transition

Sub-Principle 3.3

Climate Liability Risk

Climate-related litigation continues to emerge as a distinct risk category. As legal and regulatory expectations evolve, organisations may face claims relating to physical climate impacts, emissions, environmental damage, disclosure practices, alleged failures to manage climate-related risks, or the adequacy of transition strategies.

Canopius assesses its current underwriting exposure through quarterly climate liability scenario analysis across relevant casualty and liability classes, recognising the long-tail nature of climate-related claims and the uncertainty associated with future legal developments. Results are reported through established governance forums, including the Liability Exposure Working Group, Group Underwriting and Distribution Forum, Legal Entity Boards, and are incorporated into the CMA ORSA and CRe CISSA. This enables review and challenge from underwriting, claims and actuarial specialists, helping to ensure that emerging climate liability risks are appropriately understood and reflected in underwriting, portfolio management and risk management decision making (refer to Sub-Principle 1.10 for more information).

In early 2026, Canopius enhanced its assessment of climate litigation risk through a detailed review of both current and historic liability exposures. Using the existing quarterly climate liability scenario analysis, Group Actuarial undertook a back-book assessment to evaluate potential earned reserve impacts arising from climate-related litigation across casualty and other exposed classes. The review considered historic policy coverage, claims notifications, reserve exposures and benchmarking across selected lines of business, helping to strengthen our understanding of climate-related liability accumulations and align with evolving regulatory expectations, including PRA SS5/25.

The work has strengthened Canopius' climate risk management framework, addressed previously identified gaps in scenario analysis, and established a basis for ongoing refinement through enhanced exposure data, claims monitoring and further evaluation of climate liability modelling capabilities.

Nature-Related Modelling and Informing Underwriter Strategy

As part of our 2025 Elevate programme, project teams undertook a materiality assessment to understand how our business interacts with nature. This assessment helped address data gaps and progress scenario testing, reinforcing the importance of integrating nature and biodiversity risks into underwriting models.

In 2026, we expanded this work by conducting scenario analysis for the lines of business with the greatest nature-related impacts and dependencies, alongside water stress scenarios for emerging risks. For example, using CatNet, we identified areas of our Heavy Industry portfolio with the highest exposure to water stress, enabling more targeted client analysis and giving underwriters deeper insight (refer to Sub-Principle 1.7 for more information).



Principle 3: Enabling Transition

Sub-Principle 3.4

Incorporate clauses in our insurance policies' terms and conditions that incentivise the reduction of exposure to climate and nature-related issues of the insured structures through pricing of policies.

We continue to explore this area through market research and peer discussions, seeking evidence on the feasibility and uptake of specific policy wordings, as well as the validation for any climate and nature-related pricing adjustments in view of an insured's evolving risk profile. As our product offering develops, we will keep monitoring the market to identify better ways to support clients on their transition journeys.



Sub-Principle 3.5

Disclose our climate- and nature-related transition plans and the objectives, priorities and commitments we are looking to address.

For our ClimateWise submission, we attached the second iteration of our full 2026 Transition Plan. As it is an internal document detailing the implementation of our climate commitments, we do not currently plan to publish it.

The plan follows the structure and recommendations of the UK's Transition Plan Taskforce (TPT). It therefore contains five key sections covering (1) Foundations, (2) Implementation Strategy, (3) Engagement Strategy, (4) Metrics & Targets and (5) Governance.

Oversight of the plan and associated emissions reduction activities sits with the ESS Committee, with activities reviewed and approved annually.



Sub-Principle 3.6

Describe how the transition plan is overseen, resourced and implemented.

Our Transition Plan is developed by the Sustainability Team, drawing on discussion and collaboration with various teams across the business which will be responsible for implementing it (e.g. Facilities, Investments, Risk and Actuarial). The Plan has been approved by our Leadership Team and ESS Committee. We will continue to update the Plan annually to ensure it remains up to date and reflects progress made.



Principle 4

DISCLOSING EFFECTIVELY

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Principle 4: Disclosing Effectively

2025-2026: Key Progress Highlights

1

Operational Emissions Reporting

Completed the 2025 operational emissions inventory with improved data quality, coverage and validation.

2

Climate-related and Sustainability Metrics Development

Expanded the range of climate-related and sustainability metrics used to monitor our underwriting, investments and operations.

3

Improved Logging of Methodologies, Limitations and Assumptions

Created and maintained process logs for key analytical pieces of work to improve internal controls.



Principle 4: Disclosing Effectively

Sub-Principle 4.1

Measure and disclose the impacts and potential impacts on our business of material climate- and nature-related risks and opportunities, including the results of the resilience analysis.

While Canopius is not currently subject to some of the mandatory sustainability disclosure requirements applicable to some of our peers, we continue to enhance our voluntary reporting to support transparency, align with evolving market expectations and prepare for future regulatory developments.

The ClimateWise framework provides a structured approach for bringing together the various activities undertaken across the Group to assess climate- and nature-related risks, impacts and opportunities. Through a combination of risk assessments, materiality exercises, scenario analysis and emissions measurement, we continue to strengthen our understanding of how sustainability-related issues may affect both our business and wider stakeholders.

Reported Processes	Sub-Principle	Risk Assessed	Used For
Nature-Based Double Materiality Assessment	1.7, 1.10	Nature-related impacts and dependencies across the value-chain.	Prioritising material underwriting LOB and sustainability topics.
Nature-Based Impact Assessment	1.7, 1.10	Nature-related impacts and dependencies across selected underwriting portfolios.	Identifying material underwriting LOB and informing future assessment prioritises.
Risk Insights Lab	1.7	Emerging risks across the business.	Supporting risk identification, stakeholder engagement and strategic decision making.
IAEs Calculation	1.7	Underwriting portfolio climate impacts.	Understanding key drivers of portfolio emissions and carbon intensity and establishing a strong baseline for future monitoring and trend analysis.
Climate Change Risk Assessment	1.8	Physical, transition and liability climate-related risks across the business.	Informing the ERM framework and risk oversight activities.
Physical Risk Scenario Analysis	1.10, 3.3	Impacts of acute and chronic physical risks on the underwriting portfolio.	Supporting underwriting strategy and catastrophe risk management.
Transition Risk Scenario Analysis	1.10, 3.3	Risks arising from transitioning to a decarbonised economy.	Identifying sectors vulnerable to transition risk and informing business planning.
Liability Risk Scenario Analysis	1.10, 3.3	Liability risks across the underwriting portfolio.	Supporting understanding of emerging liability risks and portfolio management.
GHG Emissions	2.3	Operational emissions (Scopes 1, 2 and 3).	Monitoring progress against emissions reduction targets, informing supplier engagement and supporting transition planning.
Investments Scenario Analysis	3.1	Transition and physical risks affecting the investment portfolio.	Informing investment oversight and portfolio monitoring.
Investment Emissions Calculation	3.2	Investment portfolio climate impacts.	Understanding of portfolio-level climate impacts and a base to support the longer-term objective of expanding emissions analysis coverage.

Principle 4: Disclosing Effectively

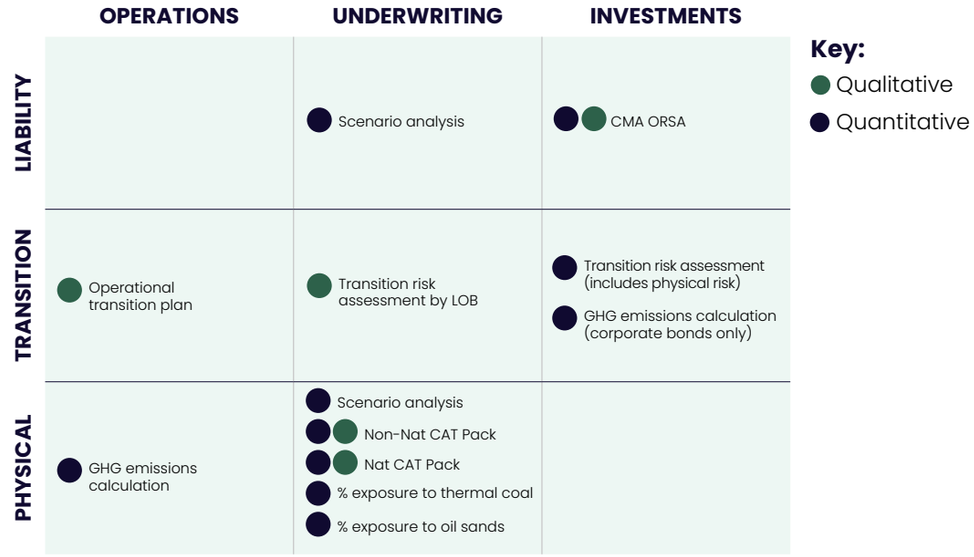
Sub-Principle 4.1

Climate Risk Assessment and Metrics

Canopius uses a combination of qualitative and quantitative approaches to assess climate-related financial risks. This enables us to evaluate potential impacts even where data availability, modelling capabilities or methodological maturity remain limited.

Our approach is designed to be proportionate to the nature and scale of the risks being considered, while continuing to evolve as analytical tools and industry practices develop. Climate considerations are incorporated into broader risk management processes, including catastrophe risk assessments, which support the monitoring of portfolio exposure against approved risk appetite thresholds linked to Net Tangible Asset Value (NTAV).

The matrix below summarises the key qualitative and quantitative methods used across the business to assess and monitor climate-related risk drivers:



Sub-Principle 4.2

Disclose the metrics used to measure and manage our contribution to climate- and nature-related risks, and targets for monitoring progress.

Canopius uses a range of climate- and nature-related metrics across underwriting, investments and operations to monitor exposures, measure progress and support decision making. These metrics are reported through established governance processes and reviewed by management and the Board through relevant committees.

The ClimateWise report is developed with input from the ClimateWise Working Group, which brings together subject matter experts from across the business (refer to Sub-Principle 1.3). The Sustainability team coordinates and drafts the report using these contributions, with the Head of Sustainability providing review and challenge before it is shared with members of the Sustainability Forum for feedback and challenge. The report is subsequently reviewed and approved by both the Leadership Team and the ESS Committee. Throughout the reporting process, the Head of Marketing and Communications helps ensure that disclosures are communicated clearly, consistently and appropriately.

A summary of the key climate-related metrics currently monitored by Canopius is provided below. Year-on-year performance against these key climate-related metrics are tracked and monitored.

Capability	Metric	Sub-Principle	Used For
Underwriting	IAEs (Scope 3 CO_2e)	1.7	Supports understanding of emissions associated with underwriting portfolios and informs transition planning
	% Exposure to thermal coal, arctic drilling, oil sands and fracking	1.9	Monitors alignment with underwriting exclusions and risk appetite
Investments	Investment-associated emissions (Scope 3 CO_2e)	3.2	Supports monitoring of climate-related investment exposures
	Carbon intensity (Scope 3 CO_2e/$)	3.2	Informs investment oversight and portfolio monitoring
Operations	Operational Emissions (Scope 1, 2 & 3 CO_2e)	2.3	Supports emissions reduction planning and supplier engagement

Principle 4: Disclosing Effectively

Sub-Principle 4.2

Metrics and KPIs

Reporting progress has been enhanced through the introduction of a new suite of sustainability metrics aligned to the Group's Responsible Business Policies. These metrics provide a mechanism for monitoring performance, measuring progress against commitments, and demonstrating accountability across key sustainability themes, including climate change, responsible investment, responsible operations, diversity, equity and inclusion, modern slavery, and community investment.

By linking policy commitments to measurable outcomes, the metrics strengthen governance and oversight, enable more effective management of sustainability-related risks and opportunities, and support transparent quarterly reporting to senior management and the Board. Together, they provide a more comprehensive and data-driven view of sustainability performance across the Group.

In addition to sustainability metrics, the Sustainability team has a suite of internal KPIs to monitor delivery against its strategic objectives and annual workplan. These KPIs track progress across key areas including sustainability reporting, stakeholder engagement, data and metrics collection, emissions reduction activities, responsible underwriting, climate risk management, employee engagement and regulatory compliance. Progress is reviewed and reported through the Sustainability function's Semi-Annual Business Review (SABR) process, providing senior management with regular oversight of delivery against sustainability priorities and commitments.

ClimateWise Commitments and Progress Tracking

Canopius maintains a ClimateWise Commitments & Progress Tracker to monitor delivery against commitments made within the ClimateWise Report and actions arising from assessor feedback and future internal plans.

The tracker records ownership, implementation status, progress updates and outcomes, providing a structured framework for monitoring performance against key climate- and nature-related objectives. By tracking actions and improvements across the ClimateWise Principles, it supports effective governance, facilitates year-on-year performance monitoring and helps drive continuous improvement in our approach to managing and disclosing climate- and nature-related risks and opportunities.

We have a tracker for 2026 to monitor progress against new commitments, assessor feedback and improvement actions, supporting ongoing enhancement of our climate- and nature-related governance, risk management and disclosures.

PRA SS5/25 Monitoring

The Sustainability team is responsible for coordinating and monitoring delivery of the PRA SS5/25 action plan and for providing regular progress updates to the CMA Risk Committee, Board and ESS Committee. Monitoring activities include tracking progress against agreed actions with accountable individuals across Group capabilities, reviewing milestones and target completion dates, and supporting the continued enhancement of climate risk governance, management information, scenario analysis and data management practices. The Sustainability team works closely with the UK Chief Risk Officer, who holds formal accountability for the management of climate-related financial risks, to ensure actions are delivered, regulatory expectations are met, and climate risks remain effectively embedded within the Group's risk management and governance framework.



Principle 4: Disclosing Effectively

Sub-Principle 4.3

Maintain and enhance a robust reporting regime, processes and internal controls over climate-related disclosures in order to avoid material errors or material misstatements.

Report Production

ClimateWise reporting is prepared in accordance with the Canopius Reporting Disclosure Policy, which establishes the principles and controls that govern sustainability-related disclosures. The policy is designed to promote transparency, accountability and consistency, while helping ensure that disclosed information is appropriately reviewed, validated and evidenced before publication.

The report preparation process includes the collection, analysis, review and approval of both qualitative and quantitative information. Version control is maintained throughout the reporting cycle to provide a clear audit trail of amendments and reviews. As part of our commitment to continuous improvement, lessons learned from each reporting cycle are captured and considered when developing future reports.

Methodology Documentation

We have developed and maintain process logs that document the methodology, assumptions, limitations and key recommendations associated with major sustainability workstreams, including the IAEs calculation, financed emissions calculation, DMA, nature materiality assessment and CatNet nature risk analysis.

Our Approach to Review

The ClimateWise report is developed with input from the ClimateWise Working Group, which brings together subject matter experts from across the business (refer to Sub-Principle 1.3). The Sustainability team coordinates and drafts the report using these contributions, with the Head of Sustainability providing review and challenge before it is shared with members of the Sustainability Forum for feedback and challenge. The report is subsequently reviewed and approved by both the Leadership Team and the ESS Committee. Throughout the reporting process, the Marketing & Communications team ensures that disclosures are communicated clearly, consistently and appropriately.

GHG Assurance

Greenhouse gas emissions disclosed within this report, including those reported under Sub-Principle 4.2 and within the Canopius Holdings UK Limited Annual Report (for SECR purposes), are subject to independent validation. Verification of operational greenhouse gas emissions is undertaken by Furthr, providing additional confidence in the accuracy and reliability of the reported data. The verification process includes review of methodologies, activity data, assumptions and calculations, providing challenge and validation over the accuracy and reliability of reported emissions data.

Sub-Principle 4.4

Annual submission against the ClimateWise Principles.

Canopius confirms its annual submission against the ClimateWise Principles, including the provision of supporting evidence and disclosures in accordance with the applicable reporting timetable.

This year's report has also been informed by feedback received through previous ClimateWise assessments, helping to enhance disclosures, strengthen supporting evidence and provide greater transparency on key climate- and nature-related topics. As part of our commitment to transparency and accountability, a public version of the report will be made available on our website.

Sub-Principle 4.5

Annual public disclosure of the climate-related disclosures including ClimateWise Principles as part of annual reporting.

The reporting period for this report is 1 August 2025 to 31 July 2026. All financials or modelling outputs are for the financial year end 31 December 2025 unless stated in the report.

Principle 4: Disclosing Effectively

Sub-Principle 4.6

Ensure reports are easy to understand, accurate, prudently and neutrally presented, well explained and allow organisations to be held to account.

This report has been prepared to provide a clear and balanced overview of Canopius' governance arrangements, risk management activities and strategic approach to addressing climate- and nature-related risks and opportunities. It also outlines the actions being taken across the business to improve resilience, manage impacts and support informed decision making.

In support of transparency and stakeholder accountability, a public version of the report will be made available on the Canopius website, enabling our clients, brokers, people, investors and other interested stakeholders to better understand our approach and progress in managing climate- and nature-related issues.



Canopius

Floor 29
22 Bishopsgate
London
EC2N 4BQ

+44 (0)20 7337 3700

