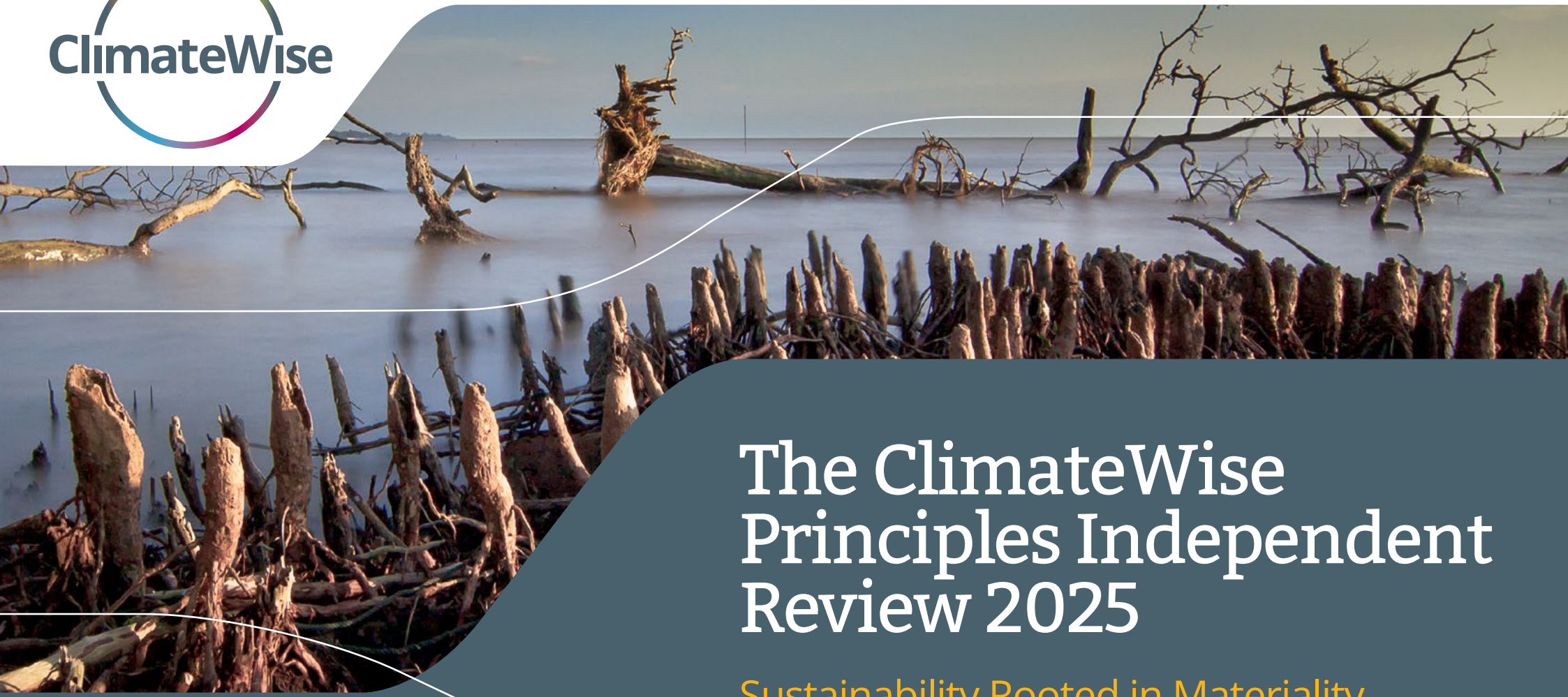
ClimateWise



The ClimateWise Principles Independent Review 2025

Sustainability Rooted in Materiality

UNIVERSITY OF CAMBRIDGE | Institute for Sustainability Leadership

The University of Cambridge Institute for Sustainability Leadership

CISL is an impact-led institute within the University of Cambridge that activates leadership globally to transform economies for people, nature and climate. Through its global network and hubs in Cambridge, Cape Town and Brussels, CISL works with leaders and innovators across business, finance and government to accelerate action for a sustainable future. Trusted since 1988 for its rigour and pioneering commitment to learning and collaboration, the Institute creates safe spaces to challenge and support those with the power to act.

ClimateWise

ClimateWise brings together the insurance industry into a member network convened by CISL, which integrates sustainable leadership with world-leading research capability to address the impacts of climate change. ClimateWise is uniquely placed to bring together business, government and academic expertise; it provides a collective voice for the industry; a forum to interact with other stakeholders, and it enables the transition of the insurance industry through a defined set of Principles aligned to disclosure requirements.

The Centre for Sustainable Finance

CISL's Centre for Sustainable Finance's focus is to collaborate, co-create research and tools, and build narratives and the human skills and capacity required to accelerate the rewiring of the global financial system to support a sustainable economy. The Centre works closely with international financial organisations and, in particular, hosts three membership groups for private financial institutions – the Banking Environment initiative for banks, ClimateWise for insurers and the Investment Leaders Group for investors.

Publication Details

General disclaimer
The views expressed in this report are those of the authors and do not represent an official position of CISL, ClimateWise or any of its individual business partners or clients.

Lead author (independent reviewer) disclaimer
The lead author (independent reviewer) disclaimer is on page 49 of this report and is an important message, as by reading this publication, readers accept and agree to the terms.

Author and acknowledgements
The independent reviewers and lead authors of this report were Alex Hindson, Kate MacKenzie, Lloyd Richards and Ana Ursu of Crowe UK LLP. The study design and editorial process was led by Felicity Alvey, Natalie Thompson, Nina Seega and Joanna Wood with input from Tom Yorke.

Reference
Please refer to this report as University of Cambridge Institute for Sustainability Leadership (CISL) and Crowe. (2026). *The ClimateWise Principles Independent Review 2025*. Cambridge Institute for Sustainability Leadership.

Copies
This full document can be downloaded from CISL's website: www.cisl.cam.ac.uk/climatewise

Contact
To obtain more information on the report, please contact: climatewise@cisl.cam.ac.uk

February 2026

ClimateWise Members 2025

Contents

Chair's Foreword

We began 2025 with the California wildfires, a stark reminder of the increasing frequency and severity of natural catastrophes and the important role that the insurance industry plays in responding to the challenges of climate change.

As insurers, we manage risk and capital to protect society and support economic activity. This is a unique position which allows our industry to strengthen community resilience and accelerate the global transition to a low carbon economy. ClimateWise progresses this important work through research, collaboration and transparent reporting, as exemplified in this 2025 ClimateWise Principles report.

Progress under enhanced Principles

In 2024, ClimateWise strengthened its reporting Principles to reflect the evolving disclosure landscape. The revised Principles have a broader scope and higher benchmark standards, and incorporate requirements from the Task Force on Climate-related Financial Disclosures (TCFD), Corporate Sustainability Reporting Directive (CSRD) and Taskforce on Nature-related Financial Disclosures (TNFD).

I am pleased to share that our members have risen to the challenge of these higher benchmarks and achieved an average improvement of 6 per cent in their scores.

In addition, we have seen members:

- **Embedding sustainability into strategy.** Members have harnessed sustainability reporting to accelerate strategic responses to challenges around climate and nature.
- **Focusing on material risks and opportunities.** By taking a materiality-led approach, members are integrating sustainability into core decision-making around underwriting, investments and operations, and ensuring robust governance and processes are in place.
- **Incorporating transition planning into reporting.** One-third of members submitted plans that outline their approach to contribute to a low carbon future, and many outlined nature-related considerations, including biodiversity and ecosystem risks.

Looking forward

On a personal note, this is my last year as ClimateWise Chair – it has been an honour to work with the ClimateWise membership over the last four years. ClimateWise champions collaboration, research and innovation that supports the insurance industry in managing the complexities of climate change. I am proud of the steps we have taken together to build a more resilient world.

Kevin O'Donnell
Chair, ClimateWise
President and Chief Executive Officer, RenaissanceRe

Executive Summary

2025 has marked a dynamic chapter in the evolution of sustainability reporting. Regulatory developments have varied across jurisdictions, with some jurisdictions recalibrating and others accelerating.

It is clear from the 2025 ClimateWise reports that the insurance industry demonstrates both strong ambition and capacity to lead the global response to climate change. Realising this potential, however, will require overcoming persistent challenges, such as short-termism, data availability and a lack of market incentives. With its deep expertise in risk management, the industry can play a pivotal role in building resilience across the economy – recognising that resilience is not just about adapting to change, but about actively reducing environmental impact and driving progress.

Performance against the ClimateWise Principles

The 2025 ClimateWise reports reflect a culture of improvement across the membership. On a like-for-like comparison with last year's submissions, members achieved an average score increase of 6 per cent (this comparison excludes the Transition Plans Theme, as it is the first year this Theme has been assessed).

Leading members have continued to make significant progress in embedding the concept of materiality throughout their approach. Often starting with a double materiality assessment, these organisations have grounded their narratives firmly in what matters most to the organisation. Actions, metrics and targets are clearly linked to material impacts, risks or opportunities (IROs) and are actively used to inform decision-making. For example, several members are taking action to better understand customers' needs and requirements, via policyholder engagement strategies.

This supports them in capitalising on identified opportunities by informing product innovation. This joined-up approach is a key differentiator of market leaders.

Transition planning has also emerged as a defining feature of market leadership, with approximately one-third of members submitting a transition plan, and a further one-third disclosing a detailed approach for developing a transition plan or a commitment to do so. Those members that had already developed transition plans were able to provide updates on progress and demonstrate how their plans were translating into tangible action.

Organisations are also demonstrating stronger alignment with double materiality principles, particularly through formal assessments. This has led to more balanced reporting that considers both environmental impact and business exposure to climate- and nature-related risks and opportunities, which helps to embed materiality into transition plans. However, progress has not been uniform, driven in part by a lack of clarity in global policy direction in the sustainability reporting landscape, which has slowed buy-in and the allocation of resources to support sustainability functions.

Additionally, the evolving political and litigation landscape has led some organisations to approach sustainability disclosures with increased caution, in certain instances requiring legal review and sign-off before publication to avoid releasing information that could create unnecessary risk or misinterpretation.

Key highlights from 2025

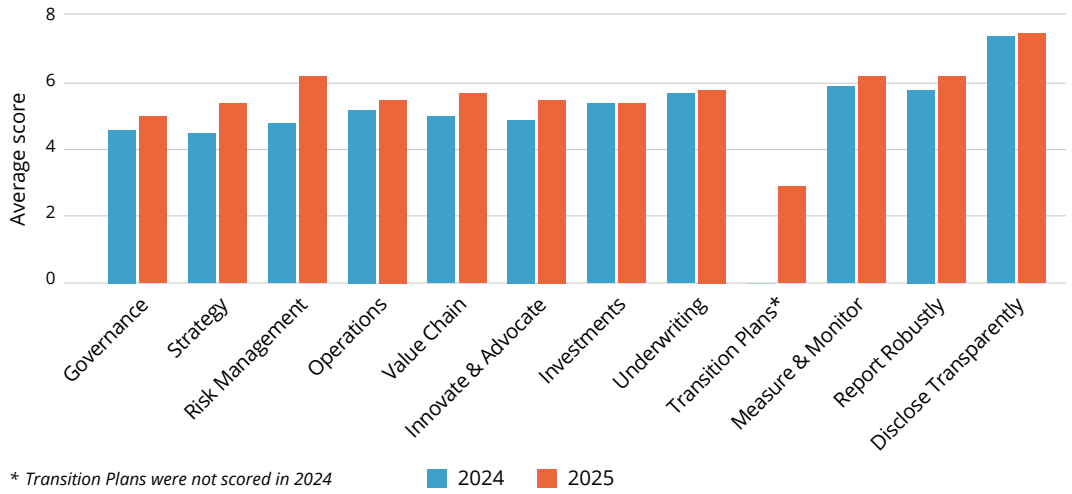
- Embedding of materiality, often via double materiality assessments, and grounding strategy in what matters most.
- First assessment and analysis of transition plans.
- Further integration of climate strategies into wider organisational considerations, with environmental metrics and management information actively informing decisions and strategy.
- Broader adoption of nature and wider environmental considerations within governance and risk management frameworks.
- Advancement in the use of scenario analysis and modelling to inform underwriting and investment decisions and exposure management.
- Increased collaboration in research and knowledge sharing, which continues to play a vital role in addressing systemic risks and advancing industry opportunities.
- A growing awareness of the social dimensions of climate change, with some organisations beginning to explore how to embed Just Transition considerations into their strategies and reporting.

58% **of members have conducted a double materiality analysis or plan to, compared to 33 per cent in 2024.**

39% **of members have already integrated, or are planning to integrate, nature considerations into their existing board-level governance structures.**

65% **of members have developed transition plans or have detailed plans in place that are expected to be formalised shortly.**

Figure 1: Score improvement, 2024 vs 2025, by ClimateWise Theme



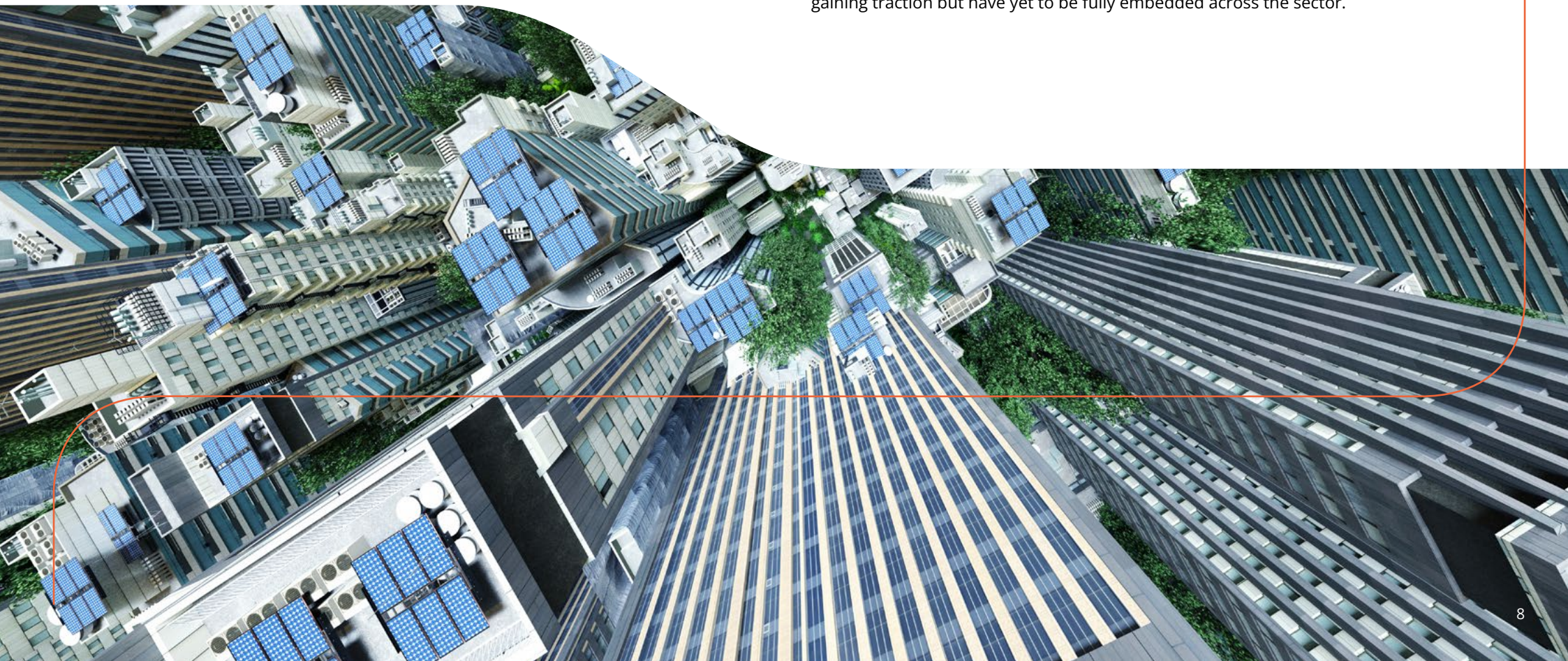
** Transition Plans were not scored in 2024*

Moving forward into 2026

In 2026, the sustainability landscape is expected to continue evolving, with a number of ongoing and upcoming consultations likely to lead to regulatory shifts. This includes revisions to the EU Corporate Sustainability Reporting Directive (CSRD), increased uptake of the Taskforce on Nature-related Financial Disclosures (TNFD), and increasing global adoption of the International Sustainability Standards Board (ISSB) framework.

The Themes embedded in each ClimateWise Principle are rooted in the industry's core purpose: building resilience and enabling the transition. As such, the focus for 2026 will be on reinforcing and deepening existing practices, ensuring that organisations are equipped to lead in climate-related disclosures and action.

Areas of focus for both ClimateWise members and the wider industry will continue to include transition planning and nature-related requirements, both of which are gaining traction but have yet to be fully embedded across the sector.



Sustainability Rooted in Materiality

The most effective sustainability strategies in the insurance industry are those rooted in materiality, where actions, metrics and targets are directly linked to the topics which have the greatest potential to impact the organisation or where the organisation has the greatest outwards impact. Materiality serves as the starting point for setting strategy, which helps organisations prioritise efforts where they can have the greatest strategic, operational and reputational impact. Sustainability is inherently multifaceted, cutting across risk management, operations, procurement and company culture. A materiality-led approach ensures that sustainability is fully integrated into the decision-making processes that drive the day-to-day functioning of the organisation: in underwriting, investments, research and innovation, and operations.

When sustainability is treated as a strategic lens rather than a standalone initiative, it becomes a driver of long-term resilience and value creation.

Leading ClimateWise members demonstrate this integration of sustainability into decision-making by clearly articulating both the rationale behind, and outcomes of, their actions. They can explain why a particular issue is material, what specific action is being taken, how it is being implemented, and what impact it is expected to have. This 'why–what–how–so what' structure is a hallmark of strategic intent and is increasingly aligned with regulatory expectations under frameworks such as the Corporate Sustainability Reporting Directive (CSRD), the International Financial Reporting Standards (IFRS) sustainability framework, and the Prudential Regulation Authority (PRA) guidance and expectations.

Table 1: A demonstration of the 'why–what–how–so what' structure

	Why?	What?	How?	So what?
Definition	Understanding why the action is required.	Defining the specific action being undertaken.	Formalising the processes in place to undertake the action.	Ensuring that the outcome is used within the business.
Example	An insurer has identified, through a formal materiality assessment, that the most material climate topic is climate-related risks in the underwriting portfolio. However, aside from natural catastrophe risks, the understanding of these risks remains limited, particularly in emerging markets.	Recognising gaps in its understanding, the insurer commissions research into climate impacts on insolvency risk in emerging markets.	In line with its research and advocacy policy, the insurer allocates resources to support this work by hiring an analyst.	The research results suggest that this is an emerging risk. The insurer updates the IRO register in line with this finding and explores new services to support policyholders in mitigating this risk, thus reducing its future exposure.

Transition plans as an example of a joined-up approach

Transition plans offer an opportunity to demonstrate how a joined-up and strategic approach to climate action works in practice. While several organisations previously set decarbonisation targets in isolation, these are now being integrated into transition plans. Among the organisations that have already developed transition plans, most have established short-, medium- and long-term decarbonisation targets and robust governance structures to oversee delivery of the transition plan, both of which are core components of a transition plan. The most mature transition plans, however, go further by linking transition planning to the most material transition risks of the organisation, and are fully integrated within its wider strategy.

Building on this, market leaders also incorporate climate scenario analysis and forward-looking testing into their transition planning. This enables them to both identify potential risks to executing the plan and assess the robustness of their plans under different future conditions. This approach ensures that transition planning is not treated as a compliance exercise, but as a strategic tool aligned with core priorities across underwriting, investments, operations and risk management. Further, best practice transition plans extend beyond decarbonisation and risk management to other strategic areas, such as product innovation and policy advocacy. By aligning transition planning with these strategic levers, insurers ensure that they are not only doing what is in their direct control to manage risks, but also influencing market behaviour, supporting customer adaptation, and contributing to efforts to manage risks at a systemic level.

A holistic lens on climate, nature and social strategy

Best practice transition plans are increasingly characterised by the integration of nature and Just Transition dimensions alongside climate. This means moving beyond decarbonisation targets to consider how nature and social factors influence, and are influenced by, the transition of both the organisation and the wider economy.

Nature

Nature is now increasingly recognised as material to business considerations by the industry. ClimateWise members are making steady progress in identifying and assessing nature-related risks and opportunities, particularly within their underwriting and investment activities. Leading insurers are already exploring how nature-related IROs can be integrated into climate strategies and transition plans, often supported by frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD). A growing number of organisations are also beginning to explore their own operational impacts and dependencies on nature, with examples including biodiversity assessments of owned sites or initiatives such as tree planting and habitat restoration. Further, some market leaders with impact investment portfolios have also demonstrated a focus on nature-based solutions and are developing innovative underwriting solutions, moving beyond broader market trends in climate-focused impact investing.

Market leaders are eager to incorporate nature into their transition plans, bringing environmental conversations under a single, holistic strategy. For example, they are incorporating nature-based solutions, such as reforestation or wetland restoration, into their investment strategies. These are positioned within transition plans as both mitigation tools and opportunities for long-term value creation. As with climate, the starting point includes identifying material nature-related IROs across the value chain and embedding these insights into strategic planning. Integrating nature into climate transition plans, as opposed to separated nature-specific plans, supports integrated and efficient strategic development.[1]

Social

The social dimension of insurers' sustainability strategies is also gaining attention, albeit at a slower pace. A growing number of insurers are aligning climate strategies with social impact considerations, recognising the importance of a Just Transition. There is growing recognition that environmental and social issues are deeply interconnected, and that a successful transition must also be fair and inclusive. In response to this, early adopters are beginning to explore frameworks that help assess the social implications of climate action, such as impacts on workers and affected communities, and are starting to consider how to embed these insights into their strategies. Progress on social issues, however, is currently measured largely by intent and early-stage exploration, rather than by widespread implementation.

For social considerations within the transition plan, best practice involves aligning climate action with social factors, ensuring that the transition is fair, inclusive, and supports communities, workers and customers. This involves a detailed understanding of local community impacts, and best practice once again entails focusing on the most material interactions of the transition plan with social factors.

Considerations for ClimateWise reporting

Applying a materiality lens and a holistic approach can drive meaningful strategic focus. Recognising and reflecting these connections in reporting helps build a clearer picture of how sustainability is being embedded across the organisation. Risk management activities should inform strategic priorities, just as a strategic direction informs risk management processes. The ClimateWise framework reflects the interconnected nature of sustainability for the insurance industry, where issues often span multiple functions and decision-making domains. Reporting in this manner ensures that responses to material issues are transparently connected to strategic intent, reinforcing the integration of sustainability across the business.

To support this, Table 2 on page 12 outlines the most significant focus areas from first steps to market leadership on the route to establishing and demonstrating an integrated strategy rooted in materiality.

Table 2: Focus areas for establishing and demonstrating an integrated strategy rooted in materiality

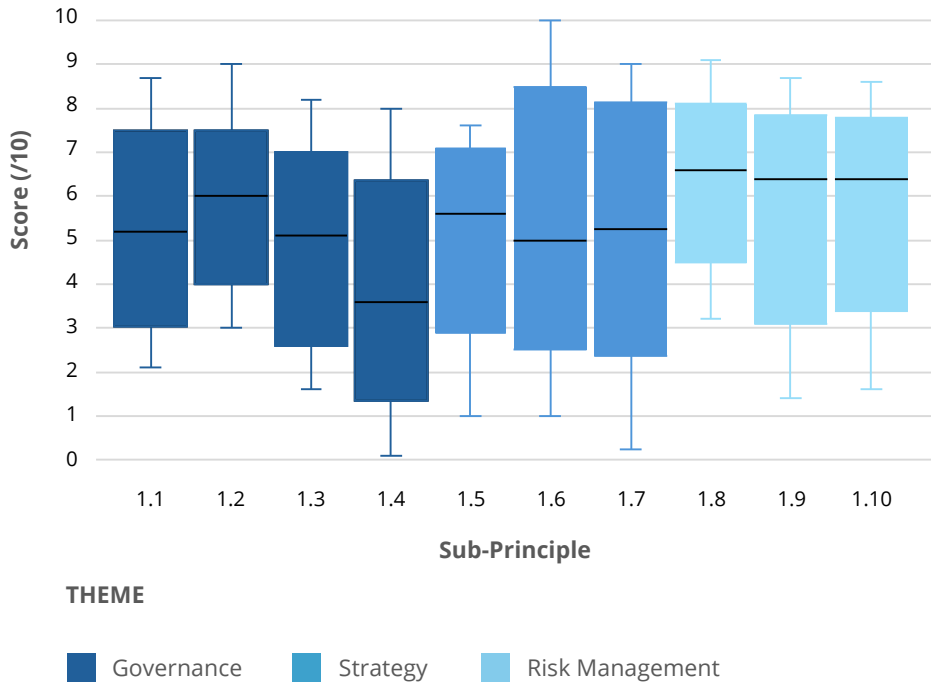
Focus area	Basic	Intermediate	Advanced
Prioritisation – knowing which climate- and nature-related issues are most material.	Use a risk register as a stand-in for a materiality assessment.	Carry out a materiality assessment and create a register of climate-related risks and opportunities.	Conduct a double materiality assessment and develop a register that includes climate IROs.
Responding to material IROs – taking targeted action.	Some ad hoc actions are in place, but they are not clearly linked to the risk register.	Actions are aligned with the risk register and prioritised based on materiality.	Each material IRO has a clear action plan in place to manage it.
Developing key performance indicators (KPIs) – using metrics to monitor action.	A few KPIs exist, mostly focused on decarbonisation.	Some KPIs are in place to manage both decarbonisation and wider material risks.	Each material IRO has specific KPIs to monitor how it is being managed.
Informed decision-making – using the outputs from actions to guide decisions.	Actions are completed, but it is unclear how the results influence decisions.	Key activities, like climate scenario analysis, are linked to decision-making, but the approach is not yet fully integrated.	Organisations can clearly show how outcomes from actions are used to inform strategic decisions.
Nature and social – integration of nature and social considerations into strategy.	Efforts primarily address nature and social issues within the operations of the organisation, with limited extension to the wider value chain.	Initial work is underway to assess nature-related impacts, particularly within investment and underwriting portfolios, while social issues continue to be managed through separate frameworks.	Nature is integrated alongside climate considerations, with interconnections, such as flood risk management and nature-based solutions, clearly established. Social factors are also incorporated within climate strategies, with growing recognition of their interdependencies.

Figure 2: The ClimateWise Principles and the global frameworks that inform them

Bank of England
BMA BERMUDA MONETARY AUTHORITY
EFRAG
finma
IFRS Sustainability
MAS Monetary Authority of Singapore
TPT Transition Plan Taskforce
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
TNFD Taskforce on Nature-related Financial Disclosures
OSFI BSIF

Principle 1: Steering Transition

Figure 3: 2025 ClimateWise Steering Transition scores, range by Sub-Principle



The Steering Transition Principle encourages ClimateWise members to implement robust governance and risk management frameworks, ensuring that climate- and nature-related considerations are well managed and integrated into existing structures and processes. This begins with ensuring that the board and senior management have clear oversight and responsibility for sustainability issues. To be effective, leadership teams must possess expertise on environmental issues, which is achieved through a combination of targeted training and the recruitment of individuals with established experience. Further, members are encouraged to clearly articulate how climate- and nature-related considerations shape their strategy, with materiality assessments playing a key role in identifying and prioritising topics. Reporting requirements under the Steering Transition Principle demonstrate how risk management frameworks underpin robust climate-related oversight, drawing on insights from climate scenario analysis to show integration rather than presenting these elements in isolation. The three Themes under Principle 1 – Governance, Strategy and Risk Management – are not only core to good practice but are also embedded in all major international reporting frameworks and regulatory requirements, making them essential components of any credible sustainability report. Ultimately, governance factors underpin everything and form the starting point for effective action.

Summary

Overall, ClimateWise members have significantly matured across the Risk Management and Strategy Themes. Generally, organisations have established basic board oversight and the industry is gradually beginning to adopt more mature approaches, including integrating climate-related responsibilities across various business functions and working groups. An area which members continue to find challenging is ensuring that senior management has the right knowledge and incentives to drive accountability. Moving beyond governance, strategy maturity has improved significantly, driven in part by the increased use of materiality assessments. These assessments help organisations identify which topics are most relevant to their business and stakeholders, forming a strong foundation for setting strategy and developing transition plans. More advanced members are now applying the concept of double materiality, which encompasses both the inward and outward impacts of climate- and nature-related considerations. This approach enables members to develop more comprehensive and credible strategies by demonstrating how their business decisions respond to both internal risks and external responsibilities. Members are disclosing effectively in respect of climate-related risk management, often driven by regulatory requirements.

Supervisors such as the Prudential Regulation Authority (PRA) in the UK and the Bermuda Monetary Authority (BMA) place a strong emphasis on prudent risk management, requiring organisations to demonstrate robust processes for identifying, assessing and managing climate-related risks. As a result, the industry is well practised in this area and often integrates climate considerations into existing enterprise risk frameworks, such as the Own Risk and Solvency Assessment (ORSA).

Sub-Principle 1.1: Ensure that the organisation's board has oversight of climate- and nature-related risk and opportunity management, including any transition plans.

Sub-Principle 1.2: Ensure that the organisation's senior management has responsibility of climate- and nature-related risk and opportunity management, including any transition plans.

Sub-Principle 1.3: Create a clear link between governance and oversight, establishing a robust governance framework and underlying policies and procedures.

Sub-Principle 1.4: Ensure that the board and senior management have the required knowledge to oversee risks and establish a culture aware of environmental issues.

Key strengths

Members demonstrate that the board has oversight and senior leadership has responsibility for the day-to-day management of climate-related considerations. The most mature members are those that clearly state who is responsible for different components of the climate strategy. This includes, for example, which distinct managers or committees hold responsibility for decarbonisation and which for risk management. Generally, nature is starting to be integrated into governance frameworks.

At **NFU Mutual**, managers are allocated specific climate change objectives to support the delivery of the Group's Climate Change Strategy and implementation of its transition plan. Moving beyond outlining responsibilities, some members are able to evidence how their governance framework is supported by a range of policies and procedures. **AXA XL** demonstrates strong governance by outlining relevant policies and its robust governance framework, including how this aligns with different regulatory requirements. This is a key strength because commitments are underpinned by formalised policies that clearly articulate the organisation's standards and expectations. **AXA XL** also describes how it aligns with Group policies to ensure a consistent governance approach. Several members evidence how a range of functions are included within their governance framework, ensuring that it is not isolated to one part of the organisation. Furthermore, this integration is supported by evidence of sustainability training across the different functions. Market leaders are able to provide metrics around training, such as percentage uptake. **NFU Mutual** takes this a step further and also provided evidence that training is tailored to provide skills and expertise relevant to the manager's specific responsibilities, such as Carbon Literacy or carbon offsetting.

Development points

There is strong evidence that the boards are informed about climate- and nature-related considerations. However, it was uncommon for members to describe and evidence the underlying processes; for example, via a quarterly board update on performance against targets from the Head of Sustainability or equivalent which would show that the board oversight is formally structured. Further, while there is evidence of training taking place, it rarely expands to include nature and there continues to be a gap for bespoke training across all employee groups to support each function to fulfil their responsibilities. To establish a culture of awareness on environmental issues, members could focus on evidencing how climate is integrated into board and senior management remuneration, the board skill matrix and the board selection process.

Case study

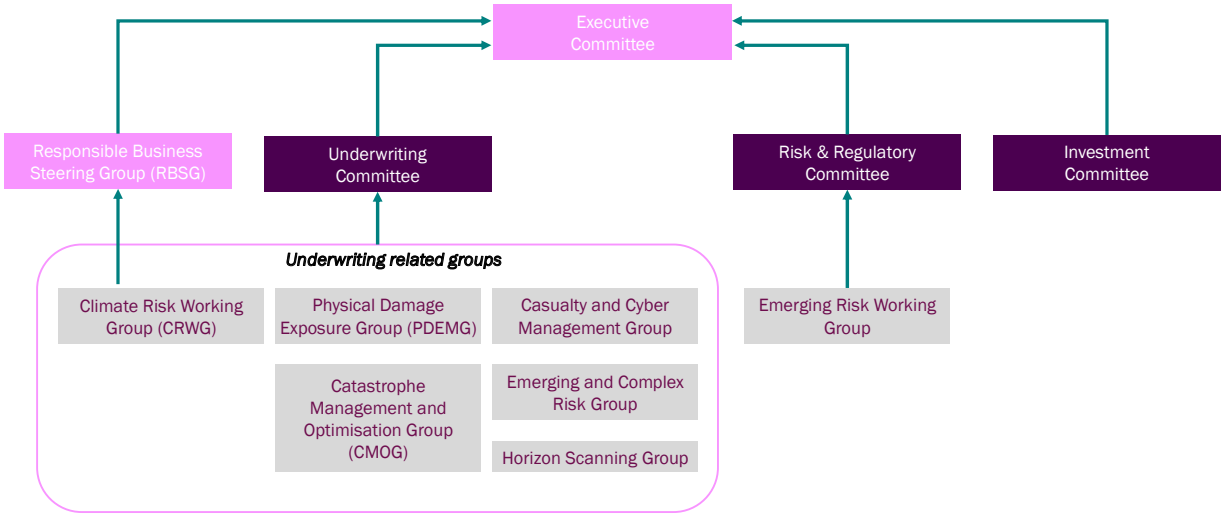
Beazley – allocating responsibility across the organisation

Beazley demonstrates a highly structured and transparent governance framework that embeds climate-related issues across all levels of the organisation, with oversight from the board and four supporting committees. A key strength of Beazley's approach is the clarity and precision with which individual responsibilities are defined and aligned to specific roles. For example, the Group Chief Operating Officer ensures climate-related matters are considered across Beazley's business operations, including office energy use, data centres and procurement, whereas the Group Head of Internal Audit is responsible for ensuring climate-related audits are conducted across underwriting, investments and the Task Force on Climate-related Financial Disclosures (TCFD).

Although the board retains ultimate oversight, it is actively informed by updates and recommendations from the Executive Committee and its sub-committees. Beazley has also established several steering groups and working groups to support the business in addressing climate-related issues, with contributions from key senior managers. This approach ensures that climate governance is fully integrated into operational and strategic functions, with clear lines of accountability and reporting.

Importantly, Beazley equips its board and senior management with the knowledge and expertise required to fulfil their responsibilities, supported by relevant incentives. Training is provided and shaped by current and emerging trends, stakeholder expectations and regulatory demands. Beazley therefore is notable for treating climate-related training as a continuous process, not a one-off exercise.

Figure 4: An organisation chart outlining Beazley's sustainability governance structure



Sub-Principle 1.5: Describe the impacts and implications of climate- and nature-related risks and opportunities on your business model and performance, strategy and any decision-making processes.

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.

Sub-Principle 1.7: Describe the outcomes of your materiality analysis and any material climate- and nature-related risks and opportunities that affect your prospects.

Key strengths

Most members have embedded climate-related risks and opportunities into their strategies and business models, often clearly demonstrating where climate considerations are integrated into decision-making processes and into the daily operations of different functions, including underwriting, investments and operations. **Flood Re**, for example, provides significant detail on how environmental resilience plans are incorporated into business decision-making, including operational decisions and reinsurance purchasing which differentiates it as a market leader in this area.

To support or establish their strategies, several members have conducted materiality assessments – many of which demonstrate best practice by incorporating both impact and financial materiality in a double materiality assessment. These assessments often include input from internal and external stakeholders, thereby enhancing credibility and relevance. **Aon**'s strategy identified that a material area of focus is supporting its clients in transitioning to a lower carbon economy, which can create new growth opportunities and a more sustainable future, and has set a strategy around this material opportunity.

Nature-related aspects are also increasingly being considered within materiality assessments, although often at a higher level than climate change. Once material topics have been identified, many members use this information to inform the risk registers or taxonomies for climate-related risks. Increasingly, members are using climate scenario analysis (CSA) to inform the risk taxonomy and wider strategy. However, the extent of the integration of CSA and the quality and detail of the assessments vary significantly throughout the membership.

Development points

While climate-related risks are increasingly integrated into strategy, business models and decision-making processes, it remains uncommon for members to put this into the context of financial performance. Thus, a key development area is for the industry to better understand how climate- and nature-related considerations impact revenue, costs, profitability and long-term value creation.

While alignment with international frameworks, such as the United Nations Sustainable Development Goals (UN SDGs), is frequently cited, members could enhance transparency and drive strategic action by clarifying how these frameworks influence decision-making and provide measurable outcomes. Finally, organisations may wish to assess how the management of climate-related risks and opportunities is used to build operational resilience and whether any strategic adjustments have been made in response. Operational resilience is becoming an increasingly important focus, particularly in regions and sectors most vulnerable to climate impacts.

Case study

Convex – showcasing organisation-wide action through robust strategy setting

Convex's disclosure on climate strategy demonstrates that its sustainability strategy is shaped by the outcomes of several comprehensive assessments, including a double materiality assessment (DMA), and is integrated into both day-to-day operations and the organisation's broader strategy. Convex's process begins with a broad DMA, which evaluates both the financial impact of sustainability-related matters on the organisation and the impact of its operations on people and the environment. This assessment informs the impact, risk and opportunity (IRO) register and both of these activities guide the day-to-day management of the business.

A key differentiator of Convex's approach is the manner in which it links its transition plan to the materiality assessment, IROs and overall strategy, demonstrating a coherent and actionable approach. Furthermore, Convex clearly outlines how the sustainability strategy aligns and complements the wider organisation's strategy. This clarity enables the reader to understand how each action, policy and process contributes to the wider organisation-wide strategic outcomes. More importantly, it provides Convex with a structured lens through which to set and refine its sustainability strategy, ensuring that sustainability supports strategic goals and drives long-term value. This approach reflects the 'why–what–how–so what' structure mentioned in Table 1.

Convex, like several members, has aligned with the UN SDGs. Convex's approach to reporting against the SDGs is distinguished by the fact that this alignment is not confined to a single Principle but is consistently reflected throughout the report. Convex has also aligned its activities not only with the high-level goals but also at the more granular level with the SDG targets and indicators.

For example, in line with target 9.1 of SDG 9, "Develop quality, reliable, sustainable and resilient infrastructure", Convex recognises the potential impact of its investments in supporting the development of sustainable infrastructure to support economic development.

Figure 5: Convex's 3 Pillar Sustainability Strategy

Sub-Principle 1.8: Establish appropriate processes to identify, assess and prioritise climate- and nature-related impacts, risks and opportunities.

Sub-Principle 1.9: Put in place mechanisms to monitor and manage climate- and nature-related risks and opportunities.

Sub-Principle 1.10: Describe how scenario analysis has been used to inform the identification, assessment and management of climate- and nature-related risks.

Key strengths

The Risk Management Theme emerged as one of the strongest Themes across the membership, with members demonstrating significant progress from last year and a clear shift across the entire membership towards best practice. Members are clearly embedding climate-related considerations into the wider risk management frameworks, demonstrating mature and consistent processes for identifying, assessing and managing climate-related risks. **Zurich** reported a varied list of climate-related considerations which expose the business to risks, evidencing that the risk taxonomy is comprehensive, and **Brit** has an established emerging risks framework, where emerging risks are assessed on an ongoing basis across all risk categories.

These risk management processes are typically integrated into different functions, avoiding silos and ensuring alignment across the organisation. Evidence of integration into ORSA processes reflects best practice, and market leaders also extend their assessments to include both upstream and downstream value chains, recognising the interconnected nature of climate risk. **Zurich** clearly reports its data sources, assumptions and limitations – providing a transparent narrative on improving the quality of its risk management assessments year-on-year. In line with regulatory expectations, members have established basic processes to manage climate-related IROs and manage risk in line with their risk appetite statements. Metrics used to monitor climate-related risks are maturing, balancing performance indicators with forward-looking metrics that enable proactive risk management.

Development points

Members have robust processes for identifying and assessing climate-related IROs; however, the prioritisation of these risks is often under-reported. By clearly prioritising risks, members would be in a strong position to demonstrate how they focus on the most material risks, supporting consistency across the disclosures throughout the report. Additionally, while climate-related risk management is well advanced across the membership, nature-related risks are still in the early stages of integration. To progress further, members could consider how nature-related risks can be embedded into existing frameworks and processes, including scenario analysis. Finally, while some members demonstrate an understanding of data limitations and assumptions, this was primarily focused on scenario analysis. A key development point is to consider the wider implications of data limitations and any assumptions used throughout the climate risk management processes, and to disclose this information transparently, including any plans in place to address known gaps and challenges that are credible.

Case study

Canopius – integrated enterprise risk management

Canopius' approach to climate- and nature-related risk management reflects a maturing framework and growing focus on embedding sustainability into core business processes. The organisation maintains a comprehensive, enterprise-wide risk register with designated risk owners and well-defined key controls to mitigate both the causes and drivers of risk. Canopius is committed to further strengthening its capabilities and has established dedicated working groups focused on climate and liability risks to support this goal.

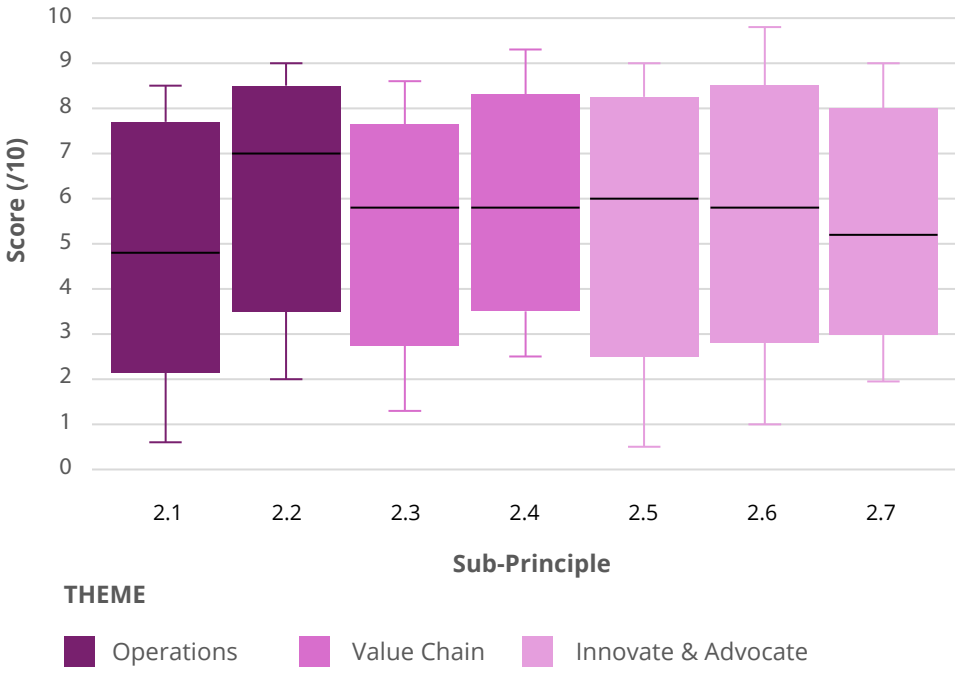
Material risks are monitored on an ongoing basis to ensure they remain within agreed tolerance levels. This is supported by a robust risk appetite framework and a suite of tolerance limits that enable continuous oversight of exposure. Canopius leverages its own Internal Model to assess its principal risks and inform strategic decision-making, all underpinned by a clear governance framework. Climate-related responsibilities are allocated to senior management, with defined escalation pathways, and any breaches are reported to the relevant forum or manager.

A standout feature of Canopius' advancement in sustainability-focused risk management is the integration of nature-based materiality assessments within underwriting. This approach enables Canopius to better understand and assess the impact on natural systems alongside its climate risk management efforts. Canopius integrates climate scenario analysis and stress testing into risk identification and as an assessment tool, providing insights that guide strategic decisions, such as developing risk appetite, planning risk mitigation activities and business planning. Beyond enhancing its risk management framework, Canopius is also implementing processes to identify opportunities related to climate and nature, ensuring sustainability is integrated into underwriting activities.

Figure 6: Canopius' Climate Risk Framework overview

Principle 2: Engaging Stakeholders

Figure 7: 2025 ClimateWise Engaging Stakeholders scores, range by Sub-Principle

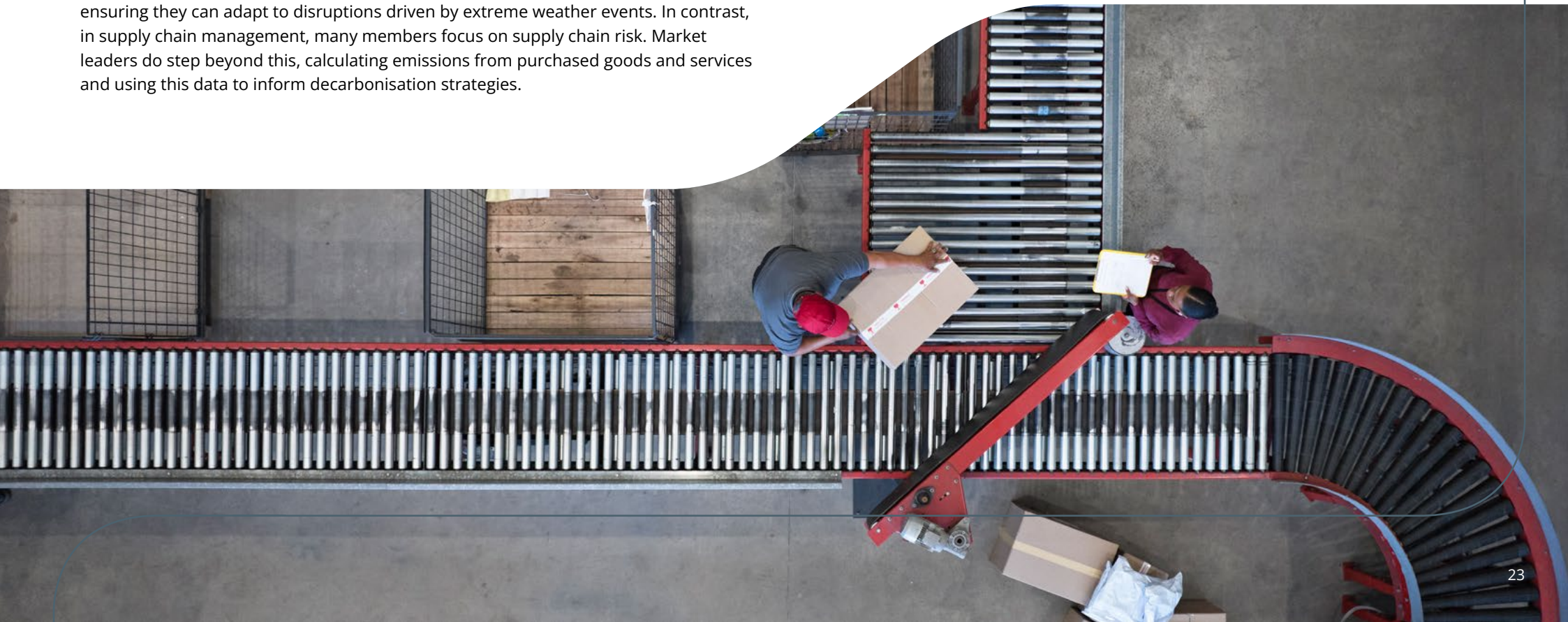


The Engaging Stakeholders Principle encourages ClimateWise members to take responsibility for environmental impacts both within their own operations and across their value chain. This includes transparent reporting on the sources of emissions and other operational environmental impacts as well as managing value chain driven climate- and nature-related risks and opportunities. Embedding environmental considerations into operational risk frameworks and supply chain risk management in this way supports organisational resilience. Employee engagement also plays a critical role in addressing climate change and nature issues, including via the role that employees play in executing the sustainability strategy of the organisation. Ultimately, organisations that equip and develop their workforce are better positioned to deliver on strategic goals and respond to emerging environmental challenges. Members are encouraged to disclose information about their engagement strategy on environmental issues, such as direct dialogue with suppliers, customers and other stakeholders, including in the public domain. Further, research and development also plays a critical role in shaping strategy and driving innovation in products and services. Organisations that invest in such initiatives are typically better equipped to respond to evolving environmental challenges and stakeholder expectations.

Summary

On average, there is clear evidence of growing maturity in how organisations manage their impacts, risks and opportunities across both their own operations and the value chain. The more mature approaches apply the concept of double materiality to assess not only how environmental issues affect the business, but also how the business impacts people and the planet. For most members, operational efforts are concentrated on decarbonisation, evidenced by actions such as transitioning to renewable energy sources or improving energy efficiency. Leading members, however, also detail how climate-related considerations are factored into resilience planning, ensuring they can adapt to disruptions driven by extreme weather events. In contrast, in supply chain management, many members focus on supply chain risk. Market leaders do step beyond this, calculating emissions from purchased goods and services and using this data to inform decarbonisation strategies.

Innovation and advocacy remain a growing focus for the market, with industry leaders conducting bespoke research to support their understanding and assessment of emerging risks. Members are also actively engaging with the wider market, particularly through involvement in industry associations and public forums, to influence systemic change. Together, these efforts reflect an ongoing shift from reactive compliance to proactive leadership in sustainability. Finally, insurers continue to expand their role in developing innovative solutions to support the transition of clients, either independently or via collaborative platforms.



Sub-Principle 2.1: Manage and seek to reduce the environmental impacts of the internal operations and physical assets under our control.

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

Key strengths

Members are actively measuring greenhouse gas (GHG) emissions, with many also developing decarbonisation plans. While this ambition is shared by many members, **Howden** demonstrates a science-led and credible approach to target-setting, grounded in recognised methodologies. Leading members show a strong understanding of the actions available to decarbonise operations and track performance against commitments and targets, demonstrating accountability and progress over time. Although biodiversity is generally considered less material in the own operations context, some members have shown how biodiversity considerations influence decisions, such as office location selection for organisations based outside of major cities. This reflects a growing awareness of the interconnected nature of environmental impacts.

While emissions remain the primary focus, market leaders recognise the importance of addressing other environmental impacts, such as water use and waste management. **Hiscox** clearly discloses several actions in place to reduce its environmental impact, including waste management and water use. These operational measures are widely adopted across the membership, but **Hiscox** stands out for the clarity and consistency of its reporting. **Tokio Marine HCC International** showcases some particularly interesting initiatives, including becoming compliant with the Simpler Recycling Legislation, and works with landlords to ensure appropriate waste infrastructure is in place. Members generally understand the importance of engaging employees on commitments and actions in place to address climate change and nature. Several organisations showed innovative ways to encourage this, such as the '**Howden** Plastic Detox Challenge', which offered daily 5–10-minute activities that combined practical actions with informative content, helping participants identify sources of single-use plastic and discover sustainable alternatives.

Development points

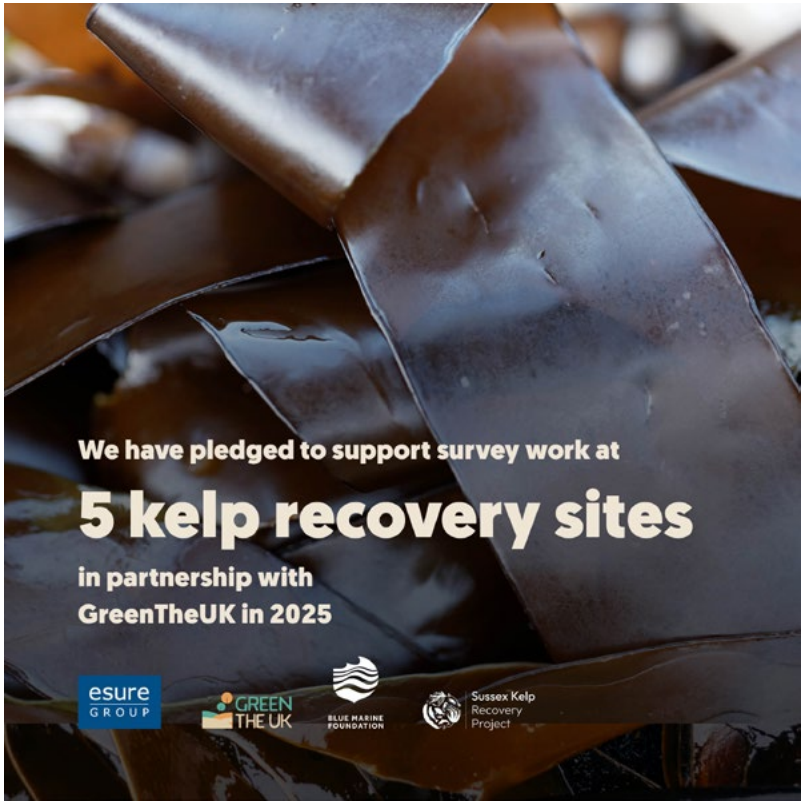
While most members have established plans to manage climate- and nature-related impacts, there is limited evidence of formal policies that support these plans or demonstrate how these plans are integrated into the decision-making processes across the organisations. One example of this would be developing a responsible business travel policy to help reduce travel-related emissions and embed decarbonisation into everyday operational choices. Additionally, to ensure that decarbonisation plans are credible, it is considered best practice to test these plans under a range of operational and climate scenarios. This helps to assess whether the plans are effective, resilient and realistic. This would also support members to more transparently report on how decisions were made, including which decarbonisation options were considered and why, addressing both trade-offs and prioritisation criteria. This level of transparency would show that climate strategy is actively informing business decisions. Members could also strengthen their disclosures by describing how they manage operational climate- and nature-related risks and how environmental considerations are being integrated into resilience planning. This should be supported by formal policies that guide risk management. For example, integrating heat stress implications into existing health and safety policies.

Case study esure – linking operational decarbonisation to business strategy

esure's approach to operational decarbonisation stands out for its integration within the company's broader sustainability and business strategy. Decarbonisation is viewed as a driver of long-term resilience and value creation, and not a standalone activity. esure identifies several decarbonisation levers and takes ambitious action to reach its targets. Crucially, each initiative is directly linked to a material impact, risk or opportunity (IRO), which helps the organisation to demonstrate why they are taken. For example, emissions associated with the supply chain are identified as a material impact and therefore esure undertakes ongoing monitoring of suppliers' decarbonisation progress.

esure presents a clear narrative of how its environmental initiatives are integrated with wider business priorities. For example, esure has taken action to reduce the operational emissions associated with business waste. As part of this waste management initiative, esure is enhancing its digital systems and has launched an esure app – not only reducing paper use and waste, but also improving the customer experience. This demonstrates how operational decarbonisation initiatives can influence other strategic pillars, such as digital transformation, product development and customer experience enhancement. Similarly, esure's support for carbon removal projects is tied to its stakeholder engagement strategy. Its partnership with the Sussex Kelp Recovery Project, which involves kelp restoration survey sites, reflects esure's commitment to credible, nature-based solutions while strengthening relationships with external partners. Finally, esure is one of the few members to demonstrate how it is looking to reduce plastic waste as part of its climate strategy. These actions, combined with planned future initiatives, demonstrate a forward-looking approach to environmental stewardship.

Figure 8: esure's pledge to support its charity partner the Sussex Kelp Recovery Project



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.

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.

Key strengths

Members provide robust evidence of the processes in place for identifying and assessing climate-related IROs across their value chains. These assessments are most commonly focused on underwriting and investments, with less emphasis on suppliers and third-party relationships. Best practice includes integrating supply chain resilience into climate scenario analysis, helping members understand their resilience to climate-related risks and plan accordingly. Market leaders are actively encouraging suppliers to improve the environmental sustainability of their products and services, expanding beyond sustainability-focused questions within due diligence processes which are widespread across the membership. For example, **Benefact Group** has developed an Environmental and Social Code of Conduct that outlines ten sustainability-related areas and explains how the code informs its due diligence process. **Sedgwick** has an environmental procurement policy which is presented to all suppliers, and Sedgwick Repair Solutions, a subsidiary of Sedgwick that deals with repair works, requires contractors to comply with its environmental policy and to be SafeContractor accredited.

Best practice submissions also show how breaches of supply chain-focused sustainability policies are monitored and remediated. For example, **The Fidelis Partnership** has a policy requiring any vendor scoring below 10 per cent on environmental, social and governance (ESG)-specific criteria when onboarding to be escalated to the Sustainability team for further review, demonstrating a clear process for managing supplier risk. Beyond due diligence, there is evidence of stakeholder engagement across the value chain to advocate more sustainable practices. Strong submissions evidence a list of key stakeholders, the engagement actions taken, and the rationale behind those actions. **Conduit Re**, for example, runs a process to identify its most material stakeholders and tailor its ESG advocacy accordingly. The organisation also outlines its objectives and priorities for contributing to the economy-wide transition throughout its value chain, linking these actions to its broader sustainability and organisational strategy. This alignment helps demonstrate how value chain engagement supports long-term strategic goals.

Development points

Where risks and opportunities have been identified in the supply chain, members could show how these insights are integrated into business decisions and strategy. For example, members could consider how due diligence is used to manage supply chain reputational risk or how climate is integrated into existing business continuity planning. This connection is important to support organisational resilience and to demonstrate that value chain assessments are not standalone exercises but part of a broader strategic response. Further, while members are aware of their role in advocating more environmentally sustainable practices throughout the supply chain, there is often a gap in data-driven action. For example, while Scope 3 emissions are increasingly measured, emissions associated with purchased goods and services are often not measured or reported. Where members do disclose these emissions, best practice includes showing improvements in coverage and accuracy.

Case study

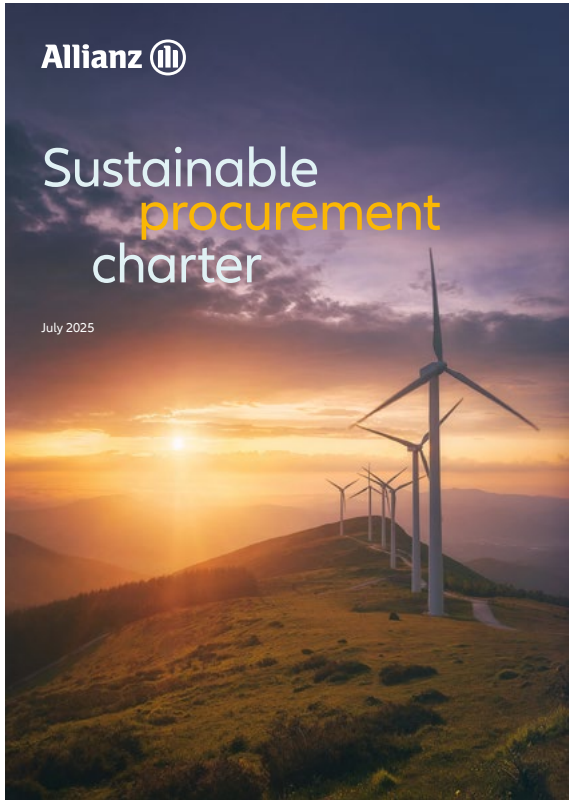
Allianz – a comprehensive approach to integrating sustainability into the value chain

Allianz demonstrates a well-considered approach to climate- and nature-related considerations throughout its value chain, informed by the outcomes of its double materiality assessment. Allianz includes supply chain dependencies as part of operational resilience and is now expanding this to consider the impact of biodiversity across its portfolio. Allianz is also leading the market in developing sustainable claims processes, aiming to decarbonise and enhance the sustainability credentials of claims, for example through a repair instead of replace policy.

The approach of Allianz to managing value chain emissions is comprehensive and transparent. Scope 3 emissions are clearly disaggregated by upstream and downstream activities and cover a broad scope of categories. Allianz undertook and disclosed a Scope 3 materiality assessment, including disclosing reasons for any exclusions – a level of transparency not commonly seen in the market. The organisation undertakes ongoing qualitative assessments of locked-in emissions, including operational assets which are incompatible with the transition to a climate-neutral economy. This also extends to any entities which require significant effort to transition within the proprietary investment and insurance portfolios.

Allianz sets expectations for its vendors, requiring public commitments to net zero GHG emissions in line with a 1.5°C pathway by the end of 2025. This is supported by a Sustainable Procurement Charter which goes beyond climate considerations to include human rights and biodiversity considerations. This showcases best practice in integrating different material sustainability topics into a coherent strategy. A key differentiator and strength of the report is that Allianz invests in tailored training programmes for procurement teams, ensuring that sustainability education is role-specific and actionable.

Figure 9: Allianz's Sustainable Procurement Charter



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.

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.

Sub-Principle 2.7: Where appropriate, work with policymakers and share our research with scientists, society, business, governments and NGOs in order to advance a common interest.

Key strengths

There is considerable variation across the industry in how organisations approach innovation and advocacy. While some members demonstrate strong advocacy and active involvement with industry bodies, governments and other key stakeholders to drive best practice and influence change, others show more limited engagement beyond their own operations. Market leaders align their research and engagement activities with strategic priorities and use the findings to inform engagement and decision-making. **Convex** demonstrates best practice by aligning its public engagement activities with areas identified as having high materiality from both an impact and risk perspective. This targeted approach helps ensure that advocacy efforts are strategic and relevant. Associations in particular lead the way on advocacy and stakeholder engagement. The **Association of British Insurers** exemplifies best practice by ensuring expertise and insight is shared across its stakeholder network, where possible, demonstrating openness and collaboration.

Many members are also investing in research, particularly in areas such as risk analysis and data analytics. **Santam** has geocoded over 80 per cent of its property portfolio, demonstrating improvements in underwriting accuracy and reducing accumulation risk in flood-prone areas. These analytics are actively used to inform product development and enhance underwriting discipline. Members are also increasingly focused on developing innovative insurance solutions to address climate change and nature degradation challenges. **Inigo** shows the importance of collaboration by engaging with brokers to evaluate and prioritise opportunities for new products and services. Additionally, **Hiscox** demonstrates the impact that the industry can have as a collective, partnering with an independent charity, Humanity Insured, to provide cutting-edge insurance solutions that keep people out of poverty.

Development points

The sector is making progress in investing in both quantitative and qualitative research to support business strategy and deepen understanding of climate- and nature-related risks. However, in many cases, there is a gap in explaining the rationale behind chosen research areas, how the research is conducted, and how findings are used to inform decisions. Similarly, stakeholder engagement would benefit from a more strategic and structured approach. While many organisations are active in this space, approaches could be more strategically aligned, for example by linking to materiality assessments and broader sustainability goals. This would help to ensure that interactions are purposeful and outcome-driven. Best practice includes a clear engagement plan that aligns with strategic objectives and desired outcomes, alongside formal policies in place to guide stakeholder engagement, particularly in relation to lobbying and public advocacy.

Case study

Flood Re – showcasing an impressive range of advocacy actions

Flood Re occupies a unique position in the UK insurance sector as a joint initiative between the UK Government and the insurance industry. It is a leader in innovation and advocacy, with a clear commitment to aligning research, communications, and public policy activities. Throughout 2024–25, Flood Re exemplified best practice by evolving its research into detailed, multi-faceted programmes that combine technical knowledge with approachable stakeholder engagement. Flood Re is market leading in showcasing how these research programmes are well integrated into internal decision-making. For example, Flood Re has launched research into a property flood resilience scoring methodology, and the outcomes of this research will be used by insurers to inform risk decisions as well as to deploy Flood Performance Certificates for customers. Flood Re also provides a leading example of integrating biodiversity and nature-related considerations alongside innovative business models and advocacy for mainstreaming. Its research with LSE on the relationship between biodiversity and flood risk highlights the interconnectedness of these issues, and its early support for an on-the-ground project helped provide a tangible demonstration of effectiveness that built the case for central government funding.

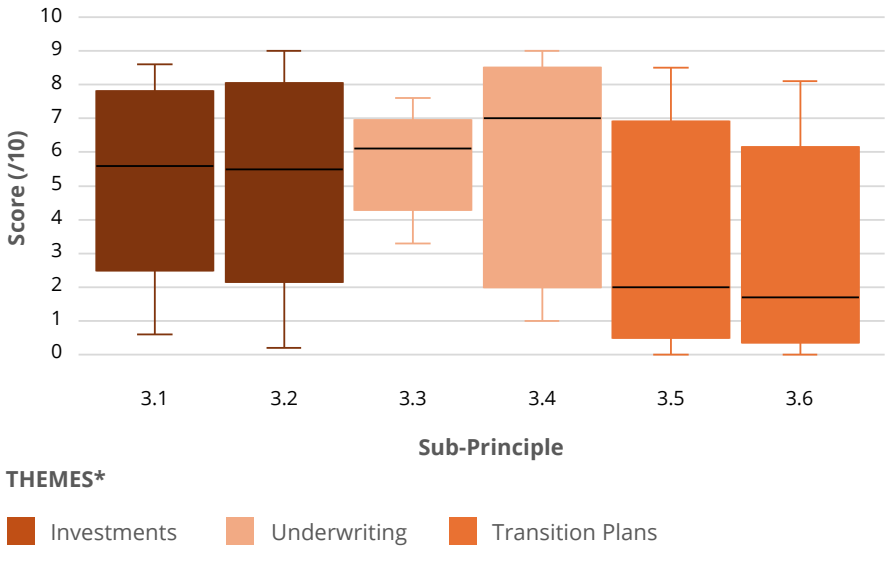
Importantly, the results of Flood Re's research are made publicly available where possible, and widely communicated across the insurance market, supporting transparency and sector-wide learning. This commitment to open knowledge-sharing is further demonstrated by the Flood Re Academy, a digital learning platform for brokers and insurance professionals designed to strengthen industry knowledge of the UK's flood risk landscape and improve awareness of the tools available to support climate resilience.

Flood Re's research also informs public policy, with active engagement across regulatory matters both domestically and internationally. Flood Re takes a pragmatic approach to collaboration with partners in government and industry and acts as a catalyst for the market to begin addressing and reducing risks, as well as pooling and pricing them. For example, both its own work on Flood Performance Certificates, and its work supporting the FloodReady review of home resilience have been shaped by cross-sector Advisory Groups comprising representatives from local and national government, lenders, academics, insurers, developers, flood risk specialists and architects. This inclusive process ensures that stakeholders are brought along the learning journey, deepening their understanding and strengthening their commitment to shared resilience objectives.

Figure 10: Flood Re Academy e-Learning Portal

Principle 3: Enabling Transition

Figure 11: 2025 ClimateWise Enabling Transition scores, range by Sub-Principle



As the physical impacts of climate change and nature degradation intensify, organisations are expected to demonstrate how they are managing climate- and nature-related IROs across underwriting and investment portfolios. Importantly, this includes viewing IROs through a double materiality lens, considering both how environmental issues affect their portfolios and how those portfolios, in turn, impact the environment. Organisations are encouraged to disclose how they are strengthening capabilities to manage risks and support decision-making in investment and underwriting activities. This includes the use of detailed quantitative assessments and models. Clearly demonstrating how the outputs of these assessments are embedded into decision-making processes is essential, as it provides transparency on how it informs underwriting strategies, investment decisions and broader business planning. Organisations are also encouraged to disclose transition objectives, priorities and commitments as part of a dedicated transition plan. This expands to include governance arrangements, oversight responsibility, and details on how transition activities will be resourced and implemented. As 2030 decarbonisation targets approach and regulatory expectations tighten, such transparency is essential to demonstrate strategic intent, build stakeholder confidence and drive meaningful progress.

Summary

Trends in investment and underwriting remain steady within the industry, with limited advancement from the previous year. The focus remains on strengthening existing initiatives, such as improving the availability and granularity of data to inform the integration of sustainability into decision-making and expanding upon existing impact investments. Market leaders show innovation and continuous improvement to better understand investment and insurance climate- and nature-related IROs. Climate scenario analysis also continues to advance, with best practice clearly demonstrating how the analysis outcomes are integrated into decision-making throughout the organisation. 2025 is the first year that the review of transition plans contributes to the members' ClimateWise score. As guidance on best practice transition planning continues to mature, it is to be expected that this will remain an emerging area of focus for the coming years. There is divergence in the membership between those that have written, and often publicly published, a transition plan and those that are still in the early stages of adopting one or commencing the process. Leading members are focused on using their transition plan to deliver on decarbonisation targets and advocate more sustainable practices across the value chain.

** Note that the Investments and Underwriting Themes only apply to (re)insurer members and Lloyd's of London.*

Sub-Principle 3.1: Integrate consideration of climate- and nature-related risks and opportunities into investment strategies and decision-making.

Sub-Principle 3.2: Take action to manage the implications of climate- and nature-related risks and opportunities on, and of, the organisation's investments.

Key strengths

Members continue to demonstrate strong capabilities in managing climate-related investment risks, with leading organisations increasingly adopting a strategic and impact-oriented approach. **Inigo** demonstrates best practice by critically evaluating the challenges in developing meaningful investment metrics and assessing their decision-usefulness. Market leaders are also moving beyond a risk-only lens to consider impacts and opportunities, with many members adopting ambitious exclusion policies. **Hiscox**, for example, has expanded its investment approach beyond climate-related considerations to include social- and nature-related IROs for its investment portfolio. Its investment dashboard includes climate, social and nature-based metrics such as net zero and Paris-aligned targets, natural capital impact solutions, deforestations and water stress controversies. **Allianz** demonstrates best practice by calculating its decarbonisation impact by action. For example, the organisation discloses the achieved reduction in GHG emissions for steering its corporate investment portfolio to low carbon solution investments. This allows the member to assess the effectiveness of each action and monitor progress against targets, demonstrating clearly how investment can contribute to the real economy transition. Several members rely on third-party managers to oversee their investments. **Inigo** stands out by clearly disclosing the selection criteria used for each investment manager, helping stakeholders understand how climate considerations are embedded in the delegation process.

Development points

To strengthen climate-related investment strategies, members could conduct investment-focused climate scenario analysis to help them better understand potential risks and opportunities under different future conditions. Additionally, measuring emissions specifically across investment portfolios enables organisations to clearly identify which actions will have the greatest impact on decarbonisation and facilitates more targeted planning, as well as the ability to have nuanced conversations on transition finance. Finally, while integrating nature-related considerations remains challenging due to limited data, market leaders are already exploring available screening tools to assess the impact of investments on nature and incorporating it into risk assessments.

** Note: This Theme only applies to (re)insurer members and Lloyd's of London.*

Case study

Sanlam – a Just Transition approach to sustainable investment

Sanlam's commitment to a Just Transition is not only a policy statement – it is a practical, but measurable strategy also implemented through Sanlam Investments. Sanlam Investments, a subsidiary of Sanlam Group, places the Just Transition at the heart of its sustainable investment strategy, ensuring that decarbonisation strengthens both social and economic resilience. The level of detail in Sanlam's policies is market leading.

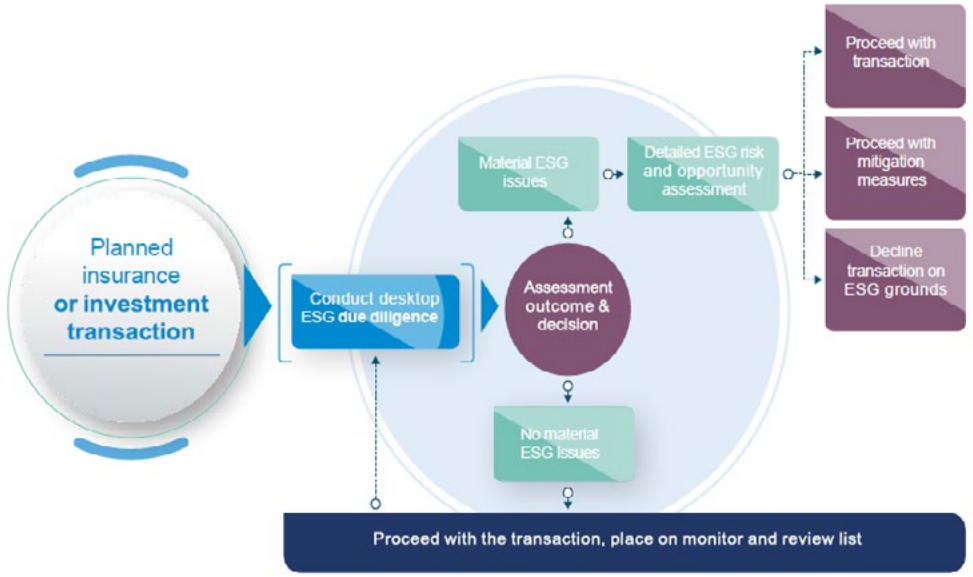
The approach of the organisation to sustainable investing is grounded in integrating ESG factors across all strategies and asset classes, as set out in the Sustainable Investing & ESG Policy. ESG considerations are viewed as financially material drivers of long-term value creation, risk mitigation and societal wellbeing.

Sanlam's Just Transition approach safeguards livelihoods, promotes socio-economic stability, and supports climate resilience through company engagement and investments in inclusive growth, skills development, and sustainable infrastructure across energy, water, transport and waste sectors. Sanlam Investments embeds sustainability through ESG integration in investments, active stewardship to influence climate governance and equity, and rigorous ESG due diligence in private markets to assess transition risks and long-term resilience.

Sanlam Investments recognises the material impact its investments have on the environment and applies extensive screening and assessment criteria that consider company-specific operating contexts, sectors and geographies. These granular assessments demonstrate a market-leading and proactive approach to sustainable investing. Sanlam demonstrates best practice by outlining specific levers used to manage climate-related risks and opportunities, providing transparency on actions taken and outcomes achieved.

Sanlam's Just Transition approach therefore acknowledges that South Africa requires a climate strategy that reduces emissions without exacerbating unemployment, inequality and regional vulnerability. This aligns with the organisation's climate change commitments and the country's Just Energy Transition Investment Plan, and makes Sanlam one of few insurers proactively championing a Just Transition.

Figure 12: Sanlam's ESG Assessment Framework for Transaction Approval



Sub-Principle 3.3: Develop models or use existing models (eg, catastrophe models) to incorporate climate- and nature-related issues and describe how the outputs of the models inform the underwriting decisions.

Sub-Principle 3.4: Incorporate clauses in the insurance policies' terms and conditions that incentivise the reduction of exposure to climate- and nature-related issues of the insured structures through pricing of the policies.

Key strengths

Underwriting remains central to climate- and nature-related risk management across the membership, reflecting its materiality to most organisations. Members demonstrate how these risks are identified and assessed across insurance and reinsurance portfolios, typically with a short- to medium-term outlook. Risk modelling outputs, including those from climate scenario analysis, are being used to inform underwriting decisions, with a trend towards greater sophistication and maturity in their application. **Lancashire** demonstrates best practice by outlining a comprehensive approach to mitigating risks. Its submission details a range of actions used to manage exposure, underpinned by a clear understanding that maintaining strict underwriting standards is the most effective method to mitigate market risk. Several actions, such as attending clients' ESG presentations as part of the underwriting process, are illustrative of a dedicated approach. **Convex** engages with policyholders to better understand the associated risks and impacts, gaining data such as emissions and targets, transition plans and other related disclosures. Members are also beginning to recognise the importance of incentivising policyholder behaviour to reduce exposure to climate- and nature-related risks. This includes adjustments to policy pricing and product development, as well as broader stakeholder engagement.

While most members focus on risk, best practice submissions also explore climate-related opportunities. Throughout the market, underwriting opportunities often relate to developing new products and services. **Lancashire** shows best practice by engaging with existing clients to provide the insurance that they need to transition, and access new markets in the form of new assets and locations requiring insurance coverage.

Development points

There is limited evidence of tailoring risk management processes for underwriting to specific product segments, geographies or business divisions. Yet each area of business carries its own unique risk profile, often requiring bespoke risk assessment approaches. For example, catastrophe modelling is well established in property insurance, while directors and officers (D&O) insurance typically demands a different analytical framework. Currently, members tend to focus solely on the most material insurance risks, typically natural catastrophe, but expanding risk identification and assessment across the full underwriting portfolio would strengthen overall risk management and better inform decision-making. There is also an opportunity to enhance policyholder incentivisation strategies. Currently, maturity in this area is limited, with few organisations articulating the rationale behind incentivisation methods, evaluating their effectiveness, or demonstrating how stakeholder engagement informed the approach. Incentivisation strategies can serve a dual purpose, both helping policyholders reduce their environmental footprint, and also supporting adaptation and resilience to risks.

** Note: This Theme only applies to (re)insurer members and Lloyd's of London.*

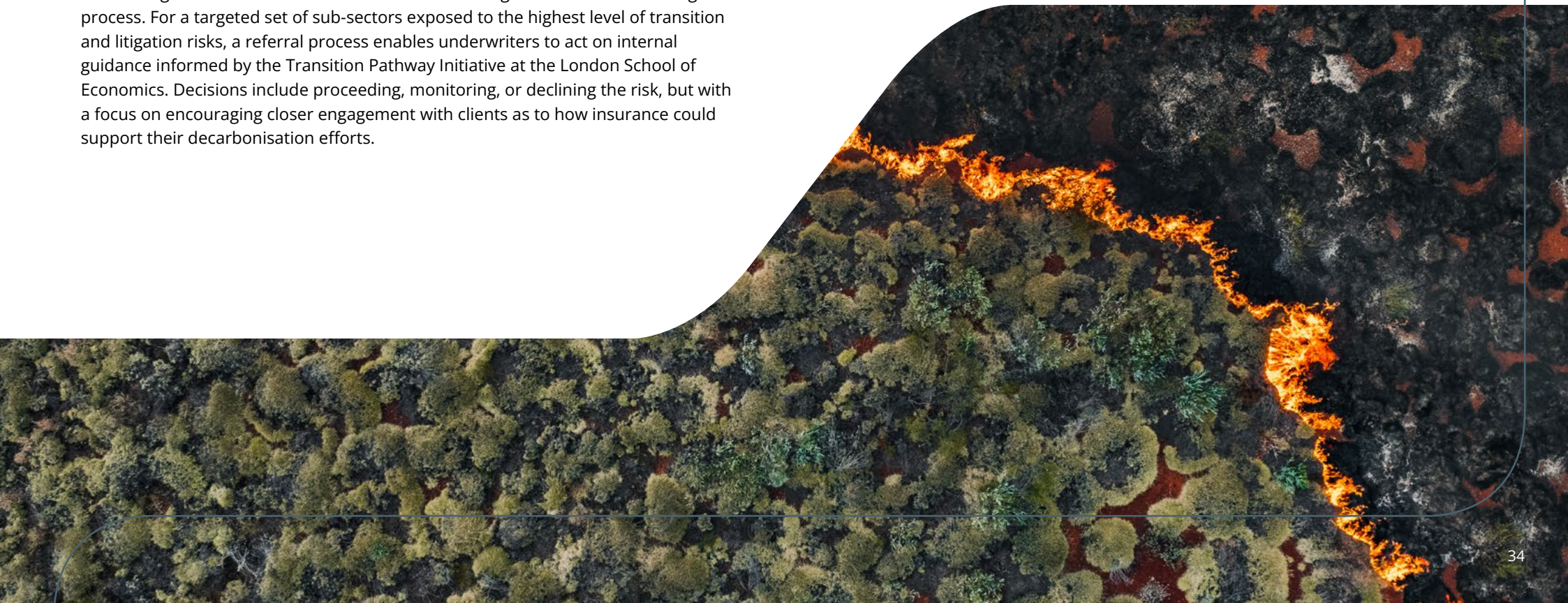
Case study

Inigo – underwriting risk management informed by data and research

Inigo applies a structured process to identify, assess and manage climate-related risks within its underwriting portfolio. A dedicated Catastrophe Research team evaluates catastrophe modelling from external vendors to develop a bespoke present-day view of risk for the most financially material perils, while also considering the materiality of climate scenario adjustments across short-, medium- and long-term horizons. The team collaborates with external partners to stay at the cutting edge of the latest research and modelling capabilities.

Notably, Inigo has developed a market-leading approach to transition risk, embedding climate transition assessments into the organisation's underwriting process. For a targeted set of sub-sectors exposed to the highest level of transition and litigation risks, a referral process enables underwriters to act on internal guidance informed by the Transition Pathway Initiative at the London School of Economics. Decisions include proceeding, monitoring, or declining the risk, but with a focus on encouraging closer engagement with clients as to how insurance could support their decarbonisation efforts.

These detailed climate transition assessments rely on robust and verifiable third-party data inputs, while catastrophe models for physical risk use parameters such as location, building characteristics and asset values. Inigo incentivises policyholders to provide higher-quality exposure data through its INFORM programme and targeted communications. Further, Inigo recognises that the full spectrum of climate-related risk is a topic which is still developing across the industry, and so the organisation is investing in data and research activities to enhance risk understanding.



Sub-Principle 3.5: Disclose the organisation's climate- and nature-related transition plans and the objectives, priorities and commitments they are looking to address.

Sub-Principle 3.6: Describe how the transition plan is overseen, resourced and implemented.

Key strengths

Transition planning remains a less developed area of reporting across the membership, with a clear divide between organisations that have yet to begin, those in the early stages of development, and those that have produced full transition plans. Members that have developed plans typically align with the Transition Plan Taskforce (TPT) framework and either have published or intend to publish their plans publicly. These plans are primarily focused on climate change mitigation, addressing Scope 1, 2 and 3 GHG emissions. A strong example is **esure**'s transition plan, which identifies four strategic actions for decarbonisation, each supported by specific implementation steps that align with the broader business strategy. This structured approach demonstrates how transition planning can be effectively integrated into strategic decision-making.

In addition to quantitative decarbonisation targets, leading members are considering their contribution to the wider transition to a low-emissions economy, particularly through underwriting and investment activities. Best practice includes clearly articulating the actions available to influence change, such as direct engagement with high-emitting policyholders, and providing a transparent rationale for the chosen approach. This level of transparency enhances credibility and stakeholder trust.

Effective transition plans include setting out any dependencies, assumptions and limitations that could affect delivery of the plan. **Aviva** provides a strong example of this approach, ensuring transparency around factors that may influence successful implementation. Structured governance is also emerging as a key feature of effective transition planning. **Canopius** exemplifies best practice by clearly defining the scope and boundaries of its transition plan, aligning it with the TPT framework, and identifying focus areas across operations, underwriting, suppliers and investments. Similarly, aligning with the TPT framework, **esure** outlines formal processes for oversight, review and execution. This includes board-level oversight, executive review and clear allocation of responsibilities, helping to ensure accountability and progress tracking.

Development points

In many cases, transition plans are not yet integrated with members' broader strategies, materiality assessments or climate-related risk registers. This can result in plans appearing as standalone exercises rather than strategic responses to identified risks and opportunities. Best practice is demonstrated when members clearly articulate how their transition plan addresses material climate-related risks and opportunities, and how it underpins long-term business resilience. Transition plans also have the potential to play a more active role in mobilising transition finance, with the potential to unlock new investment opportunities now and in the future as the transition finance market starts to mature.

Biodiversity considerations are largely absent from current transition plans. While the integration of biodiversity and nature considerations into transition plans remains nascent, with less developed guidance compared to climate-related planning, members may wish to begin exploring how biodiversity-related actions could be incorporated into their planning frameworks, as early integration of nature-related risks and dependencies will help future-proof strategies and align with evolving stakeholder expectations. Emerging resources, such as guidance from the TNFD, can provide a foundation for this. Finally, there is also limited evidence that members have assessed or committed the resources needed to deliver their transition plans. Few submissions demonstrate that the necessary capabilities, funding, or operational support are in place on a sustained basis. Strengthening this aspect would improve confidence in the feasibility and durability of the plans.

Case study

NFU Mutual – a comprehensive transition plan

NFU Mutual's transition plan outlines the actions that the organisation is taking to achieve its ambition of becoming a net zero business by 2050. The plan is comprehensive, covering the entire value chain – including own operations, employees, investments, underwriting and supply chain – which reflects the organisation's strategic understanding of the importance of transitioning. Notably, the plan shows best practice by clearly aligning to the Group strategy, reinforcing the commitment to embedding climate considerations into decision-making processes. As part of its plan, NFU Mutual recognises that successful implementation of its Climate Change Strategy is crucial to protecting and enhancing the lives of its customers in the future.

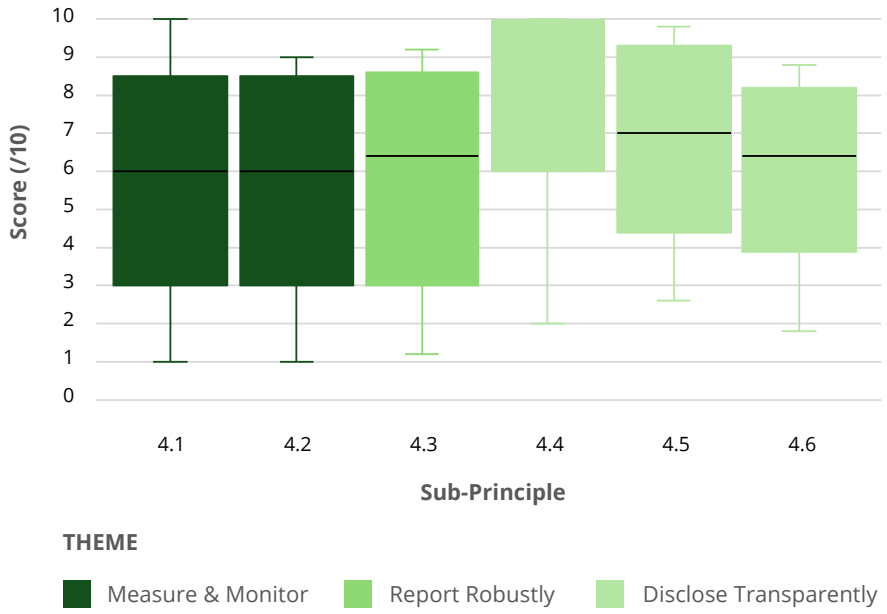
The plan's focus is on both reducing emissions and supporting customers in enhancing climate resilience, demonstrating NFU Mutual's recognition of its role in supporting the wider transition. NFU Mutual insurance products now offer cover for a range of low carbon solutions, from electric cars and solar panels, through to anaerobic digesters and micro wind turbines. The transition plan also particularly stands out for its inclusion of green claims services, such as the policy to repair rather than replace items. Importantly, NFU Mutual also acknowledges its role in protecting nature and biodiversity within the transition plan, with a commitment to review and evolve this approach as guidance and legislation evolve. There is also a dedicated section on a Just Transition, outlining how NFU Mutual aims to ensure the shift to a low carbon economy is fair and equitable, particularly for workers and communities that rely on industries that may be affected by this transition.

Figure 13: An overview of NFU Mutual's transition plan

Overarching Net Zero Ambition	**Net Zero by 2050 with interim targets and metrics to track progress**	
Our Strategy	To understand and respond to the impacts of climate change on our customers and our industry during the transition to a Net Zero Business Prioritising engagement and influence over exclusion	Seven strategic intents, focussing on members, employees, insurance, investments, premises, supply chain and solvency
Our Insurance Business	Develop insurance related products and services that aim to help mitigate the impacts of climate climate change and support the transition to a low-carbon economy	Reduce emissions associated with our claims services
Our Investments	Prioritise engagement with our investees over divestment Finance the transition by investing in green assets	Reduce emissions associated with our property investment portfolio Actively manage our portfolio to mitigate the impact of climate risk on our investments
Our Operations	Reduce emissions associated with our occupied premises Reduce emissions associated with business travel	Enable our employees to take positive climate-related action
Our Supply Chain	Prioritise engaging and influencing suppliers over supplier de-selection Work with suppliers to develop climate-related solutions	Actively monitor and manage supply chain emissions Embed ESG factors into supplier selection and management processes
Our Industry Influence	Engage with the industry stakeholders, such as DEFRA, the farming unions, and the ABI to drive progress towards Net Zero	Contribute to industry initiatives, such as ClimateWise and Principles for Responsible Investment to develop climate solutions and leverage industry influence
Our Accountability	Clear accountability and oversight of our Climate Change Strategy and Net Zero Roadmap Consideration of climate change incorporated into frameworks across the business to embed in decision making	Internal communication and education for all employees to embed climate throughout our culture

Principle 4: Disclosing Effectively

Figure 14: 2025 ClimateWise Disclosing Effectively scores, range by Sub-Principle



Organisations are increasingly expected to establish robust governance and reporting frameworks to support climate- and nature-related disclosures. Transparent and accurate disclosures enable stakeholders to hold organisations to account and assess progress credibly. Key to disclosing effectively is the development of appropriate quantitative and qualitative metrics to enable effective management of environmental IROs and inform strategic decisions.

High-quality reporting also requires clear procedures to ensure accuracy and integrity, and disclosures that are free from material misstatements. This is demonstrated by processes such as the development of a defined reporting procedure document, identification of the principal risks associated with misstatement, and putting controls in place to mitigate the identified risks. Finally, to support consistency and efficiency, organisations are encouraged to align climate- and nature-related disclosures with financial statements and regulatory requirements wherever reasonable. This integration reinforces transparency and helps to ensure that sustainability considerations are embedded across different reports, including risk and governance reporting.

Summary

ClimateWise members have established quantitative and qualitative metrics that are meaningful to the management of their business and clearly communicate this within their reports. Typically, underwriting risk metrics are well established throughout the membership, and the market leaders have developed robust impact and opportunity metrics to ensure that they are monitoring effectively across the sustainability strategy. Robust reporting remains a priority for the industry, with members producing concise, detailed disclosures that efficiently meet regulatory requirements. Best-in-class members are moving beyond comparative metrics for GHG emissions only and are providing clear year-on-year comparison data for several metrics and narratives, particularly when describing progress against actions and commitments. This is an indicator of the dedication to transparent reporting.

Sub-Principle 4.1: Measure and disclose the impacts and potential impacts on the business of material climate- and nature-related risks and opportunities, including the results of the resilience analysis.

Sub-Principle 4.2: Disclose the metrics used to measure and manage the member's contribution to climate- and nature-related risks, and targets for monitoring progress.

Key strengths

There is strong evidence across the membership that organisations are using quantitative and qualitative information to monitor climate- and some nature-related IROs. Members are increasingly tailoring metrics to reflect business activities. For example, as a loss adjuster, **Sedgwick** uses its position in the market to develop bespoke metrics to monitor natural hazards such as flooding to inform its surge planning and operational resilience. Members also show progress in embedding climate-related metrics into key decision-making processes, particularly in underwriting. **RenaissanceRe** provides a clear example of how metrics are used consistently across investments, underwriting and operations, aligned with its most material focus areas. This approach supports informed decision-making and reflects a mature understanding of climate-related financial impacts. Members demonstrate year-on-year improvement in the detail and breadth of emissions reporting. **RenaissanceRe** shows best practice in transparent reporting by breaking down emissions by emissions category and geography. Reduction targets for Scope 1 and 2 are common, and some members are beginning to quantify the Scope 3 emissions that are relevant to their business. Loss adjusters have a unique opportunity to develop bespoke metrics, which both support their own transition and risk management but can also be used by stakeholders such as insurers. For example, **Sedgwick** has built a carbon calculator to identify emissions hotspots within repair activities, illustrating how metrics are being used to inform and drive action.

Development points

While metrics are often focused on managing underwriting portfolios, there is limited narrative explaining how these metrics align with the risk register of organisations. This indicates a missed opportunity to demonstrate how climate-related risks are being systematically monitored and integrated into enterprise risk management. Members also frequently focus on short-term risk exposure, such as natural catastrophe events, without linking these risks to long-term business resilience. Best practice would be to reference resilience analysis and integrate this into the business model, strategy and financial planning, thereby supporting the ability to assess how climate-related risks could affect the future viability of the organisation. Further, only a few members have conducted a Scope 3 materiality assessment to identify which indirect GHG emissions across a company's value chain are most significant to its business and stakeholders. Undertaking such assessments helps organisations justify exclusions and ensures that measurement efforts are focused on the most material impacts. While emissions measurement is improving, most members do not yet include investments and insurance-associated emissions (IAEs). Although disclosure of IAEs is not typically mandated by regulators, this metric is critical for informing credible transition plans and strategic decisions. For this reason, members may wish to begin measuring these emissions internally, even if they do not disclose the information publicly.

Case study

Aviva – using metrics to inform decisions

Aviva provides clear evidence of using both quantitative and qualitative metrics to manage climate-related risks and opportunities. Demonstrating best practice on transparency, Aviva explains the rationale behind its selected metrics, clarifying their relevance, outlining where they sit in the value chain, whether they relate to physical or transition risks or opportunities, and referencing external data providers.

In addition to risk metrics, Aviva measures and discloses environmental metrics to track progress against its climate ambitions. These environmental metrics are embedded into core business processes, including monitoring risk appetite, business planning, and progress tracking against its net zero ambition. The environmental metrics include Scope 1, 2 and 3 emissions. This includes financed emissions from Aviva's investments, using Scope 1 and 2 data from investee companies for the calculations. A notable strength is Aviva's Scope 3 materiality assessment, which outlines data availability, materiality to Aviva and Aviva's level of influence of the emissions. While insurance-associated emissions are excluded, Aviva provides a clear rationale for this decision. Furthermore, several of Aviva's climate ambitions have been set using science-based frameworks reinforcing the credibility of its approach.

Importantly, Aviva is transparent about the limitations of its metrics, acknowledging challenges such as scope of coverage, data availability, extended time horizons and uncertainty in underlying assumptions. The organisation recognises, however, the value of these metrics in supporting effective climate-related governance, strategy, and risk management. By combining robust disclosure with clear rationale, science-based ambitions and a commitment to continuous improvement, Aviva sets a high standard for embedding climate-related metrics into strategic and financial decision-making.

Figure 15: Aviva's Transition Plan and Climate-related Financial Disclosure

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.

Key strengths

Members are taking active steps to ensure climate- and nature-related disclosures are accurate and free from material misstatements. **Beazley**, for example, has developed clear controls and processes designed to test the accuracy of information prior to reporting, identify any anomalies and challenge the quality of data; demonstrating a proactive approach to reliable reporting. Many members have documented procedures and internal control frameworks that guide the preparation and review of disclosures, helping to embed consistency and accountability. **Aviva** stands out for its internal audit review, which focuses on mitigating greenwashing risks, including an assessment of the readiness of the organisation to comply with the Financial Conduct Authority's (FCA's) anti-greenwashing guidance.[2] Additionally, members are demonstrating year-on-year improvements to climate risk reporting, particularly in articulating their material risks and the impact that these risks have on the organisation, reflecting a commitment to continuous improvement.

Development points

While some members have undertaken internal audits, consulting reviews or limited assurance exercises over their disclosures, few have shared the outcomes of these reviews or any resulting follow-up actions. Where this review has been undertaken, it would be beneficial to disclose the scope, findings, and any corrective measures taken to address identified issues. Additionally, members are not yet consistently demonstrating a well-structured data management system that enables independent verification, in contrast to the often well-documented calculation process. Establishing such systems would support more consistent and credible reporting, allowing for greater transparency in how disclosures are compiled and validated. This would also help organisations prepare for evolving regulatory expectations and stakeholder scrutiny.

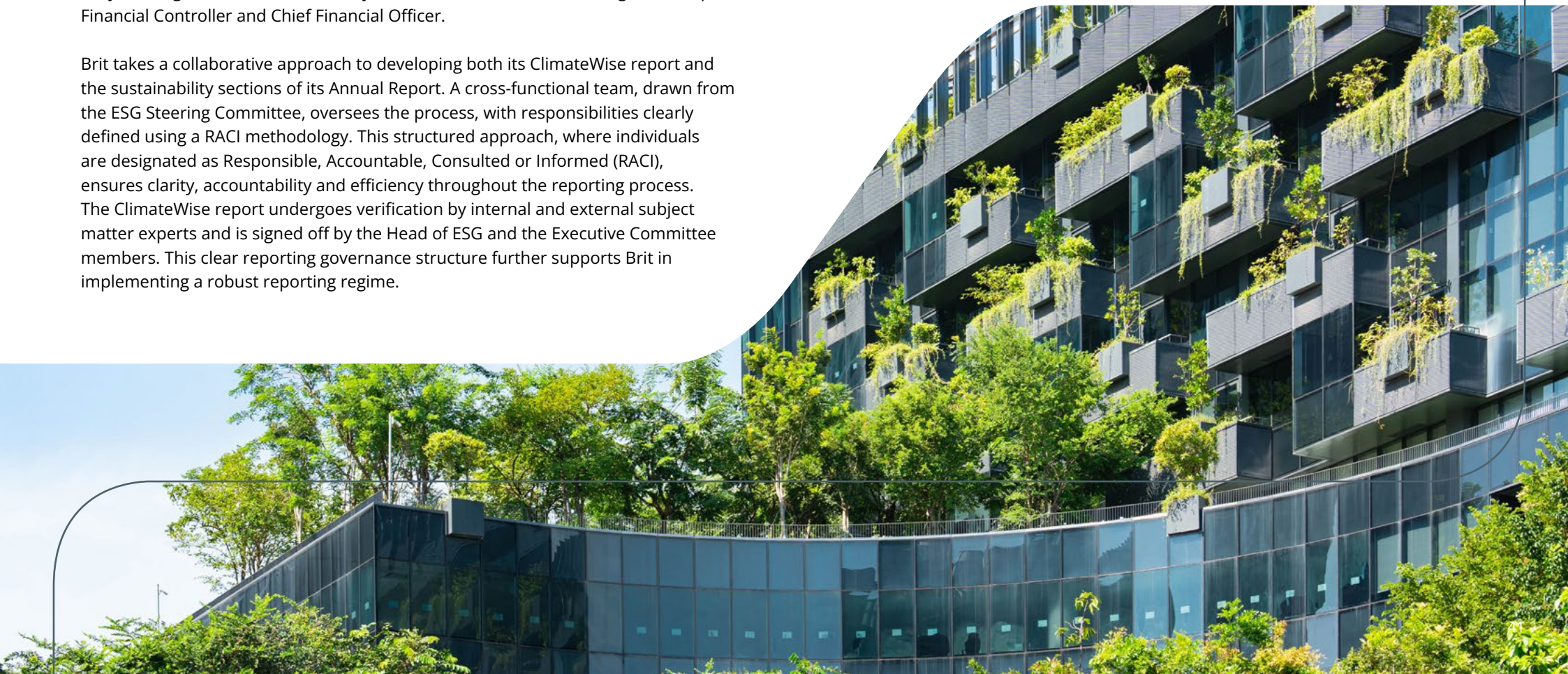
Case study

Brit – establishing robust controls and continuous improvement for climate reporting

Brit demonstrates a mature and well-governed approach to climate-related disclosures, maintaining and continuously enhancing its robust reporting regime. The organisation has implemented formal processes to ensure disclosures are free from material errors and misstatements, supported by strong internal controls and external review mechanisms. The ClimateWise report is aligned with the Annual Report, where sustainability-related content, including emissions calculations, is subject to rigorous internal review by senior finance leaders, including the Group Financial Controller and Chief Financial Officer.

Brit takes a collaborative approach to developing both its ClimateWise report and the sustainability sections of its Annual Report. A cross-functional team, drawn from the ESG Steering Committee, oversees the process, with responsibilities clearly defined using a RACI methodology. This structured approach, where individuals are designated as Responsible, Accountable, Consulted or Informed (RACI), ensures clarity, accountability and efficiency throughout the reporting process. The ClimateWise report undergoes verification by internal and external subject matter experts and is signed off by the Head of ESG and the Executive Committee members. This clear reporting governance structure further supports Brit in implementing a robust reporting regime.

Brit also outlines planned enhancements to its reporting framework, demonstrating a commitment to continuous improvement and ensuring that processes and controls evolve in line with the increasing maturity and complexity of climate-related disclosures. The formalisation of these processes positions Brit as a market leader in delivering high-quality, transparent and well-governed sustainability reporting.



Sub-Principle 4.4: Annual submission against the ClimateWise Principles.

Sub-Principle 4.5: Annual public disclosure of the climate-related disclosures including ClimateWise Principles as part of annual reporting.

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.

Key strengths

Organisations are producing reports to a high standard, characterised by clarity, transparency and succinctness. Many reports are designed with accessibility in mind, using well-structured and accessible language to enhance understanding. Members also recognise the importance of efficiency in reporting, ensuring that the report aligns with multiple relevant frameworks and maintains consistency in their disclosures. **Sanlam** lists the relevant climate disclosures that it undertakes, as well as where its ClimateWise report aligns with these regulatory requirements, ensuring efficiency in reporting and transparency around the framework used. **Sanlam** has also implemented a culture of continuous improvement, implementing processes to ensure that future reporting further aligns to international frameworks as well as any regulatory, scientific and stakeholder developments. Best practice is evident where assurance mechanisms, including internal or third-party reviews, are used to reinforce data integrity. **Intact** ensures that climate-related data is subject to quality control by a third party and publicly reports on any assumptions and methodologies related to emissions. Finally, climate- and nature-related disclosures are increasingly being aligned with financial statements, including scenarios considered, assumptions applied, reporting periods and emissions calculations. **Sanlam** clearly outlines how its ClimateWise report aligns with the financial reporting period and showcases best practice by disclosing a process for ensuring that this alignment is in place.

Development points

While the standard of reporting across members is generally high, there remain opportunities for further enhancement. Organisations are encouraged to clearly define the reporting period for their submission, ideally aligning with standard annual reporting practices. However, the ClimateWise framework encourages members to include relevant information from outside the reporting period, provided this is clearly identified. To further develop transparency, year-on-year comparisons are encouraged. This is currently most common in emissions data; extending this approach to other metrics and narratives would support more robust trend analysis. Although assumptions and limitations are frequently referenced throughout various reports, particularly regarding climate scenario analysis and emissions calculations, they are often not consistently presented in a coherent or comprehensive manner. Introducing a formal assumptions and uncertainty register would improve transparency and support stakeholder understanding.

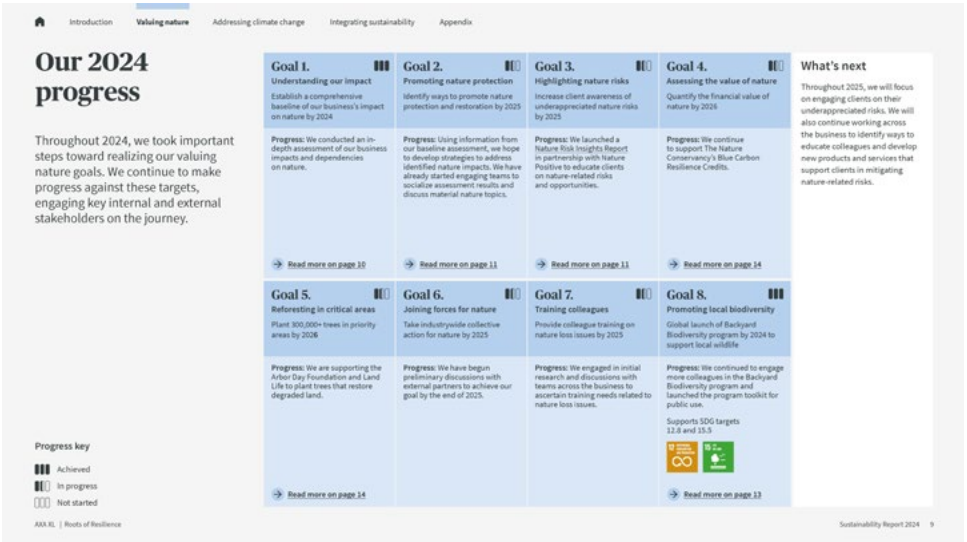
Case study

AXA XL – enhancing transparency in climate reporting

AXA XL demonstrates a strong commitment to transparent and structured climate-related reporting by embedding disclosures within its annual TCFD-aligned climate report and its annual sustainability report. Similarly its parent, AXA SA, publishes a sustainability statement in its annual report (Universal Registration Document) which aligns with Corporate Sustainability Reporting Directive (CSRD) requirements. This approach to disclosure supports AXA XL in aligning with industry best practices while ensuring efficiency and consistency across reporting outputs. The reports are clearly scoped with a defined reporting period and are written with a tone and structure that is tailored to their intended audience, showing best practice for sustainability reporting.

AXA XL publishes sustainability-related information on an annual basis, enabling year-on-year comparisons and progress tracking against key metrics. The organisation goes beyond emissions data by disclosing comparative data for a broader set of metrics. For example, its sustainability report includes an achievement progress key for its eight sustainability goals, categorised as “not started”, “in progress” or “achieved”. This demonstrates best practice for transparent reporting, as comparative data is important for showing progress, trends and accountability over time.

Figure 16: AXA XL’s achievement progress key



Scoring Methodology

The scoring maturity matrix was created to support the yearly ClimateWise submission scoring activities. Scoring is carried out at the Sub-Principle level and is weighted according to ClimateWise member type as outlined in Appendix 3.

Each Sub-Principle is scored from 0 to 10, dependent on the member's maturity against the ClimateWise maturity matrix. The level of maturity is grouped into four categories, defined as:

Red (0–2 points): the Sub-Principle is not met or is met in only the most basic of ways.

Yellow (3–5 points): improving level of evidence and application; however, this may be done in an unstructured or ad-hoc way.

Green (6–8 points): good practice.

Blue (9–10 points): best/leading practice.

Where members can demonstrate with appropriate evidence that they meet the Sub-Principles in ways not accounted for in the scoring maturity, they will receive a higher score.

Figure 17: Demonstration of the scoring maturity in practice for Sub-Principle 3.5: Disclose the organisation's climate- and nature-related transition plans and the objectives, priorities and commitments they are looking to address.

Guidance overview (example practices)	RED	YELLOW	GREEN	BLUE
Members' submissions demonstrate whether they have any climate- and nature-related transition plans in place and demonstrate how the transition plans interact with the business strategy.	No or limited evidence that the member has or is planning to develop a transition plan. Some credit may be given for evidence of: • considerations, plans or timelines to develop a transition plan; or • targeted indicatives to deliver on aspects of a transition plan. Particularly where such plans contain detail on expected contents for some components, and can be linked clearly to the business strategy.	Evidence of having a climate transition plan or the majority of the components of a transition plan in place. Some transition plan elements could be more tactical or reactive in nature. More credit will be given for evidence of the climate-related objectives and priorities the transition plan is looking to address.	Evidence of having a transition plan for climate change mitigation aligned to the member's strategy and with well-defined objectives and priorities which cover: • reducing its Scope 1, 2 and 3 GHG emissions • responding to climate-related risks and opportunities; and • contributing to the transition to a low GHG emission economy. The transition plan could also have elements of biodiversity.	In addition to 'Green', evidence of: • a clear, credible transition plan that is useful for its intended stakeholders • having biodiversity fully integrated in the transition plan.
Submissions could consider good practice in terms of additional information, and may include: • material information related to the transition plan(s) was included in general purpose financial reporting • the transition plan was also published as a single standalone document that sits alongside the general-purpose financial reports.	No or limited evidence of having or developing a transition plan in the general-purpose financial reporting.	Evidence of one or multiple of the following: • some material information related to transition plans is included in general-purpose financial reporting, however it is not clear how the member identified material sustainability-related financial information • a standalone document covering the transition plan was produced, however was not made available publicly • engagement of a narrow group of stakeholders about transition planning.	Evidence that demonstrates that material information from the transition planning has been included in general-purpose financial reporting. The transition plan was also published publicly as a single standalone comprehensive report.	In addition to 'Green', evidence of: • active engagement with a broad spectrum of internal and external stakeholders on transition planning • existence of a two-way dialogue to ensure that stakeholders' expectations are reflected in the transition plan • assurance or independent verification of information in the transition plan.
Members' submissions demonstrate consideration of the main expectations of disclosure around transition plans.	No or limited evidence was provided covering the targets and milestones the member set to measure progress. No or limited evidence on the challenges and limitations to draft a transition plan and how the member is looking to address those.	Evidence of one or multiple of the following: • setting short- or long-term targets and milestones to measure progress • some challenges and limitations of the transition plan; or • progress against the targets and milestones set.	Evidence of all of: • short-, medium- and long-term targets and milestones to measure progress and an update provided against those • key assumptions, dependencies, known challenges and limitations of the current transition plan.	In addition to 'Green', evidence of: • voting by shareholders of the transition plan • embedding and using the transition plan widely • the plan being updated more dynamically in response to significant changes of the internal or external operating environment (such as policies, climate transition, transition risk, etc).

In Figure 17, the member has provided a transition plan which connects to its wider strategy and covers all three emissions scopes. There are clear targets in place and the member recognises its position to continue to the transition to a low GHG emission economy. However, the standalone document was not made publicly available and there were no references to data challenges and limitations. In this case, the member would be expected to score between 4.8 and 6.8 against Sub-Principle 3.5 as a result.

After all Sub-Principles are scored, weighting is introduced which is dictated by the ClimateWise member type. Each Sub-Principle is assigned a weighting between 1.0 per cent and 15.0 per cent, such that the total weightings for all Sub-Principles add up to 100 per cent. Appendix 3 shows the weightings applied to each Sub-Principle for each type of ClimateWise member.

Recognising the different business models of members, the listed member categories below are exempt from the Investments and Underwriting Themes:

- Brokers
- Associations and Professional Bodies
- Professional Services
- Loss Adjusters
- Climate Modelling Firms.

Weighting by Member Type

Principle	Theme	Sub-Principle	P&C Insurers*	Life Insurers*	Reinsurers	Brokers	Associations & Professional Bodies	Professional Services (incl. Legal Firms)	Corporation of Lloyds'	Loss Adjusters	Climate Modelling Firms	Government-linked Insurers
Steering Transition	Governance	1.1	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
		1.2	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
		1.3	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
		1.4	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	Strategy	1.5	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
		1.6	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
		1.7	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
	Risk Management	1.8	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	15.0%	2.5%
		1.9	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	15.0%	5.0%
		1.10	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Engaging Stakeholders	Operations	2.1	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%	5.0%	5.0%	5.0%
		2.2	2.5%	2.5%	2.5%	5.0%	5.0%	5.0%	2.5%	5.0%	2.5%	2.5%
	Value Chain	2.3	2.5%	2.5%	2.5%	5.0%	5.0%	5.0%	2.5%	5.0%	2.5%	2.5%
		2.4	2.5%	2.5%	2.5%	5.0%	5.0%	5.0%	2.5%	5.0%	2.5%	2.5%
	Innovate & Advocate	2.5	7.5%	7.5%	7.5%	12.5%	12.5%	12.5%	10.0%	12.5%	7.5%	10.0%
		2.6	7.5%	7.5%	7.5%	12.5%	12.5%	12.5%	10.0%	12.5%	7.5%	10.0%
		2.7	2.5%	2.5%	2.5%	10.0%	10.0%	10.0%	7.5%	10.0%	7.5%	10.0%
Enabling Transition	Investments	3.1	5.0%	7.5%	5.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	2.5%
		3.2	5.0%	7.5%	5.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	2.5%
	Underwriting	3.3	7.5%	5.0%	7.5%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	2.5%
		3.4	7.5%	5.0%	7.5%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	2.5%
	Transition Plans	3.5	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
		3.6	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Disclosing Effectively	Measure & Monitor	4.1	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
		4.2	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
	Report Robustly	4.3	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	5.0%
	Disclose Transparently	4.4	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
		4.5	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
		4.6	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

** Members who sell both Life and Property & Casualty products will receive a score calculated using the average weighting of these two categories.*

Member Ranking

Rank 2025	Score* 2025 (%)	Score* 2024 (%)
1st	80	74
2nd	76	64
3rd	74	61
4th	73	67
5th	72	62
6th	71	68
7th	71	56
8th	71	67
9th	67	61
10th	67	61
11th	60	53
12th	60	51
13th	59	49
14th	59	54
15th	58	60
16th	58	56
17th	57	53

Rank 2025	Score* 2025 (%)	Score* 2024 (%)
18th	57	58
19th	56	51
20th	54	54
21st	53	46
22nd	52	N/A
23rd	49	63
24th	48	53
25th	47	44
26th	46	46
27th	46	44
28th	46	35
29th	44	41
30th	39	32
31st	29	N/A
32nd	28	40
33rd	25	N/A

* *Members have been ranked based on their individual scores. While scores are presented rounded to the nearest whole number for clarity, the underlying calculations are based on precise decimal values. As a result, members with seemingly identical scores may appear at different ranks due to differences at the decimal level.*

References

» GO BACK TO PREVIOUS VIEW

1 Taskforce on Nature-related Financial Disclosures, *Guidance on nature in transition plans* (TNFD, 2025), https://tnfd.global/wp-content/uploads/2025/11/Guidance-on-nature-in-transition-plans_DIGITAL-1.pdf?v=1762260405.

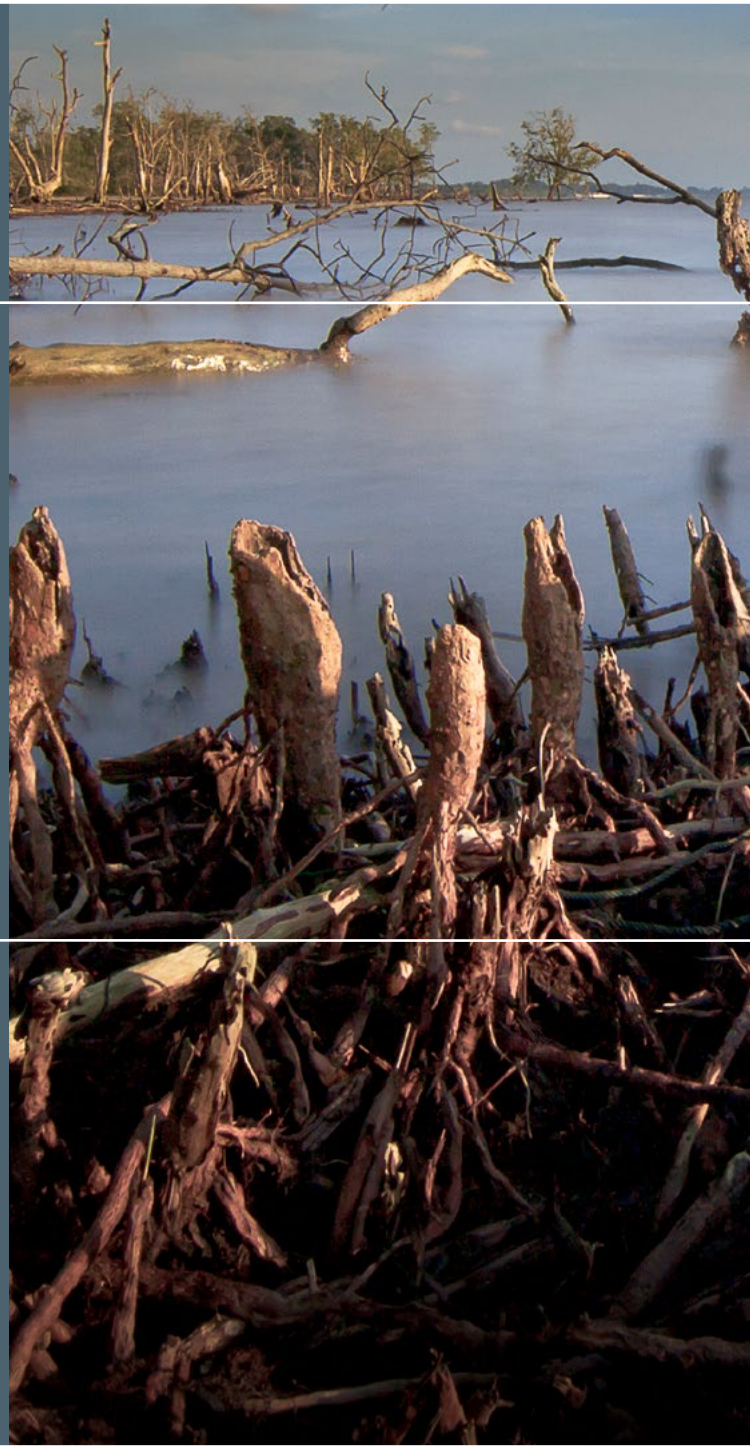
2 Financial Conduct Authority, *Finalised non-handbook guidance on the Anti-Greenwashing Rule* (FCA, 2024), https://www.fca.org.uk/publication/finalised-guidance/fg24-3.pdf.

Crowe Disclaimer

By reading this publication, readers accept and agree to the following terms:

- This publication is for informational purposes only and should not be construed as financial or legal advice. This is not in any way an assurance statement of any specific climate- or nature-related risk management programme. You are encouraged to seek guidance specific to your circumstances from qualified advisors in your jurisdiction.
- The work by Crowe U.K. LLP was performed for the University of Cambridge (our client) in accordance with instructions provided by our client, at our client's direction and for our client's sole benefit and use.
- Crowe U.K. LLP does not accept any liability with respect to ClimateWise members or any other organisation, nor should you place any reliance on the feedback other than for the purposes of continuous improvement.
- Crowe U.K. LLP is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe U.K. LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe U.K. LLP.

ClimateWise



Cambridge insight, policy influence, business impact

The University of Cambridge Institute for Sustainability Leadership (CISL) brings together business, government and academia to find solutions to critical sustainability challenges.

Capitalising on the world-class, multidisciplinary strengths of the University of Cambridge, we deepen leaders' insight and understanding through our executive programmes; build deep, strategic engagement with leadership companies; and create opportunities for collaborative enquiry and action through our leadership groups.

Over more than 30 years we have built up a leadership network of nearly 40,000 leaders and practitioners from business, government and civil society, who have an impact in every sector and on every continent. Their experience and insights shape our work, which is further underpinned by multidisciplinary academic research. His Majesty King Charles III is CISL's Royal Founding Patron and has inspired and supported many of the Institute's initiatives, during his time as the Prince of Wales.

Head office
The Entopia Building
1 Regent Street
Cambridge CB2 1GG
United Kingdom

info@cisl.cam.ac.uk

EU office
Norrsken House
Rue du Commerce 72
B-1040 Brussels
Belgium

info.eu@cisl.cam.ac.uk

South Africa
Workshop17 NCG
146 Campground Road
Newlands 7780
Cape Town, South Africa

info.sa@cisl.cam.ac.uk

www.cisl.cam.ac.uk/climatewise

UNIVERSITY OF CAMBRIDGE | Institute for Sustainability Leadership