Hiscox - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Hiscox is a global specialist insurer, headquartered in Bermuda and listed on the London Stock Exchange (LSE:HSX). Our ambition is to be a respected specialist insurer with a diverse portfolio by product and geography. We believe that building balance between catastrophe-exposed business and less volatile local specialty business gives us opportunities for profitable growth throughout the insurance cycle.

The Hiscox Group employs 3,000 people in 14 countries, and has customers worldwide. Through the retail businesses in the UK, Europe, Asia and the US, we offer a range of specialist insurance for professionals and business customers as well as homeowners. Internationally traded, bigger ticket business and reinsurance is underwritten through Hiscox London Market and Hiscox Re & ILS.

Our values define our business, with a focus on people, ownership, connectedness, courage and integrity. We pride ourselves on being true to our word and our award-winning claims service is testament to that.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	November 1 2019	October 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Belgium
Bermuda
France
Germany
Guernsey
Ireland
Luxembourg
Netherlands
Portugal
Singapore
Spain
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Investing (Asset owner)

Insurance underwriting (Insurance company)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Risk Committee of the Board oversees the risk management framework and advises the Board on how to best manage the Group's risk profile (which includes its exposure climate-related risks) and overall risk appetite, tolerance and strategy. The Risk Committee of the Board also engages in focused reviews, including the potential impact to the business of climate change risks, outlining current disclosure requirements and exploring our response to the uptick in interest from regulators and other key stakeholders when it comes to climate. The Risk Committee is made up of the following individuals: Risk Committee Chairman and Deputy Chairman, and Independent Non-Executive Directors. It is also attended by CEO, CFO, CUO, CRO, Global Retail CEO, Head of Internal Audit and other senior executives as required. The role of these individuals is to provide advice, oversight and challenge to embed and maintain a supportive risk culture throughout the Group. Individuals to not have specific job roles as part of the Risk Committee; instead they have a collective group oversight and responsibility for ensuring the Group adheres to robust management practices. The Risk Committee instead operates against a defined Terms of Reference and remit.
Please select	The Audit Committee of the Board monitor the scope, results and cost effectiveness of the internal and external audits, as well as a range of other things. When the business is exposed to natural catastrophes, the Audit Committee of the Board receives an update on the processes that the company conducts when significant events, such as California wildfires or Japanese typhoons, arise. It is imperative that the company can quickly, and to a reasonable degree of accuracy, estimate the gross and net losses arising from such events and the Audit Committee of the Board is responsible for overseeing internal controls and processes including reserving and claims for catastrophes. The Audit Committee is made up of the following individuals: Chairman of the Audit Committee (who also serves as the Group Whistleblowing Champion), Independent Non-Executive Directors and is attended where relevant by Executive Management including the CEO, CFO, CUO, and Chief Actuary. Similarly, individuals to not have specific job roles as part of the Audit Committee; instead they have a collective group oversight and responsibility for audit matters and operate against a defined Terms of Reference and remit.
Other, please specify (Group Chief Underwriting Officer)	Our Group Chief Underwriting Officer sits on the Board and is responsible for overseeing how we underwrite catastrophe risk, as well as how we model our exposure and stress test certain catastrophes. Climate change has a real impact on our core business and climate-related catastrophes are included in our modelling. Hiscox has a strong culture of using climate risk modelling to aid the assessment of current and future risks. A large part of Hiscox's pricing, capital, reserving and reinsurance models are underpinned by our catastrophe research and modelling activities, as well as by our customer and claims data. Hiscox recognises the opportunity to develop products to help manage our customers' evolving climate-related risks.
Other, please specify (Group CEO and Hiscox UK CEO)	In 2019, we updated the roles and accountability of senior managers within our UK business units to include climate-related risks, in line with the PRA's recommendations in its Supervisory Statement on how banks and insurers should manage their climate-related financial risks. Under the PRA Supervisory Statement 33/19, insurance company boards are required to 'understand and assess the financial risks from climate change that affect the firm, and to be able to address and oversee these risks within the firm's overall business strategy and risk appetite'. As a result, our Group CEO and Hiscox UK CEO have been appointed SMFs with responsibility for climate change on our relevant UK boards. As such, they are responsible for ensuring physical, transition and liability risks arising from climate change, and their potential impacts, are considered over a range of business planning timeframes. The key responsibilities of the SMFs are to ensure the following high level outcomes: • Governance: The entity Board understands and is able to assess the financial risks from climate change to oversee these risks from within the firm's overall business strategy and risk appetite. The Board has the right knowledge and tools to discharge this duty. • Risk Management: The entity Board is able to identify, manage and monitor transitional and physical risks associated with climate change. Risks and opportunities are considered in relation to strategy, balance sheet, and operations. • Scenario Analysis: Periodic stress testing is enhanced to include transitional and physical scenarios and considers both the long and short-term impacts to business planning, strategy and operations. • Disclosures: A consistent and appropriate approach to disclosure of the financial risks from climate change is embedded. The SMFs have established a cycle of reporting to the Executive Committee and UK entity Boards on climate-related issues, . We have held a number of Group Board informational sessions on climate change during 2020, where current exposure to – and management of – climate change risks were discussed. We will build on continue to develop and embed our approach and legal entity specific plans further in 2021.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our insurance underwriting activities	The Hiscox Board has overall responsibility for every aspect of business performance. Our continuing success depends on how well we understand and manage the significant business risks we face, including those resulting from climate change. The Board is at the heart of risk governance and is responsible for setting the Group's risk strategy and appetite, and for overseeing risk management. Climate-related risks, among other major exposures, are monitored and measured both within our business units and at Group level, so we understand how much overall risk we take and what is being done to manage it. We look at how different risks interact and whether these may result in correlations or concentrations of exposure that we need to know about, monitor and manage. The Board meets at least four times each year, and to facilitate management of the business, the Board appoints and authorises a number of committees to manage aspect of the Group's affairs including risk, remuneration, investments and audit, with each committee chaired by a Board member. In 2019, the Board and the Executive Committee committed to twice-yearly updates and discussions on climate-related issues. In reality, the Board will discuss climate-related matters more frequently. During 2020, these sessions have covered: an overview of our current approach to ESG issues including climate change; approval of the Hiscox Responsible Investment Policy, assessing our underwriting exposures to key sectors, climate as an emerging risk at Risk Committee, updates on ESG reporting, our participation in indices such as CDP, ClimateWise and FTSE4Good; defining a set of metrics and targets we will use to track our progress on climate change activity, and then ESG more broadly. Of specific relevance to climate change is the Risk Committee of the Board. The Risk Committee advises on how best to manage the Group's risk profile by reviewing the effectiveness of risk management activities and monitoring the Group's actual risk exposure, to inform Board decisions. The Risk Committee relies on updates from within the business and from independent risk experts. This group oversees the risk management framework, development and operational implementation of risk management policies and procedures and advises the Board on how best to manage the Group's risk profile. Additionally, UK entity Board discussions regarding climate change have taken place bi-annually and progression towards strategic climate action plan commitments monitored quarterly. This allows us to consider the risks that climate change presents to all aspects of Hiscox's risk profile and balance sheet. The Natural Catastrophe Exposure Management Group meet quarterly to review our exposure to climate related risks. Results are also communicated across the business and reported to the Risk Committee of the Board and to the Board itself whenever necessary.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Risks Officer (CRO)	CEO reporting line	Assessing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our other products and services Risks and opportunities related to our own operations	Half-yearly
Risk committee	Reports to the board directly	Other, please specify (Assessing and managing climate-related risks and opportunities.)	Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our own operations	Annually
Other, please specify (Group Head of Catastrophe Research)	Please select	Assessing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our own operations	As important matters arise
Other, please specify (Exposure Management Groups)	Please select	Assessing climate-related risks and opportunities	Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our own operations	Quarterly
Other, please specify (ESG Executive Sponsor)	CEO reporting line	Other, please specify (To help ensure Board and Executive Committee oversight of ESG issues, including climate-related issues.)	Risks and opportunities related to our investing activities Risks and opportunities related to our insurance underwriting activities Risks and opportunities related to our own operations	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Risk committee: To facilitate management of the business, the Hiscox Board appoints and authorises a number of committees to manage each aspect of the Group's affairs, each chaired by a Board member who reports directly to the Board. Of specific relevance to climate change is the risk committee of the Board. The risk committee advises on how best to manage the Group's risk profile by reviewing the effectiveness of risk management activities and monitoring the Group's actual risk exposure, to inform Board decisions.

The risk management framework created as a result of the strategic reviews and decisions of the Risk Committee of the Board operates as a continuous process that is embedded in the Group's culture. It is supported by a central risk team that reports directly to the Risk Committee of the Board. This risk team monitors and reviews the risk profile and the effectiveness of our risk management activities, including compliance with, and recommendations for any changes to, our defined risk strategy and risk appetite. In turn, the central risk team is supported by several Group-wide and local forums focusing on specific risk types.

Natural catastrophe risk for example is reviewed at least quarterly by the natural catastrophe exposure management group, led by the head of underwriting risk and reinsurance and made up from senior representatives of the catastrophe modelling team, members from businesses such as London Market, Re & ILS, and Retail, the risk team, and the chief underwriting officers from across the company.

Activities undertaken as a result typically include conducting research to better understand the risks by improving our management of risks across the business. Hiscox is also working to inform national and international policy in order to tackle climate change and develop economies which are resilient to climate change, predominantly through relevant industry bodies and associations. We engage in communication with customers and encouraging them to mitigate certain climate-related risks where possible and adapt to other risks and work closely with Lloyd's of London.

The Natural Catastrophe Exposure Management Group is chaired by the Group Chief Underwriting Officer and attended by other Hiscox senior managers with responsibility for catastrophe exposed business. This group looks at the risk landscape, exposure monitoring and capital modelling for climate-related perils.

The Chief Risk Officer reports to the Group CEO as well as the Chair of the Risk Committee. The Risk team working for the CRO is responsible for ensuring that the business continues to meet regulatory expectations around enterprise risk management as well as reporting on risk to the Board and the Risk Committees.

Group Head of Catastrophe Research is responsible for leading the research that directly informs the HVOR (Hiscox View of Risk) for natural climate-related catastrophes including but not limited to wind, flood and earthquake. The HVOR is applied across the Group to inform pricing and risk appetite. This research and insight is often shared with the industry to help in our collective understanding of climate risk and the modelling of climate risk.

Hiscox also recognises the opportunity to development products for tackling climate change. Hiscox has used the findings of the catastrophe modelling team and the emerging risks team, working through the Risk Committee of the Board, to identify new technologies for tackling climate change and have gone on to identify appropriate changes to, or the introduction of new insurance products.

ESG Executive Sponsor

In November 2018, we appointed an ESG Executive Sponsor for the Group. The Executive Sponsor:

· Defines how Hiscox is a responsible business and develops our ESG strategy with the Executive Committee and the Board

· Provides ESG updates to the Executive Committee and the Board

· Acts as senior media spokesperson on relevant issues

· Provides senior representation on appropriate external opportunities, including as a member of the ClimateWise Insurance Advisory Panel

This position is currently held by the Group's Chief Investment Officer, who reports up to Executive Committee level via the Group's Chief Financial Officer.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	Yes, as an investment option for some plans offered	Hiscox has two pension arrangements – a closed final salary scheme and a Group personal pension plan. Under the former, trustees are responsible for investment decisions and under the latter, it falls to individual members. Members of the Group personal pension plan have access to an ethical UK equity fund. The fund is managed by BMO and invests only in assets which meet the fund's pre-defined ethical screening criteria. Information about this fund is readily available to staff in the scheme booklet and online. If employees wish to consider changing their pension investment arrangements, tools are available online to help guide their choices. Reference to the availability of an ethical fund is also made during staff pension presentations which take place approximately once a year.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	Given the nature of our exposure as a property and casualty (P&C) insurer, with majority of our business being annual insurance policies, a 0-2 year view is in keeping with the products we write. Hiscox continually identifies catastrophic and systemic risks from damage caused by a range of catastrophes, including natural events such as hurricanes and earthquakes, as significant enough to be rated as principal risks to the business. In addition, Hiscox's current list of most significant future disaster scenarios are predominately based on natural catastrophes and all are climate-related except for major earthquakes. The list includes US flood risk; Florida windstorm; European windstorm. Hiscox publishes its exposure to these extreme loss scenarios twice yearly during its full year and half year financial results statements to the market.
Medium-term	2	5	Business planning across the group is also considered in 3 year time-frame and looks at emerging risks over this horizon.
Long-term	5	10	The Group considers longer term strategic risks from 5+ years given the changing nature of climate risk and our business.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Hiscox considers substantive financial risk initially from a capital perspective, taking into account balance sheet impact. We consider strategic impact through our position in the market and changes to the trading environment, e.g. a change in customer needs and/or behaviour.

Hiscox considers substantive emerging risks, such as implications from climate change as an issue that is perceived to be potentially significant but which may not yet be fully understood or fully allowed for in insurance terms and conditions, pricing, reserving or capital setting as it is newly developing and/or evolving. Given the uncertainty regarding the potential impacts of such risks, they are often difficult to quantify.

Hiscox typically focuses on exposures:

· From internal and external sources;

· Not already identified, monitored or actively managed;

· Which have a high likelihood of occurring in the next five years;

· Whose financial, operational or strategic impact could be material; and

· That can realistically be acted on to seize an opportunity or reduce a risk.

Within this, Hiscox defines a 'Grey Swan' as a type of emerging risk, a potential threat or opportunity to the value of Hiscox that can be identified but has yet to be deemed to have materialised

Climate change is considered to be an emerging risk that could have a material strategic impact on the Group, by altering the frequency and severity of weather events such as storms and flooding. It could also present an opportunity, driving greater demand for cover against changing extreme weather events and creating a need for innovative new products to meet emerging needs resulting from climate change. We consider the various impacts climate change could have on our risk profile, including transition risks impacting the loss experience of those risks currently within our appetite. The financial impact on our assets and liabilities and impact to strategy, operations and solvency profile as a result, is actively identified and addressed through stress and scenario testing and risk modelling.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
We are exposed to new and evolving regulations relating to climate change and therefore managing the impact of our operations when it comes to climate is part of what we do. It is why we set carbon emission reduction targets, which we publicly report against annually and which we monitor over short, medium and longer term timescales in line with our emission reduction ambitions and external expectations.

Value chain stage(s) covered
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
We have an embedded process through which we monitor the impact of climate change on the products and services we offer, given our intrinsic exposure to climate change through the insurance and reinsurance products we provide. This embedded process is part of our existing risk management processes and climate change is not treated as a stand-alone risk.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Complying with current regulation is necessary in order for us to operate and provide products that respond to climate risk. Changes in regulation for flood cover for example will likely require changes in policy wordings, and we are an active participant in flood cover in both the UK and the US. There is growing regulatory awareness, in the UK and Europe in particular, that climate-related risks pose a threat not only to the stability of individual insurance companies but also as a systemic shock to the market. We are proactively responding to the increased focus by embedding climate risk management within existing Group-wide risk and governance structures, incorporating climate-related issues into business strategy and reporting on material risks. We are developing tools and metrics to monitor exposure to this risk and explicitly considering physical, transitional and liability risks. For example: following the PRA's 2018 consultation on how to enhance banks' and insurers' approaches to managing the financial risks from climate change, the PRA became the first regulator in the world to publish supervisory expectations in April 2019 as to how banks and insurance companies develop an enhanced approach to managing the financial risks from climate change. In 2019 we submitted an action plan to the PRA to address their expectations, particularly with regard to Board strategy and ownership of climate risk management. We have since embedded a strategic action plan for our UK boards that meets the requirements of the PRA and outlines how we will manage the multi-decadal challenge of climate risks holistically across the risk profile. Within this framework, each of the UK carriers has a dedicated senior manager with regulatory responsibilities under the SMCR regime for managing the financial risks from climate change. We continued to embed this framework throughout 2021.
Emerging regulation	Relevant, always included	Monitoring emerging risk and regulation to see how our business can adapt is necessary to be able to operate in the medium term and respond to climate risk. Hiscox has a Compliance function that reports to the Chief Risk Officer (CRO). This function scans the horizon for emerging regulation and monitors the implementation of existing and new regulations. The CRO and the Head of Compliance have an on-going dialogue with the key regulators of the Group, including the PRA and the FCA in the UK and the BMA in Bermuda. The Compliance function regularly performs horizon scanning and is tracking closely the increasing regulatory response to climate change. Their work is supported by our ESG working group which also performs broader ESG and climate-related horizon scanning.
Technology	Relevant, always included	Technology is a key enabler to improving processes and understanding risk trends. Tech-related risks and opportunities are assessed at both a Group and business unit level, for example in the area of flood insurance, where we have created flood risk mapping tools that we can use with our customers. To better understand climate related catastrophe insurance risks Hiscox reviews new technologies for their climate-related aspects, from fracking (hydraulic fracturing forcing out natural gas from shale rock) to offshore wind farms and has started looking at carbon capture developments. In addition, we have analysed domestic and business use of wind turbines, solar panels, etc. We have used this analysis to inform our home insurance policies and to update our insurance products, based on these new technologies. Examples of how we have adopted these include: In the UK, Hiscox works with LeakBot technology to help customers reduce the risk of escape of water events. So far, Hiscox has provided devices to almost 2,000 of its customers, around 15% of whom have had alerts of possible leaks. We also work with AnyJunk in the UK, an environmental waste firm, so that rubbish removed from our UK property claims, such as those affected by flood or fire, will not go to landfill. AnyJunk uses smart technology to work with local waste collection companies to provide a low carbon footprint and environmentally friendly responsible clearance service for bulky waste. In 2020, AnyJunk made 573 collections for Hiscox, collected a total of 275,000kg of rubbish resulting from Hiscox claims, 95.3% of which was reused or recycled.
Legal	Relevant, always included	Hiscox employs legally trained individuals across key areas of the business, including senior members of Legal Counsel and Claims. As and when required we also engage external legal counsel. Both resources monitor emerging legal requirements to assess potential impacts. Upcoming changes to legislation and the introduction of new legal acts are reviewed by Legal Counsel, with support from Compliance where applicable. An example of this relating to our climate related risk assessments is the bribery act, bringing in stricter guidelines and further transparency relating to the payment of clients and third parties to influence their outcomes. In addition, as part of our wider underwriting reviews, we also look at emerging litigation risk from products we offer or second or third order impacts as a result of climate change.
Market	Relevant, always included	As part of our investment risk management and oversight process we undertake regular climate change stress testing on our investment portfolios. Our ESG exclusions policy states that from 1 January 2022 we do not intend to directly invest into securities of companies that generate more than 30% of revenues from thermal coal extraction or power generation, Arctic energy exploration activities or oil sands
Reputation	Relevant, always included	Maintaining our reputation for being a good employer, insurer and member of the community is incredibly important to Hiscox. When climate related events occur, including damage or devastation from flood, fire or windstorm we see first-hand the impact it has on our customers – how we respond has a big impact on our reputation. We plan for events like these and our claims team swing into action with the objective of paying claims fast and fairly. An example of this was how we responded to the historic 2017 catastrophe events.
Acute physical	Relevant, always included	It is our policy to have a responsible approach to identifying and minimising the environmental impacts of both our business activities, and our ownership and occupation of premises. Our impact on the climate is a clear concern to us, and the climate risks vary from location to location. In 2017 we revised our environmental management approach. After reviewing current practice they created and introduced the guided autonomy (GA) management model across the whole of Hiscox Group's activities. GA is one of a suite of Group governance and corporate responsibility disciplines, including business continuity, health and safety, building compliance and security, and the environment. The goal is to achieve or where possible exceed compliance with relevant environmental legislation in each operating territory.
Chronic physical	Relevant, sometimes included	Realising the physical impacts climate risk and extreme weather can have to our site facilities, we take a proactive approach when considering the procurement and protection of our buildings. An example of this is our office in York which we built to high BREEAM standards and with built in climate resilient measures. The environmental credentials of a building, as well as the potential climate impacts of a location are key factors when considering the procurement or leasing of new office buildings.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	As part of our regular reporting from our directly invested portfolios, we require our managers to provide climate related disclosures in line with TCFD. This includes details of the carbon intensity of our portfolios amongst other metrics. We also require our managers to undertake stewardship in line with the PRI's guidance and focused on seeking sustainability outcomes and prioritising common goals and collaborative action, including engagement with investee companies on our behalf in line with our Paris Commitment. We have established monitoring at an overall portfolio including carbon footprint and intensity, alongside monitoring of ESG exclusions (including exposure to thermal coal, oil sands and artic energy exploration) as well as sustainable product research metrics. We also run regular climate stress testing across all of our asset portfolios, and look to update the approach as the scenarios and methodologies develop.
Insurance underwriting (Insurance company)	Yes	Catastrophe risk models quantify risk by calculating the hazard (using factors such as wind speed, ground motion or water depth), defining the portfolio of assets involved (building types, value and contents), calculating the damage (to buildings, contents, business continuity, etc.), applying financial structures (deductibles, reinsurance layers) and finally estimating the loss (to insurers and reinsurers). In order to identify and manage business risks, we have developed a risk management framework, which we regularly review and refine in light of the changing risk environment and evolving best practice on risk management. Our risk management framework is designed to oversee a culture of innovative and prudent underwriting. In addition, natural catastrophe risk is reviewed at least quarterly by the Natural Catastrophe Exposure Management Group, which is led by the Director of Underwriting Risk and Reinsurance and comprises senior representatives of the catastrophe modelling team, members from each business area, the risk team, and the Chief Underwriting Officers from across the Group. This group looks in detail at the latest information on natural catastrophes and recommends, based on the latest observations and scientific knowledge, which model(s) should be used for each peril, and how they should be adapted, if necessary, to reflect our best view of the risk. They also identify new areas of risk research. All changes to modelling policy and all of our research prioritisations and results are signed off and authorised by this group, decisions are recorded, and models are adapted to reflect policy. Their work not only enables us to continuously refine our models (using data to make better decisions); it also supports future product development. For example, we have calibrated and delivered a loss model that will improve the pricing capabilities for one of our flood insurance product, FloodPlus. We also included the use of additional model sources for location-level pricing. In addition, we are working with data providers to augment FloodPlus with first floor elevation data, and are exploring the use of machine learning to augment the information we receive from vendor flood hazard maps.
Other products and services, please specify	Not applicable	Our business is in insurance and reinsurance therefore the focus in on assessing the risk within our underwriting and in addition regarding our investments.

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Majority of the portfolio	Qualitative and quantitative	As part of our regular reporting from our directly invested portfolios, we require our managers to provide climate related disclosures in line with TCFD. This includes details of the carbon intensity of our portfolios amongst other metrics. We also require our managers to undertake stewardship in line with the PRI's guidance and with a focus on seeking sustainability outcomes and prioritising common goals and collaborative action, including engagement with investee companies on our behalf in line with our Paris Commitment. We have established monitoring at an overall portfolio level, including carbon footprint and intensity, alongside monitoring of ESG exclusions (including exposure to thermal coal, oil sands and arctic energy exploration) as well as sustainable product research metrics. We also run regular climate stress testing across all of our asset portfolios, and look to update the approach as the scenarios and methodologies develop.
Insurance underwriting (Insurance company)	Minority of the portfolio	Qualitative and quantitative	We have a risk management framework, which we regularly review and refine in light of the changing risk environment and evolving best practice on risk management. Our risk management framework is designed to oversee a culture of innovative and prudent underwriting. In addition, natural catastrophe risk is reviewed at least quarterly by the Natural Catastrophe Exposure Management Group, which is led by the Director of Underwriting Risk and Reinsurance and comprises senior representatives of the catastrophe modelling team, members from each business area, the risk team, and the Chief Underwriting Officers from across the Group. This group looks in detail at the latest information on natural catastrophes and recommends, based on the latest observations and scientific knowledge, which model(s) should be used for each peril, and how they should be adapted, if necessary, to reflect our best view of the risk. They also identify new areas of risk research. Also, our Group CEO and Hiscox UK CEO have been appointed SMFs with responsibility for climate change on our relevant UK boards. As such, they are responsible for ensuring physical, transition and liability risks arising from climate change, and their potential impacts, are considered over a range of business planning timeframes. And finally, our Board and Executive Committee have committed to twice-yearly updates and discussions on climate-related issues. During 2020, these sessions have covered: an overview of our current approach to ESG issues including climate change; assessing our underwriting exposures to key sectors; updates on ESG reporting, our participation in indices such as CDP, ClimateWise and FTSE4Good, and our contribution to the Dow Jones Sustainability Index; development of our first responsible investment policy; and defining a set of metrics and targets we will use to track our progress on climate change activity, and then ESG more broadly.
Other products and services, please specify	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Majority of the portfolio	We have established monitoring of sustainable product research metrics. This enables us to identify our exposure to companies with social and environmentally progressive revenue streams in the portfolio. One of those revenue streams is 'Water'.
Insurance underwriting (Insurance company)	Yes	Minority of the portfolio	We assess our water-related exposure in those parts of the business where we write flood business - specifically in Hiscox UK, Hiscox London Market, Hiscox Re & ILS. This includes monitoring water level trends to prevent a concentration of exposure and identify locations where more business could be written.
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Please select	We have established monitoring of sustainable product research metrics. This enables us to identify our exposure to companies with social and environmentally progressive revenue streams in the portfolio. One of those revenue streams is 'Sustainable Agriculture, Food & Forestry'.
Insurance underwriting (Insurance company)	No, we don't assess this	<Not Applicable>	We do not currently assess our exposure to forest-related risks and opportunities.
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Hiscox outsources the management of the Group's investment assets to a range of specialist third party fund management experts and investment managers, who deal with securities and stock selection on a day-to-day basis and manage the investment risks on our behalf. As good business practice, Hiscox expects its asset managers to invest in companies that have sound ESG practices. We also expect all our investment managers to sign up to organisations and principles which demonstrate their commitment to ESG, and so we are pleased that this is the case for all of our investment managers. Over 99% of our assets are managed by investment managers signed up to the Principles for Responsible Investment (PRI). Hiscox directs its external asset managers to implement ESG filters that effectively exclude investments that would contravene the human rights, labour, environment and anti-corruption principles of the United Nations Global Compact. Where Hiscox has direct control over portfolios, exclusions are applied in line with our ESG Exclusions Policy. Our ESG exclusions policy states that from 1 January 2022 we do not intend to directly invest into securities of companies that generate more than 30% of revenues from thermal coal extraction or power generation, Arctic energy exploration activities or oil sands. We review our investment managers and portfolios each year. As part of our regular reporting from our directly invested portfolios, we require our managers to provide climate related disclosures in line with TCFD. This includes details of the carbon intensity of our portfolios amongst other metrics. We also require our managers to undertake stewardship in line with the PRI's guidance and focused on seeking sustainability outcomes and prioritising common goals and collaborative action, including engagement with investee companies on our behalf in line with our Paris Commitment.
Insurance underwriting (Insurance company)	Yes, for some	We collect climate-related information as part of our due diligence on some our insurance underwriting.
Other products and services, please specify	Not applicable	

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

Policy and legal risk

Company-specific description

Environmental regulations such as those related to flood insurance impact on how Hiscox operates. Hiscox must be prepared for changes in regulation as governments respond to increasing climate change risks, and must also engage with policymakers to ensure that regulation is proportionate to the risks.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Failure to incorporate environmental regulations correctly into our business could have a significant negative impact on our bottom line. Inadequate or disproportionate regulation also has the potential to negatively affect our business. The financial impact of not complying would with specific flood regulations, could be calculated by the estimating the size of fine Hiscox would receive from any legislative body. If new regulations were to broaden the terms of existing policies, without this being factored into annual pricing, Hiscox would need to cover the shortfall. The range of likely claims in any one jurisdiction, multiplied by the claims gap, plus costs, would give you the estimated impact. Customers may also litigate if an insurance product does not respond as new regulation would require.

Cost of response to risk

27460

Description of response and explanation of cost calculation

Hiscox recognises that we are directly affected by revisions to existing environmental regulation, or introduction of new legislation which affects our business operations. Thus it is essential that we stay abreast of new developments. We assess the effects of new regulations as they are developed and implemented, via use of internal expertise, specialist advice from external consultants or involvement in sector bodies, such as ClimateWise, Lloyd’s and ABI. Hiscox works with policymakers and engages in public debate on climate change issues, both individually and as an active member of relevant industry bodies, particularly Lloyd’s, the ABI, the Lighthill RiskNetwork and ClimateWise. Additionally, while we have informally considered the Task Force on Climate-related Financial Disclosure (TCFD) recommendations for some time, in 2019 we formally and publicly pledged our support for the TCFD recommendations and we have reported against TCFD-aligned ClimateWise Principles since 2019. These types of engagement ensure Hiscox is abreast of climate change related developments and that they are correctly incorporated into the business, Hiscox’s capital, underwriting and pricing professionals are regularly involved in publications and industry forums. Membership of industry bodies such as ClimateWise involves a fee, and other action taken within the business to mitigate risks will also incur a cost. However, these will be small compared to the potential cost of not managing risks. The cost of management of this risk is mostly part of business as usual, the figure given is the additional annual cost for our involvement with ClimateWise (£27,460.00).

Comment

Membership of industry bodies such as ClimateWise involves a fee, and other action taken within the business to mitigate risks will also incur a cost. However, these will be small compared to the potential cost of not managing risks.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification
Systemic risk

Company-specific description
Flooding poses a significant risk to insurers, imposing large financial costs. As the risk of flooding increases, the more important it becomes for Hiscox to effectively manage it. Hiscox believe we are well placed to manage these risks, employing the best people and a combination of modelling tools to manage our exposure to these risks.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Climate-related risks can have tremendous financial implications for insurance companies such as Hiscox. Claims related to flood risks are the driver of our financial exposure. We quantify the impact through claims made, plus the cost associated with paying claims, less any recoveries we make from reinsurance purchases.

Cost of response to risk
0

Description of response and explanation of cost calculation
A large part of Hiscox's pricing, capital, reserving and reinsurance models are underpinned by our catastrophe research and modelling activities as well as by our customer and claims data. Hiscox is committed to hiring and retaining the best quality expertise in appropriate disciplines. The Hiscox Catastrophe Modelling Team conducts research to identify and assess risks and to use the outcomes to influence pricing, capital and reserves. Thus, they balance conducting research and refining models with the application of these models in the market. In addition, our Catastrophe Research Team undertake internal research activities, and our analysts come from the fields of geology, natural sciences and mathematics.

Comment
Since management of climate-change risks form an integral part of Hiscox's business, the costs are necessarily high. Hiscox's catastrophe modelling team employs several highly-qualified graduates, and is currently expanding. Meanwhile, academic sponsorship's and participation in external initiatives also have costs. Given this is a standard part of our business processes there is no additional or specific cost of responding to this risk.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased insurance claims liability

Climate risk type mapped to traditional financial services industry risk classification
Systemic risk

Company-specific description
Catastrophic events such as hurricanes and typhoons present financial risks to insurance companies. If they become more frequent as the result of climate change, the more urgent these risks become. Hiscox believes we are well placed to manage these risks, employing the best people and a combination of modelling tools to manage our exposure to these risks.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Physical climate-related risks can have implications for insurance companies such as Hiscox. Claims related to natural catastrophes such as hurricanes risks are the driver of our financial exposure here. We quantify the impact through claims made, plus the cost associated with paying claims, less any recoveries we make from reinsurance purchases.

Cost of response to risk
0

Description of response and explanation of cost calculation
A large part of Hiscox's pricing, capital, reserving and reinsurance models are underpinned by our catastrophe research and modelling activities as well as by our customer and claims data. Hiscox is committed to hiring and retaining the best quality expertise in appropriate disciplines. The Hiscox Catastrophe Modelling Team conducts research to identify and assess risks and to use the outcomes to influence pricing, capital and reserves. Thus, they balance conducting research and refining models with the application of these models in the market. Natural catastrophe risk is reviewed at least quarterly by the Natural Catastrophe Exposure Management Group, which is led by the Director of Underwriting Risk and Reinsurance and comprises senior representatives of the catastrophe modelling team, members from each business area, the risk team, and the Chief Underwriting Officers from across the Group.

Comment
Since management of climate-change risks form an integral part of Hiscox's business, the costs are necessarily high. Hiscox's catastrophe modelling team employs several highly-qualified graduates, and is currently expanding. Meanwhile, academic sponsorships and participation in external initiatives also have costs. Given this is a standard part of our business processes there is no additional or specific cost of responding to this risk.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Market	Changing customer behavior

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Strategic risk

Company-specific description
Global requirements for insurance may become more unpredictable as markets respond to climate change.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Fluctuations in demand for climate risks affect pricing. Preparedness for changes in pricing is essential to be able to recover the balance sheet after a large impact from losses, such as hurricanes. Hiscox tests scenarios to measure the impact of rate increases or decreases on our balance sheet. Catastrophe models produce results which help us quantify the impact of our risk exposure by calculating the hazard (using wind speed, ground motion or water depth), defining the portfolio of assets involved (building types, value and contents), calculating damage (to buildings, contents, business continuity, etc.), applying financial structures (deductibles, reinsurance layers) and finally estimating loss (to insurers and reinsurers).

Cost of response to risk
0

Description of response and explanation of cost calculation
Managed through the business strategy. Hiscox assesses the effects of market signals as they develop, via use of internal expertise, specialist advice from external consultants or via involvement in sector bodies, such as ClimateWise, Lloyd's and ABI. Hiscox works with policymakers and engages in public debate on climate change issues, both individually and as an active member of relevant industry bodies, particularly Lloyd's, the ABI, the LightHill Research Network and ClimateWise. Additionally, while we have informally considered the Task Force on Climate-related Financial Dislcosure (TCFD) recommendations for some time, in 2019 we formally and publicly pledged our support for the TCFD recommendations. We also report against TCFD-aligned principles each year as part of our membership of ClimateWise in our annual Climate Report. These types of engagement ensure Hiscox is abreast of climate change related developments and that they are correctly incorporated into the business,

Hiscox's capital, underwriting and pricing professionals are regularly involved in publications and industry forums. Given this is a standard part of our business processes there is no additional or specific cost of responding to this risk.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Regulations and standards encouraging consumer use of renewable technology to provide energy. Hiscox has reviewed new technologies for their climate-related aspects, from fracking (hydraulic fracturing forcing out natural gas from shale rock) to offshore wind farms and has started looking at carbon capture developments. In addition, we have analysed domestic and business use of wind turbines, solar panels, etc. We have used this analysis to inform our home insurance policies and to update our insurance products, based on these new technologies.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Hiscox has reviewed new technologies for their climate-related aspects, from fracking (hydraulic fracturing forcing out natural gas from shale rock) to offshore wind farms and has started looking at carbon capture developments. In addition, we have analysed domestic and business use of wind turbines, solar panels, etc. We have used this analysis to inform our home insurance policies and to update our insurance products, based on these new technologies. Providing useful products to our customers is fundamental to our business. We also play our part in providing cover for new technologies when they enter a market, as effective insurance against risk is an important factor in facilitating their take-up. It has the dual effect of enabling the growth of new direct business customers, whether through existing businesses moving into a new sector of the market or through encouragement and facilitation of new business start-ups, and of growth of home insurance customers. There is growing interest for insurance products and services related to environmental risks and climate change and considering our response to these new requirements is built into our new product development process. Examples include: solar panel cover for policyholders with home insurance, enhanced open-market insurance for environmental industry professionals and bespoke open market insurance for energy assessors who rate the energy efficiency of properties under the government's regulations.

Comment

Hiscox recognises that we are directly affected by revisions to existing environmental regulation and standards relating to product efficiency, or introduction of new legislation or standards which affects our business operations. Thus it is essential that we stay abreast of new developments. We assess the effects of new regulations and standards as they are developed and implemented, via use of internal expertise, specialist advice from external consultants or via involvement in sector bodies, such as ClimateWise, Lloyd's and ABI. One example has been the Hiscox reaction to the introduction of new product standards related to air conditioning systems and lighting. Hiscox refurbishment and upgrades are saving money on site.

Identifier

Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Markets

Primary climate-related opportunity driver
Access to new assets and locations needing insurance coverage

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
Regulations, such as the UK Flood Re scheme and the de-regulation of the US flood market, to enable provision of insurance to previously uninsured properties.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Hiscox recognises that we are directly affected by revisions to existing environmental regulation, or introduction of new legislation affecting our business operations. When this happens there is the opportunity for Hiscox to develop new opportunities and products.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
We play our part in increasing the availability of insurance for previously uninsured or underinsured markets and sectors. A specific area of focus for us in recent years has been flood cover, which includes the following products: Our London Market product, FloodPlus, continues to address a shortfall in US flood cover for many homeowners by offering higher limits and a wider scope of cover than policies provided by the existing US government backed NFIP. Hiscox is able to offer attractive pricing for those customers who are minimising their climate risks through our FloodPlus product. Further to this, we have calibrated and delivered a loss model that will improve our pricing capabilities for FloodPlus. FloodPlus has been well received since its launch, showing a clear need in the US market for broader, more competitively priced coverage than the NFIP while offering an easier purchasing mechanism and better claims process. We also remain committed to our participation in the Flood Re programme in the UK, through both our broker and our direct-to-consumer home insurance offerings. It continues to allow us to provide flood cover to new and existing customers, including some which we would otherwise be unable to cover.

Comment
Hiscox recognises that we are directly affected by revisions to existing environmental regulation, or introduction of new legislation affecting our business operations. When this happens there is the opportunity for Hiscox to develop new opportunities and products. Howevr given this is a standard part of our business processes there is no additional or specific cost of responding to this opportunity.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Increase in extreme events caused by climate change and resultant increase in requirement for adequate insurance

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Many of Hiscox's pricing, capital, reserving and reinsurance models are underpinned by our catastrophe research and modelling activities as well as by customer and claims data. Hiscox incorporates climate change related developments into the business, Hiscox's capital, underwriting and pricing professionals are involved in publications and industry forums related to public policy. For example Hiscox has re-assessed flood models in the UK and the US. The result has been the development of two new products in the UK and the US, both products provide flood insurance to a wider group of customers who could not previously obtain it.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
We are constantly monitoring and updating our model data using recent events to see if we need to update our view of the frequency and severity of climate events.

Comment
Many of Hiscox's pricing, capital, reserving and reinsurance models are underpinned by our catastrophe research and modelling activities as well as by customer and claims data. Hiscox incorporates climate change related developments into the business, Hiscox's capital, underwriting and pricing professionals are involved in publications and industry forums related to public policy. For example Hiscox has re-assessed flood models in the UK and the US. The result has been the development of two new products in the UK and the US, both products provide flood insurance to a wider group of customers who could not previously obtain it. Given this is a standard part of our business processes there is no additional or specific cost of responding to this opportunity.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Other, please specify (Increased or decreased availability and affordability of certain insurance products.)

Company-specific description
Climate change may influence the demand and/or availability for certain types of insurance products and the associated costs of those products. This may in turn, affect the potential profitability of offering certain products. Hiscox recognises the opportunity presented by the increasing awareness among consumers and businesses to climate risk and focuses on the related professions and enterprises across the whole business.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Hiscox recognises the opportunity presented by the increasing awareness among consumers and businesses to tackle climate change and focuses on the related professions and enterprises across the whole business. It also provides more bespoke and complex risk transfer products through its global markets business that underwrites at Lloyd's. Through these, Hiscox enables those involved in climate-related business to manage their risk through insurance.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Hiscox monitors and tracks consumer feedback to understand consumer changes in behaviours and appetite.

Comment
Hiscox recognises the opportunity presented by the increasing awareness among consumers and businesses to tackle climate change and focuses on the related professions and enterprises across the whole business. It also provides more bespoke and complex risk transfer products through its global markets business that underwrites at Lloyd's. Through these, Hiscox enables those involved in climate-related business to manage their risk through insurance. Given this is a standard part of our business processes there is no additional or specific cost of responding to this opportunity.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	This is not currently under consideration but may be in the future.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Realistic Disaster Scenarios (RDS) set by Lloyd's of London)	Hiscox conducts regular stress testing and scenario testing to assess the aggregate impact of events on the business. This includes multiple scenarios, including climate related catastrophes, chosen because of the particular products and services we provide to our clients - particularly in our big-ticket businesses (Hiscox London Market and Hiscox Re & ILS) which are more exposed to climate volatility than our retail lines. From an underwriting risks perspective, Hiscox conducts Realistic Disaster Scenarios (RDS) and publishes them every six months as part of the financial reporting calendar. Our last RDS includes the potential impact arising from a Japanese windstorm, Japanese earthquake, US windstorm, European windstorm, or a US earthquake. The Realistic Disaster Scenario (RDS) is set by Lloyd's of London. Estimates are calculated in accordance with Lloyd's guidelines using models provided by Risk Management Solutions, Inc. and AIR Worldwide Corporation.
Other, please specify (Prudential Regulation Authority's General Insurance Stress Test)	We are a participant in the biennial General Insurance Stress Test (GIST) which is facilitated by the UK's Prudential Regulation Authority. In 2019, their stress test required us to examine for the first time the impact of a climate-related event, alongside the traditional scenarios such as a deterioration in the economic environment, thereby demonstrating the risks of climate change on our business for the first time. Three scenarios stressed our exposure: a sudden collapse in asset values for firms seen to be at-risk to negative climate change exposure (e.g. coal/oil/aviation/mining); reaching 2100 within the temperature levels stated in the Paris Agreement (i.e. less than 2°C rise relative to pre-industrial levels); and reaching 2100 in a hot-house scenario (i.e. 5°C rise relative to pre-industrial levels). In this example, we do not choose the stress test however it involves a number of parts of our business - particularly our big-ticket businesses (Hiscox London Market and Hiscox Re & ILS) which are more exposed to climate volatility than our retail lines. Completing the exercise required firms to consider the consequences of each scenario; the impact to the business model (including quantified impacts to balance sheet and a breakdown of gross losses by line of business and coverage) the impact to capital, reinsurance recoveries and potential management actions that could be taken following the event. Pleasingly, the PRA's testing confirmed our ability to withstand the specified climate-related shocks.
Other, please specify (Bank of England's Climate Biennial Exploratory Scenario (CBES) exercise)	Hiscox Syndicate 33 is one of 10 Lloyd's Managing Agents to have been asked to participate in the Lloyd's submission to CBES to provide a market view of climate risk preparedness. The objective of the CBES is to test the resilience of the current business models of the largest UK banks, insurers and the financial system to the physical and transition risks from climate change. The CBES aims to progress climate thinking across the industry and establish an initial aggregate view of the risk exposures that the market may be facing over the next 30 years as well as the resilience of the financial system as a whole to these risks. We are developing our own methodology and detail for the exploratory scenarios, which is bespoke to the Hiscox portfolio and the products / services we offer. Completing this exercise will involve different parts of our business - risk, investments, capital management, catastrophe modelling, as well as our big-ticket businesses (Hiscox London Market and Hiscox Re & ILS) which are more exposed to climate volatility than our retail lines. These scenarios will look at the impact to our assets and liabilities across a 30 year horizon (aligning the exercise with commitments to reach net-zero annual emissions of greenhouse gases by 2050) and the adjustments to our business models as a result. A fixed balance sheet will be stressed through three scenarios (Early Policy Action, Late Policy Action and No Additional Policy Action) which look across Physical, Transition and Liability risk exposures and include various contextual variables such as climate litigation, macro-economic changes and our own prospective management actions. Once we have completed the stress test in 2021, our next step is to develop our approach to modelling the scenarios, identifying the associated management actions and how we interpret the results in a way that translates to meaningful business decision-making and outcomes. By participating in the CBES we aim to advance Hiscox's understanding of: • the financial exposures of the market to climate related risks; • the specific business model impact, giving us an opportunity to assess and evaluate the impact on our solvency and liquidity profile and establish business appetite around financial risk; • our long-term management of climate-related financial risks and related management actions. The exercise will further inform a climate risk stress/scenario within the 2022 UK entity ORSA's; leveraging any lessons learned from the CBES as well as the developing regulatory guidance on scenario analysis. At a sector level, our participation allows the PRA to assess market resilience. Taking part in the CBES additionally gives us the opportunity to engage with the regulator to inform the development of a consistent and effective approach to climate-focused scenario analysis and policy by providing feedback on aspects of the exercise.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Assessment of flood exposures and impact of climate science allows us to identify potential overexposure in specific areas and opportunities to write additional flood business in new areas.
Supply chain and/or value chain	Yes	We are adapting our procurement process to ask more of our suppliers (starting with our largest suppliers) over time to (1) measure and report Scope 1 & 2 carbon emissions annually; set GHG reduction targets for Scope 1 & 2, preferably in line with a 1.5 degree trajectory and report progress regularly; (3) develop and share a carbon management plan, including a plan to measure and reduce Scope 3 (value chain) emissions over a defined timeframe – preferably to 2030 and (4) to sign up to relevant industry/ business commitments focused on climate change, preferably those that demonstrate a commitment to net zero emissions by 2050 at the latest.
Investment in R&D	Yes	Climate related risks and opportunities define the focus on our climate change research team. As the risk evolves, so too does their focus, which flows through to our product lines. Given our exposure to new and/or evolving climate-related regulations, we invest in R&D in this area - for example it is why we are investing in R&D that will enable us to set new GHG reduction targets.
Operations	Yes	As we look to reduce our impact as a business, we are establishing Green Teams around the world to drive operational improvements and both reduce our impact and find innovative environmentally-friendly ways to operate. It is also why we are setting new GHG reduction targets.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Access to capital Assets	Our business planning processes are underpinned by the setting of our risk appetite each year. A key consideration for our business is to identify potentially catastrophic and systemic insurance losses from damage caused by a range of catastrophes, including natural events such as hurricanes and earthquakes, which could be significant enough to be considered principal risks to the business. It is why we publish our expectations for specific modelled losses twice a year during our half-year and full-year results. The Group's success depends on how well we understand and manage our exposures across key risk types. These consist of strategic risk, insurance (underwriting and reserve) risk, market risk, credit risk, operational risk and regulatory, legal and tax risks. Climate-related risk is covered within these criteria. Our risk management framework operates as a continuous process that is embedded in the Group's culture, supported by a central risk team which is led by our Group Chief Risk Officer, which reports directly to the Risk Committee of the Board, with matters escalated to the Ltd Board as necessary. The risk team monitors and reviews the risk profile and the effectiveness of our risk management activities, including compliance with, and recommendations for any changes to, our defined risk strategy and risk appetite. In turn, the central risk team is supported by several Group-wide and local forums focusing on specific risk types. Once we have assessed our risks through the risk management framework and through our Own Risk and solvency assessment (ORSA) framework, we manage them through a combination of the following: - a diversified portfolio; - a clearly defined risk appetite; - underwriting discipline based on sound decisions aligned with the Group's overall strategic objectives and risk appetite; - tailored modelling resources; - stress and scenario testing; - mitigation of the effect of catastrophes and unexpected concentrations in risk through reinsurance.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, we have exclusion policies for industries and/or activities exposed or contributing to climate-related risks

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
Coal	Please select	New business/investment for new projects	Our ESG Exclusions Policy outlines our commitment to: - no longer provide new insurance cover to thermal coal-fired power plants, thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons; - no longer reinsure portfolios where 30% of the premium base derives from thermal coal-fired power plants or thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons; - not directly invest into securities of companies that generate more than 30% of revenues from thermal coal extraction or power generation, Arctic energy exploration activities, oil sands or controversial weapons. Ultimately our ambition is to phase out (re)insurance of thermal coal-fired power plants and thermal coal mines, Arctic energy exploration activities and oil sands by 2030, in line with the 2015 Paris Agreement and UN Sustainable Development Goals.
Other, please specify (Arctic energy exploration (ANWR region))	Please select	New business/investment for new projects	Our ESG Exclusions Policy outlines our commitment to: - no longer provide new insurance cover to thermal coal-fired power plants, thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons; - no longer reinsure portfolios where 30% of the premium base derives from thermal coal-fired power plants or thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons; - not directly invest into securities of companies that generate more than 30% of revenues from thermal coal extraction or power generation, Arctic energy exploration activities, oil sands or controversial weapons. Ultimately our ambition is to phase out (re)insurance of thermal coal-fired power plants and thermal coal mines, Arctic energy exploration activities and oil sands by 2030, in line with the 2015 Paris Agreement and UN Sustainable Development Goals.
Other, please specify (oil sands)	Please select	New business/investment for new projects	Our ESG Exclusions Policy outlines our commitment to: - no longer provide new insurance cover to thermal coal-fired power plants, thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons; - no longer reinsure portfolios where 30% of the premium base derives from thermal coal-fired power plants or thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons; - not directly invest into securities of companies that generate more than 30% of revenues from thermal coal extraction or power generation, Arctic energy exploration activities, oil sands or controversial weapons. Ultimately our ambition is to phase out (re)insurance of thermal coal-fired power plants and thermal coal mines, Arctic energy exploration activities and oil sands by 2030, in line with the 2015 Paris Agreement and UN Sustainable Development Goals.
Other, please specify (controversial weapons)	Please select	New business/investment for new projects	Our ESG Exclusions Policy outlines our commitment to: - no longer provide new insurance cover to thermal coal-fired power plants, thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons; - no longer reinsure portfolios where 30% of the premium base derives from thermal coal-fired power plants or thermal coal mines, Arctic energy exploration activities, oil sands or controversial weapons; - not directly invest into securities of companies that generate more than 30% of revenues from thermal coal extraction or power generation, Arctic energy exploration activities, oil sands or controversial weapons. Ultimately our ambition is to phase out (re)insurance of thermal coal-fired power plants and thermal coal mines, Arctic energy exploration activities and oil sands by 2030, in line with the 2015 Paris Agreement and UN Sustainable Development Goals.

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for all assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Other, please specify (Manager selection, manager monitoring, and reporting)	Hiscox outsources the management of the Group's investment assets to a range of specialist third party fund management experts and investment managers, who deal with securities and stock selection on a day-to-day basis and manage the investment risks on our behalf. As good business practice, Hiscox expects its asset managers to invest in companies that have sound ESG practices. We also expect all our investment managers to sign up to organisations and principles which demonstrate their commitment to ESG, and so we are pleased that this is the case for all of our investment managers. Over 99% of our assets are managed by investment managers signed up to the Principles for Responsible Investment (PRI). Hiscox directs its external asset managers to implement ESG filters that effectively exclude investments that would contravene the human rights, labour, environment and anti-corruption principles of the United Nations Global Compact. Where Hiscox has direct control over portfolios, exclusions are applied in line with our ESG Exclusions Policy. Our ESG exclusions policy states that from 1 January 2022 we do not intend to directly invest into securities of companies that generate more than 30% of revenues from thermal coal extraction or power generation, Arctic energy exploration activities or oil sands. We review our investment managers and portfolios each year. As part of our regular reporting from our directly invested portfolios, we require our managers to provide climate related disclosures in line with TCFD. This includes details of the carbon intensity of our portfolios amongst other ESG metrics. We also require our managers to undertake stewardship in line with the PRI's guidance and focused on seeking sustainability outcomes and prioritising common goals and collaborative action, including engagement with investee companies on our behalf in line with our Paris Commitment. As part of our regular reporting from our directly invested portfolios, we require our managers to provide climate related disclosures in line with TCFD. This includes details of the carbon intensity of our portfolios amongst other metrics. We expect our managers to undertake and evidence stewardship in line with the PRI's guidance and focused on seeking sustainability outcomes and prioritising common goals and collaborative action.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2013

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Intensity metric
Metric tons CO2e per unit FTE employee

Base year
2014

Intensity figure in base year (metric tons CO2e per unit of activity)
1.2

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2020

Targeted reduction from base year (%)
15

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
1.02

% change anticipated in absolute Scope 1+2 emissions
15

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

% of target achieved [auto-calculated]
<Calculated field>

Target status in reporting year
Achieved

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
Our global Scope 1 and 2 tonnes CO2e per FTE decreased from 1.20 in 2014 to 0.76 in 2018, a decrease of 36% against the baseline year. The global tonnes CO2e per FTE for all scopes decreased from 3.68 in 2014 to 2.98 in 2018. Hiscox has collected CO2e data for UK sites since 2010 and for all of our global operations since 2013. Our total global carbon footprint for all scopes in 2018 was 9,198 tonnes CO2e, compared with 7,269 in 2014. This is a 21% increase in absolute emissions since 2014 but is aligned with our longer term targets.

Target reference number
Int 2

Year target was set
2013

Target coverage
Please select

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based) +3 (downstream)

Intensity metric
Please select

Base year
2014

Intensity figure in base year (metric tons CO2e per unit of activity)
3.68

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2020

Targeted reduction from base year (%)
20

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
2.944

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)

% of target achieved [auto-calculated]
<Calculated field>

Target status in reporting year
Achieved

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
The global tonnes CO2e per FTE for all scopes decreased from 3.68 in 2014 to 2.98 in 2018. Hiscox has collected CO2e data for UK sites since 2010 and for all of our global operations since 2013. Our total global carbon footprint for all scopes in 2018 was 9,198 tonnes CO2e, compared with 7,269 in 2014. This is a 21% increase in absolute emissions since 2014 but is aligned with our longer term targets.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	1	0
Implementation commenced*	1	0
Implemented*	0	0
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Employee engagement to improve recycling - specifically in our London and York offices.)

Estimated annual CO2e savings (metric tonnes CO2e)
10

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment
Internal campaign to reduce single use cup usage and encourage employees to use a re-usable cup / mug instead, and better recycling practices, e.g. separating plastic milk bottle lids from their containers and taking them to Lush to be recycled.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Investment now will reduce electricity use and operating costs in the future
Employee engagement	Employee input on lighting controls, cycle racks and shower rooms etc.
Other (Asset life-cycle analysis)	Asset life-cycle analysis: We review all our assets on a life-cycle basis annually. In this pro-active approach we assess each asset's future performance, compliance and effectiveness in order to estimate the future life of the asset. This annual analysis helps us to allocate our budget towards investments that will most significantly reduce our emissions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2014

Base year end
December 31 2014

Base year emissions (metric tons CO2e)
446

Comment

Scope 2 (location-based)

Base year start
January 1 2014

Base year end
December 31 2014

Base year emissions (metric tons CO2e)
1916

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
We do not have the necessary data to calculate a market-based scope 2 value for our baseline year. Therefore we are stating on the location-based value in C5. We have a market-based value for scope two from 2017.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
615

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
1586

Scope 2, market-based (if applicable)
1111

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
57011

Emissions calculation methodology
Purchased goods & services were categorized by type, and emissions were estimated using a spend based conversion from the Quantis online calculator.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Capital goods

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1681

Emissions calculation methodology
Capital purchases were categorized by type, and emissions were estimated using a spend based conversion from the Quantis online calculator.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
430

Emissions calculation methodology
Well to tank and transmission and distribution emissions were calculated for each country using BEIS & IEA emissions factors & activity totals for electricity, natural gas, district heating and company car usage.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
28

Emissions calculation methodology
Purchased goods & services were categorized by type, and emissions were estimated using a spend based conversion from the Quantis online calculator.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
228

Emissions calculation methodology
Waste was categorized by destination, and emissions calculated using BEIS emissions factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
3632

Emissions calculation methodology
Emissions calculated using DEFRA emissions factors, and activity data from personal vehicle mileage, taxi mileage, passenger.kms for air travel and passenger.kms for rail.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2794

Emissions calculation methodology
Commuting emissions were estimated based on employee numbers and typical commuting patterns for those countries. Emissions from remote working were also estimated based on hours working remotely and estimated energy usage associated with that activity by country.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Under the operational control approach, all emissions from upstream leased assets are captured in Hiscox Scope 1 & 2.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
28

Emissions calculation methodology
Purchased goods & services were categorized by type, and emissions were estimated using a spend based conversion from the Quantis online calculator.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services provider, Hiscox does not sell physical products for further processing.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services provider, Hiscox does not sell any products which consume significant energy or generate emissions.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a financial services provider, Hiscox does not sell physical products to be disposed. Any paper or materials sent to customers contribute immaterial emissions next to other categories.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Hiscox does not lease downsteam assets which generate emissions.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Hiscox does not operate any franchises.

Other (upstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.66

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
2201

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
3320

Scope 2 figure used
Location-based

% change from previous year
12

Direction of change
Decreased

Reason for change
Whilst there have been some employee engagement initiatives to reduce energy, the majority of the reduction can be attributed to office closures during the pandemic.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	17.4	Decreased	0.73	Whilst it has been difficult to extricate emissions reductions from decreases due to lockdowns, there has been some. this has been estimated as 10% of the total reduction in the year.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	156.6	Decreased	7	The remainder of the reduction in the year has been due to office closures during the pandemic.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?
Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	2271	2271
Consumption of purchased or acquired electricity	<Not Applicable>	2231	2945	5176
Consumption of purchased or acquired heat	<Not Applicable>	0	120	120
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	0	0	0
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	2231	5336	7567

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2021_02 Verification Statement Hiscox plc v1.0.pdf

Page/ section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2021_02 Verification Statement Hiscox plc v1.0.pdf

Page/ section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2021_02 Verification Statement Hiscox plc v1.0.pdf

Page/section reference

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Solar

Project identification
While we do our best to minimise our emissions, which are independently verified each year, we offset the emissions we could not reduce through a recognised carbon offsetting programme. Our global emissions are currently offset through a collaboration with a solar project in India. We review our collaborations every year and have offset 11,505 tonnes in carbon emissions for 2020 through this scheme. About the scheme This project aims to generate a clean form of electricity through renewable solar energy sources. The project activity involves installation of a 500 MW solar power project in the Andhra Pradesh state of India. The project generates electricity using solar energy, and the generated electricity is exported to the regional electricity grid system in India, where it is used to power homes and businesses. In addition to providing sustainable employment (and reducing poverty), the project developer also provides improved healthcare, sanitation and educational support to the communities where the project is based. The project is contributing to sustainable development in the followings ways: Development of local manpower: A large workforce was required for this project which is situated in a remote location. A development centre was established at the site where local workers were identified for both skilled and less skilled work and provided with training, before being employed on the project. After the project commissioning, some of the manpower kept on working in roles focused on regular maintenance and other associated works. Increased access to medical facilities: Alongside the project, a medical facility / mobile hospital was installed at the project site. The facility has four beds where preliminary check-ups and basic medical help can be carried out with an appointed doctor and other staff for medical emergencies. The facility is also available for use by locals. Local school support: Support, repairs and rebuilding works were provided to local schools, including the construction of boundary walls, a playground for students and, as part of the Clean India initiative, wash rooms.

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
11505

Number of credits (metric tonnes CO2e): Risk adjusted volume
11505

Credits cancelled
Not relevant

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, other partners in the value chain

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We engage with the value chain from the beginning of our interactions with them. For example, as part of our supplier selection process we now ask suppliers to:

1. Measure and report Scope 1 & 2 carbon emissions annually

2. Set GHG reduction targets for Scope 1 & 2, preferably in line with a 1.5 degree trajectory and report progress regularly

3. Develop and share a carbon management plan, including a plan to measure and reduce Scope 3 (value chain) emissions over a defined timeframe – preferably to 2030

4. Sign up to relevant industry/ business commitments focused on climate change, preferably those that demonstrate a commitment to net zero emissions by 2050 at the latest

These requirements are also part of our investment manager selection requirements when engaging with potential new managers and feature in our reviews with key investment suppliers such as custodians and software providers.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations
Funding research organizations
Other

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
ClimateWise

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
ClimateWise is an insurance industry group founded around the ClimateWise Principles, representing a truly holistic approach to using all aspects of insurers' core business to help reduce the risk of climate change: 1. Be accountable 2. Incorporate climate-related issues into our strategies and investments 3. Lead in the identification, understanding and management of climate risk 4. Reduce the environmental impact of our business 5. Inform public policy making 6. Support climate awareness amongst our customers/clients 7. Enhance reporting

How have you influenced, or are you attempting to influence their position?
Hiscox is represented on both the ClimateWise working group and also on the ClimateWise Insurance Advisory Council, which is a C-suite forum that our ESG Executive Sponsor is involved in. Hiscox continues to endorse a joint industry, global insurance industry statement, sponsored by ClimateWise. The Munich Climate Insurance Initiative (MCII) and the United Nations Environment Programme Finance Initiative (UNEP FI). This collaboration involves over 100 of the top insurers across the world. It aims to facilitate building climate and disaster resilient communities and economies and look at how the insurance industry and governments can work together more effectively, agreeing to actions in the following key areas: • demonstrating leadership to decarbonise economic activity at the scale and pace demanded by scientific consensus and supporting corresponding public sector decision making; • identifying and developing incentives to reduce climate risk by promoting risk awareness, risk prevention and risk reduction solutions that contribute to building adaptation to the effects of climate change including disaster resilience; • where risks cannot be effectively reduced or retained, supporting the transfer and sharing of such risks through insurance mechanisms including risk pooling mechanisms; • considering how insurance industry responses to climate related events can shape the behaviours and decisions of governments, communities and businesses in managing climate risks. It identifies a mutually dependent relationship between governments, society and the insurance industry and recognises that increased risks resulting from climate change and ecological degradation pose a shared risk to the insurance industry, governments and society. This provides a strong incentive for collaboration at each of steps along the insurance risk management value chain: • risk identification and analysis; • risk prevention and risk reduction; • risk transfer.

Trade association
Association of British Insurers (ABI)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The ABI produces a range of documents relating to climate change including their strategic thinking aloud document 'Identifying the Challenges of a Changing World – The trends facing insurers'. It discusses what impacts national and global trends could have on our customers, economy and industry and aims to stimulate debate and ideas about how we as an industry can make a positive difference. It identifies 'the continued impact of climate change on our environment' as one of the seven overarching trends relevant to insurers seeking to understand the world of the 2020s, stating that the 'debate on the scale and impact of climate change will be at the forefront of the 2020s, in particular whether 4°C warming will be reached by the end of the century instead of the predicted 2°C. The 2020s would be the last chance for sustained global action to prevent this 4°C rise, as irreversible tipping points are potentially reached in areas such as the Greenland ice sheet and Amazonian rain forests. More broadly, insurers will increasingly be coping with the consequences of greater volume of heat waves, drought and major floods which will accompany the climate change that is already certain to happen. In aggregate, this will have wide-ranging effects on property, agriculture and mortality rates but such losses will continue to be heavily skewed towards certain geographies and climates with greater risk of hurricanes in North America and flooding in Europe and parts of Asia being key areas of concern for UK-based insurers.

How have you influenced, or are you attempting to influence their position?
Hiscox worked with and through the ABI, as a long-standing ABI member. Our Chief Executive is an ABI Board member and other senior Hiscox staff are involved in various ABI working groups. Hiscox supports the ABI publication of their strategic thinking aloud document 'Identifying the Challenges of a Changing World – The trends facing insurers towards the 2020s'. A Hiscox representative also attended an ABI event entitled 'Feeling the heat?' to look at climate challenges and opportunities for the insurance sector. A particular focus was on carbon capture and storage, highlighting ways for insurers to engage with this new innovative technology.

Trade association
Lloyd's of London

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Lloyd's is also a member of ClimateWise and adopts their position.

How have you influenced, or are you attempting to influence their position?
We are contributing to Lloyd's work on how the insurance industry adapts to a low carbon economy.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Paris Agreement

The Paris Climate Agreement was agreed in December 2015 by 195 countries and entered into force in November 2016. Under the agreement, countries are required to accelerate the transition to a low carbon economy. Following the Paris conference, Hiscox joined 1,300 other business leaders in signing the Paris pledge for action. Through this pledge, Hiscox demonstrates its support for the adoption of the new, universal climate agreement formulated in Paris and for its aim to limit the global warming temperature rise to less than two degrees Celsius. Politically there have been challenges this year but we remain committed to the Paris accord.

Lighthill Risk Network.

The Lighthill RiskNetwork enables interaction between academic, government and commercial experts at the forefront of risk-related research. It is funded by the insurance industry and managed by a core team of professionals from the (re)insurance industry through its steering group, of which Hiscox is a member. We are proud of our association with the Network and continue to look at new meaningful ways we can collaborate with them. We already participate in the Network steering committee and liaise with them to encourage the sharing of expertise, and sponsor projects, for example updating data in open-source models.

Supporting the Carribean

Hiscox continues to support the Caribbean Catastrophe Risk Insurance Facility CCRIF), an innovative public and private partnership which aims for a Caribbean region with optimised disaster risk management for climate change and to adapt practices for supporting long-term sustainable development. The Facility made a payout this year in the wake of the devastating 2017 Hurricane season, when Irma and Maria affected the region.

PRA and FCA Climate Financial Risk Forum (CFRF)

In 2019, the PRA and FCA established the CFRF, a joint initiative which seeks to build capacity and share best practice across the financial sector to advance the response to the financial risks from climate change. It brings together senior representatives from across the industry to develop practical tools and approaches that firms can adopt to address climate-related financial risks and implement forward-looking strategies. As a Lloyd's participant and an ABI member, we are represented within the forum and in February 2020 were chosen by the PRA and FCA to take part in a roundtable event where we provided industry insights to the outputs of the four CFRF working groups; disclosures; innovation; risk management and scenario analysis. We also contributed to draft versions of the workstream's output – a series of handbooks to provide practical guidance on responding to climate-related risks and opportunities. We will continue to seek to be actively involved and now await further requests for consultation and input.

Lloyd's Vision Economics Project

Like others in our industry, we are looking at how underwriting practices adapt to recognise the transition to a low-carbon economy. We are took part in the Lloyd's Vision Economics Project to consider the priority sector categories and classes of business that this will impact and the industry's role in thought leadership within this space. This work includes the change in risk profile and fluctuations in market demand. During 2020, we contributed to working group sessions which informed the final 2020 Lloyd's paper on 'insurance for a low carbon economy', noting the industry response needed to the impacts of decarbonisation on production and competition, supply chains and customer interactions as well as litigation and liability. We will continue to consider how we embed these insights into the business, and to engage with the industry to drive innovation and realise the opportunities as well as the risks from climate change.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our ESG working group collates information on all of the climate-related activities that are undertaken to influence policy and ensure they are consistent with our overall climate change strategy. This working group has representatives from across the business and it is through this forum that activities are coordinated and shared. New activities presented to this group are reviewed through the prism of our ESG framework, which acts as our strategy on climate change.

More recently, we have also established a Sustainability Steering Committee, which our ESG working group reports into and which is chaired by our Group CEO. This group also has representatives from across the business and is designed to boost senior management oversight and accountability when it comes to climate issues.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In other regulatory filings

Status
Complete

Attach the document

Page/Section reference

Content elements
Governance
Strategy
Emissions figures
Emission targets

Comment
Our 2020 Annual Report outlines our approach to ESG and climate-related issues including our strategy, oversight, risks and opportunities, recent work, targets and performance.

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD)	We are a public signatory as a supporter of TCFD since 2019 and in 2021 we have become an asset owner signatory of the PRI
Industry initiative	ClimateWise Principles	We are a founding member of ClimateWise and are represented on the ClimateWise working group and also the c-suite Insurance Advisory Council.
Commitment	ClimateWise Principles	We have been reporting againt the ClimateWise Principles for a number of years and continue to do so. Our latest submission is available on our website at: https://www.hiscoxgroup.com/sites/group/files/documents/2020-08/Hiscox_2020_Climate_Report.pdf

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Bank lending (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	Yes	Category 15 "Investment" total absolute emissions	We require our managers to provide ESG reporting on our portfolios, including carbon footprint and intensity data at a portfolio level, based on scope 1&2 of our investee companies. We continue to develop this reporting including investigating potential analysis to show the warming potential of our portfolios alongside understanding the proportion of our investee companies signed up to science based targets.
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	<Not Applicable>	
Other products and services, please specify	Not applicable	<Not Applicable>	

C-FS14.1a

(C-FS14.1a) What are your organization's Scope 3 portfolio emissions? (Category 15 "Investments" total emissions)

Category 15 (Investments)

Evaluation status
Relevant, calculated

Scope 3 portfolio emissions (metric tons CO2e)
428231.13

Portfolio coverage
More than 90% but less than or equal to 100%

Percentage calculated using data obtained from client/investees
80

Emissions calculation methodology
The emissions from our investment portfolio was provided us from Sustainalytics. This data took a portfolio weight approach that works by applying the portfolio weight of each investment to the emissions intensity of the underlying company. Relevant to this work, the data showed each investee's portfolio weight, market cap & reported / estimated emissions. There was a rough split of 80–20% actual versus estimated data, with estimations being conducted by Sustainalytics. This uses data from 31/12/2020. To calculate our financed emissions required multiplying our share of the whole company by the company's emissions.

Please explain

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

We have assessed our portfolio emissions for investments. For underwriting activities a lack of accepted methodologies means we have not yet undertaken this calculation.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	None of the above, but we plan to do this in the next 2 years	

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Bank lending (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	<Not Applicable>	<Not Applicable>
Investing (Asset owner)	No, but we plan to do so in the next two years	Our new operational emission reduction targets from 2021 align with a 1.5 degree trajectory and our investment and underwriting activity will reflect this over time. Our ESG exclusions policy will also help reduce exposure to GHG emitters. Our actions to help us align with a well below 2 degree world will likely include: 1) Engagement with portfolio companies to set Science Based Targets 2) Portfolio construction to reduce overall carbon emission, tilt towards low carbon companies and those actively decarbonizing 3) Divest when companies are not responsive to engagement 4) Investment in companies providing climate mitigation solutions 5) Investment in credible carbon offsets
Insurance underwriting (Insurance company)	No, but we plan to do so in the next two years	Our new operational emission reduction targets from 2021 align with a 1.5 degree trajectory and our investment and underwriting activity will reflect this over time. Our ESG exclusions policy will also help reduce exposure to the worst GHG emitters.
Other products and services, please specify	Not applicable	

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Group CEO	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms