



# Environmental, Social and Governance Report 2022





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# A welcome from Mark Cloutier, Aspen Group Executive Chairman and Chief Executive Officer



**I am pleased to introduce  
Aspen's second annual ESG report.**

Building on the gains of last year, this report represents an important milestone for our organization and a clear commitment to building a business that embraces ESG principles in how we operate and how we interact with our stakeholders.

**Mark Cloutier**  
*Aspen Group Executive Chairman and Chief Executive Officer*





At its core, we want Aspen to be a diverse and inclusive business, providing strong risk-adjusted returns for our shareholders, and having a deep sense of social responsibility, whether that be supporting the local communities in which we live and work or proactively managing our environmental footprint around the world.

I am, therefore, encouraged to see the extent to which this philosophy is already embedded in our culture, and this will be a critical enabler as we continue on our ESG journey. It also means that we welcome the additional accountability and transparency that comes with ESG reporting, aligning as it does with our existing DNA, and core Values and Behaviors.

Closely linked to our ESG strategy is sustainability and ensuring Aspen is playing its part in the transition to net zero. Events in 2022, most notably the war in Ukraine, inflation and the energy crisis, have highlighted just how complex a world we are operating in today. Our stated vision is to bring Clarity from Complexity™ – and this will be reflected in the approach we take and how we are considered in our delivery against our long-term objective of supporting a

carbon neutral world. We will not seek to make grand statements, rather take robust, thoughtful and responsible actions that put us on the right path. We are also excited by the opportunities presented by emerging green technology. Aspen's heritage of deep sector expertise, and our proven ability to apply the full breadth of our platform to solve problems created by new and changing risks, makes us well placed to be a relevant partner as the energy sector attempts to make this transition.

The Executive Summary section in this report provides an overview of key accomplishments in 2022, and I am pleased that these reflect both a year of strong progress and the importance in which our organization places upon each of the three ESG pillars.

Particular highlights include the work we are undertaking to embed environmental considerations into our underwriting, arguably one of the most complex challenges for specialty insurance and reinsurance companies. This includes Aspen becoming a signatory to the *UN Environment Programme Finance Initiative Principles for Sustainable Insurance* and beginning to actively embed these principles into our

underwriting processes. We believe our efforts will also help our clients improve their own sustainability standards. We also have increased our use of client ESG data to help us make better underwriting decisions. We know there is more work to be done, and the need remains for a uniform industry framework. Nevertheless, the work we are doing, and continue to do, is an essential part of improving the quality of data available. Additionally, I am proud of how Aspen

Thank you for taking time to read this report. We believe we are making good progress but are very aware that we are at the start, rather than the end, of this journey. We want Aspen to be a progressive, positive contributor. To do this, we must continue to focus on producing results that will enable us to reward our shareholders and investors, while at the same time building a resilient and sustainable earnings platform from which we can maintain our commitment

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*“At its core, we want Aspen to be a diverse and inclusive business, providing strong risk-adjusted returns for our shareholders, and having a deep sense of social responsibility, whether that be supporting the local communities in which we live and work or proactively managing our environmental footprint around the world.”*

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and our people have, once again, stepped forward in supporting our communities and those less fortunate. This includes significant, individual staff donations to the people of Ukraine, alongside Aspen's own contribution and involvement in number of impactful environmental and social projects in Bermuda, the U.K. and U.S.

to advancing our ESG strategy, reporting our progress, understanding where we can improve and being demanding in the objectives that we set for ourselves.

Regards

Mark Cloutier  
Aspen Group Executive Chairman  
and Chief Executive Officer





# Executive Summary

## Environmental

- 2021 and 2022 Carbon Footprints of 2,525 and 4,001 metric tonnes entirely offset by renewable and sustainable projects
- Launch of Project Leaf to highlight ESG considerations. Project Leaf has seen 42% of premiums being ESG-favorable in 2022- up from 29% in 2021
- Confirmed as signatory of *UN Environment Programme Finance Initiative Principles for Sustainable Insurance*
- UN Principles for Sustainable Insurance now embedded in underwriting policies and procedures across multiple product lines
- Better use of client ESG data to assist in promoting sustainable underwriting practices
- Development of Climate Change Framework to evaluate future risk and shape long-term policy decisions
- Continued reduction of investments in heavy carbon emitters and fossil fuel producers
- Improved Procurement processes to ensure suitability of suppliers, and ensure their sustainability values remain consistent with the Aspen group

## Social

- More than \$1.2 million delivered to charitable projects globally as part of group Corporate Social Responsibility initiatives
- 52% growth in number of beneficiaries of Blue Marble project to assist previously uninsured agrarian projects in poorer countries affected by changing climate
- \$125,000 donated to supporting the people of Ukraine to supplement employee contributions of \$40,000
- Give As You Earn and Volunteer Day policies to let employees contribute time and money to charities globally
- Sustainable partnerships forged with organizations promoting cleaner beaches and mangrove reforestation
- Positive progress in company plans to attract and build a more diverse and inclusive workforce
- 89% of employees took part in annual engagement survey, with company ethics registering substantially favorable ratings

## Governance

- Review of Data Protection protocols to ensure better safeguarding, and eliminate potential biases and discrimination
- Creation of Innovation awards to promote new working practices and encourage greater inclusivity
- Pan-group completion and certification of our code of conduct designed to promote highest levels of integrity and ethics
- Group Underwriting Committee to monitor and respond to changing risks and ensure group-wide best practice
- Better triggers implemented to ensure no violations of international sanctions, bribery and money laundering rules
- Establishment of Diversity and Equity boards and ERGs to reflect the growing maturity of our work
- Entity independence allowing every part of the business to operate responsibly but with group-wide support as needed





# The DNA of Aspen's ESG

## Environmental



Carbon Footprint



Procurement & Commercial Services



Investments & Capital Markets



Sustainable Underwriting



Climate Risk & Scenario Analysis



Operations & Corporate Real Estate Services



## Social



Corporate Social Responsibility



Company Culture



Diversity, Equity & Inclusion



## Governance



Board Strategy & Governance Framework



Group Underwriting & Risk Management



Data Protection



Sustainability & Marketing Committee



Diversity, Equity & Inclusion Delivery Board



Innovation Working Group







# Environmental

Carbon  
Footprint



Procurement &  
Commercial Services



Investments &  
Capital Markets



Sustainable  
Underwriting



Climate Risk &  
Scenario Analysis



Operations & Corporate  
Real Estate Services





# Environmental

## Overview

This time last year we had achieved carbon neutrality through an ongoing carbon offsetting program, our office locations were under review, and we had begun developing underwriting guidelines to enable Environmental Social & Governance considerations to inform our underwriting decisions more effectively.

We said in our 2021 ESG report these guidelines would evolve and be constantly recalibrated to reflect the fast pace of change in our understanding of climate risk.

True to that commitment, we have spent the past 12 months developing our own model of how we embed our broader sustainability principles into our underwriting processes and decision-making.

Our ESG development and focus has enabled us to be more considered and data-led when determining which projects to fund, where we invest and as how to consider clients' sustainability in our underwriting.







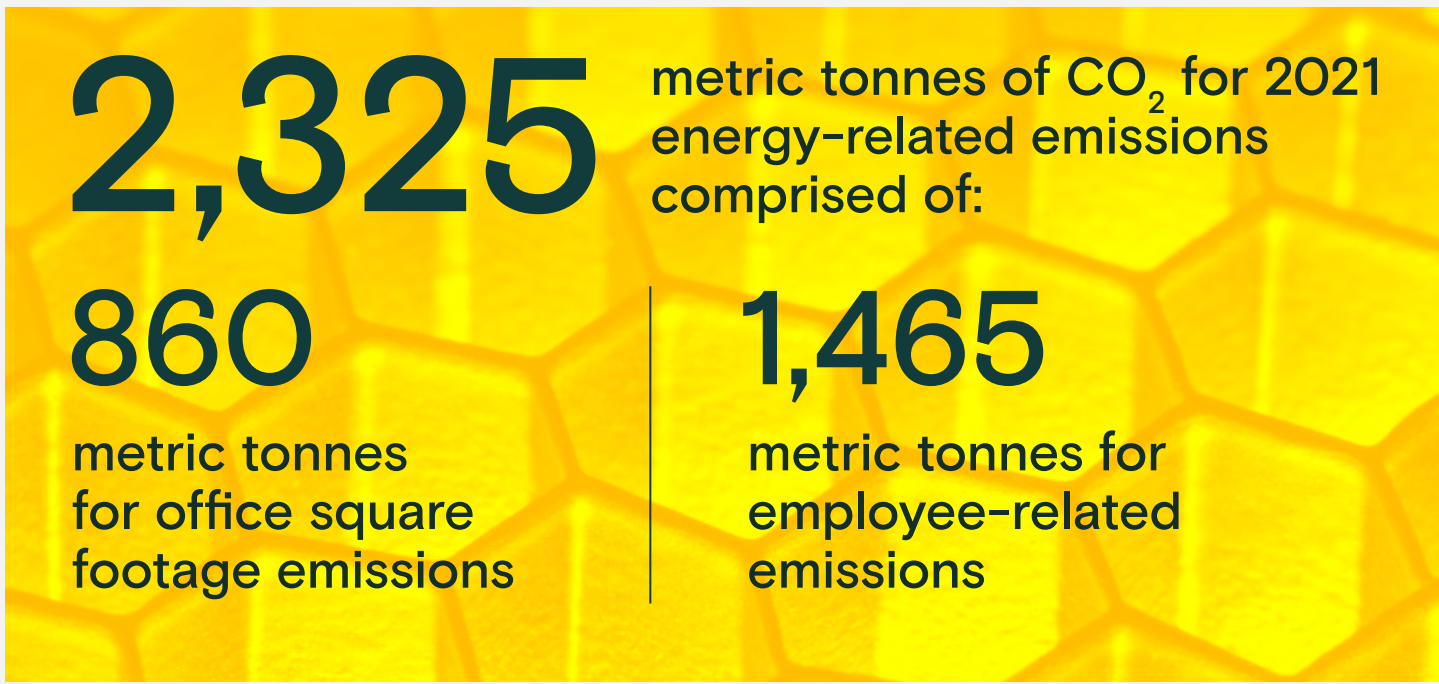
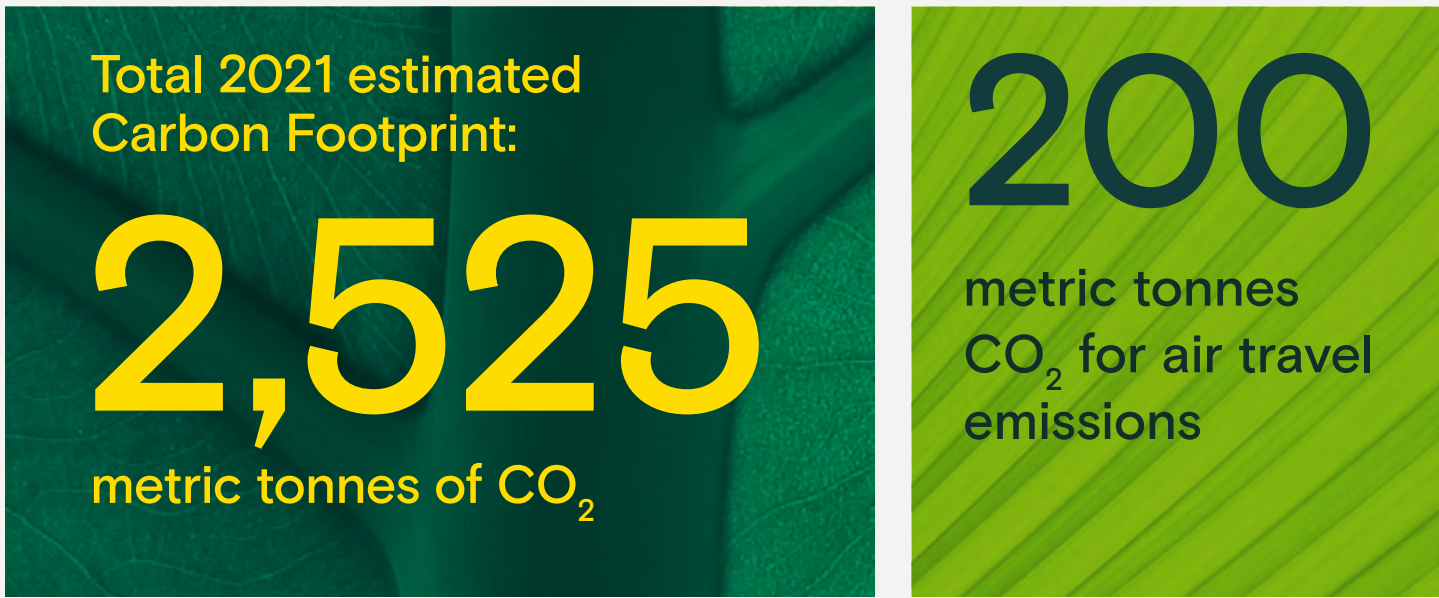
# 2021 Carbon Footprint

## Overview

The consideration of our own carbon footprint has long been part of Aspen’s environmental agenda and in 2021 and 2022 we continued our good progress, particularly in terms of our offsetting programs.

## 2021 Carbon Footprint

Our offset partners at the [carbonfund.org](https://carbonfund.org) once again independently assessed our emissions, calculating that across the group our carbon footprint was equal to 2,525 metric tonnes of CO<sub>2</sub> in 2021.



Aspen’s total 2021 estimated carbon footprint offset through these environmental projects.

## Capricorn Ridge Wind Project

**Location:** Sterling and Coke Counties, Texas

**Standard:** Verified Carbon Standard (VCS)

**Total Volume Supported:** 1,263 metric tonnes

In addition to generating renewable energy, the 662.5-megawatt Capricorn Ridge Wind Project also adds a tax base to Sterling and Coke Counties, provides economic stimulus of landowner lease payments, and creates no air or water pollution. The Capricorn Ridge Wind Project is capable of generating enough electricity to power more than 220,000 homes. Capricorn Ridge employs a staff of 36 and allows local lands to remain in agricultural use.

## Pacajai Brazil Forest Conservation Project

**Location:** Amazon Basin, Brazil

**Standard:** Verified Carbon Standard (VCS)

**Total Volume Supported:** 1,262 metric tonnes

The project is protecting and conserving nearly 300,000 acres of tropical rainforests by providing payments for ecosystem services. This type of project is known as Reducing Emissions from Deforestation and forest Degradation (REDD+).

In addition to providing a wide range of ecosystem services such as preserving wildlife habitats and preventing erosion, there are numerous social projects and activities. The project is working to provide legal land-use permits that will result in official land titles for those villages that actively participate in forest protection. Through funds raised, the project can continue to improve food security through educating on agroforestry techniques. The objective is to prevent close to 10 million tonnes of CO<sub>2</sub> from entering the atmosphere over the 40-year lifetime of the project.





# 2022 Carbon Footprint

Our partners at [Furthr](#) have given us detailed insight about our Carbon footprint. The data helps us understand the impact of office and home working, wastage and international travel. Crucially, we can also view our impact on a country-by-country basis.

In 2022, our carbon footprint was measured at 4,001 metric tonnes. We've completely offset this by investing the equivalent of \$100 for every member of Aspen staff into a range of international environmental programs.

Estimated Total Carbon Footprint

**4,001**  
metric tonnes of CO<sub>2</sub>

**2,866**

metric tonnes of CO<sub>2</sub>  
emissions for travel,  
accommodation  
and waste

**1,082**

metric tonnes of CO<sub>2</sub>  
for office and at home  
employee-related  
emissions

**53**

metric tonnes CO<sub>2</sub>  
emissions from owned  
and leased equipment  
and sites

## Spotlight

### #1 Big Coast Forest Project

Location: [British Colombia, Canada](#)

Standard: [Verified Carbon Standard \(VCS\)](#)

Total Volume Supported: **1,334 metric tonnes**

The Big Coast Forest Climate initiative is a 40,000 hectares-wide project in British Columbia, which introduces new practices for the purpose of enhancing carbon sequestration and avoiding emissions resulting from logging or natural disturbance. By converting working forests into protected lands, the project will increase carbon capture and protect an area dominated by old forests for a minimum of 25 years. The project will also fund cultural and ecological research to inform Indigenous-led conservation and stewardship initiatives. The project is expected to capture 650,000 tonnes of CO<sub>2</sub> during its lifetime.

### #2 Fazenda Sao Paulo

Location: [Mato Grosso Do Sul, Brazil](#)

Standard: [Verified Carbon Standard \(VCS\)](#)

Total Volume Supported: **1,334 metric tonnes**

This reforestation project aims to restore 287 hectares of degraded grassland with Eucalyptus trees. The project uses natural irrigation to ensure water sources are protected, as well as retaining a balanced mix of Eucalyptus and native tree species. With a focus on native fauna conservation, the project will also recover the remnant natural savannah, which serves as a wildlife corridor for endangered and protected species. The replanted and regenerated areas will guarantee the protection of the soil and recovery of the area's typical biodiversity.

### #3 Community Safe Water Access

Location: [Mozambique](#)

Standard: [Gold Standard \(GS\)](#)

Total Volume Supported: **1,333 metric tonnes**

More than 1 in 3 hand pumps that draw water from aquifers in sub-Saharan Africa do not work properly because of a lack of maintenance. This project rehabilitates and maintains the water infrastructure for rural communities and provides long-term training for managing the water source. This program improves the quality of life for people who previously needed to travel long distances to obtain clean water. It also reduces emissions through decreasing the reliance on firewood for water treatment and purification.





# Procurement & Commercial Services

## Overview

At Aspen, securing the right goods and services has a significant impact – positive or negative – on both our day-to-day operations and on our balance sheet. Aspen’s Procurement and Commercial Services function is on the front line in securing these goods and services and is one of the most effective functions in attaining sustainable ESG goals.

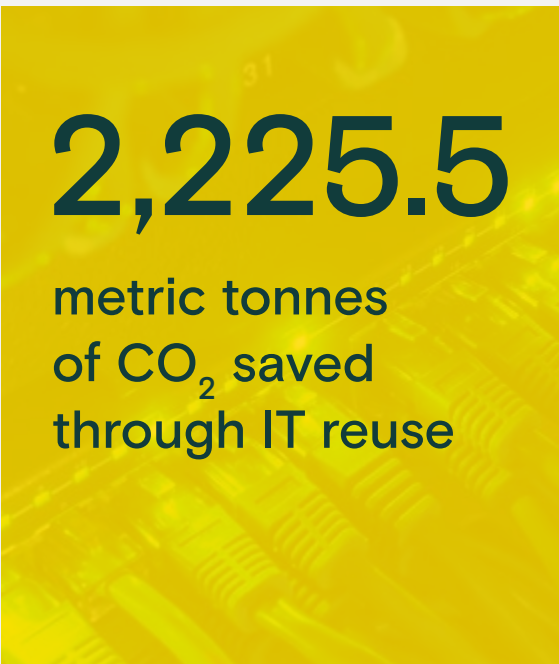
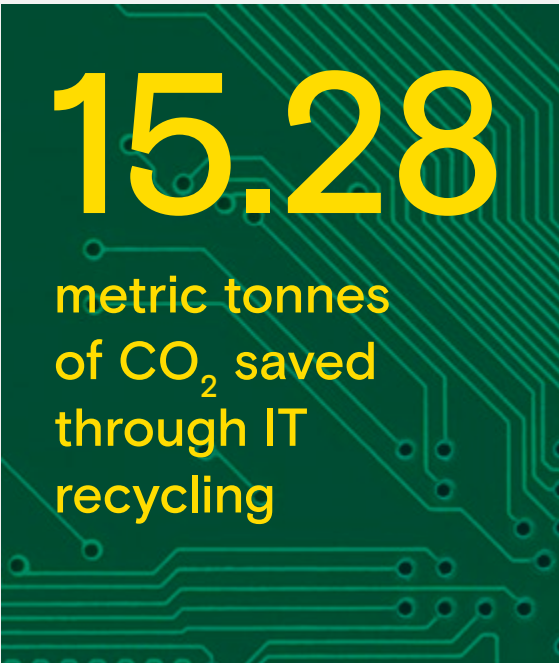
Whilst ESG is a project for the entire Aspen group, it’s important that our supply chain also does its bit! Promoting ESG values brings unique benefits to the bottom line, improved regulatory compliance, and positively impacts our ability to attract and retain talent.



## Meet the Champion

Nancy Aparcar, Head of Procurement and Commercial Services

“With two-thirds of the average organization’s ESG footprint lying with suppliers, Procurement is at the frontline in delivering the ESG agenda. Working alongside the business, the Procurement and Commercial Services team is demanding our suppliers deliver value against our values. Aspen has a proud tradition of refurbishing and recycling rather than searching for new commodities. Our efforts help to ensure that valuable ethical objectives, including modern slavery, D&I and clean water, are prioritized. By employing considered management practices, Aspen can help support the circular economy through reduction, reuse and recycling.”



## Aspen’s Procurement processes focus on five key areas:

1

### Improved Supplier Selection

Creation of a criteria that assesses the appropriateness of suppliers in relation to Aspen’s commercial, quality and service requirements. As well as their commitment to creating a clean, fair, and equitable world.

2

### Enhanced Onboarding

Incorporating a robust, transparent and consistent approach to measuring supplier’s strategy, achievements, planned progress and risk management in the ESG area. Going forward, we plan to measure supplier ESG performance against the performance of their peers.

3

### Improved SLAs/KPIs

Incorporating SLAs/KPIs into supplier agreements, which are linked to our ESG objectives and hold suppliers accountable for delivering ethical goods, services and practices. These SLAs require suppliers to provide data on areas such as diversity in the workplace; employee health and safety; waste and reduction in carbon emissions.

4

### New Policies, Processes and Controls

Procurement has incorporated ESG commitments into our policy from April 2022. Recognizing that lasting organizational change is only possible if coupled with the correct policies, processes and codes of conduct.

5

### Stakeholder and Supplier Engagement and Accountability

We are working to update our business-based communications to convey what our required standards mean in practice for our engagements with suppliers.



# Spotlight | Retired IT Equipment Upcycling

The IT department in London has been working with local charities to ensure that used equipment does not go to waste. Aspen has an ongoing commitment to recycle technology, either by selling it and raising funds for good causes or by donating it to charitable organizations that wouldn't otherwise be able to afford to buy it.

During 2022, a cash sum of £12,000 (\$14,500) has been raised through the sale of a large collection of laptops and desktops – some only about 3 years old. The funds from the vendor have been earmarked for the north London charity, Rays of Sunshine. This is a group that seeks to fulfil the wishes and aspirations of children and young people who have been diagnosed with a terminal illness. The donations help to pay for experiences for the young person and their family and can include anything from meeting famous stars from the world of sport and entertainment, through to specialist equipment or a simple day of fun and excitement. Most of the beneficiaries are aged under 16, and such experiences can help to create lasting memories and welcome respite from medical care.

Additionally, 28 pieces of redundant IT equipment were collected from the London office during 2022 to be gifted to a number of charitable organizations and foundations. Among the groups set to benefit are the Vision Foundation (which helps blind and partially sighted people) and a foundation that assists vulnerable people who are victims of youth homelessness.

Aspen UK saved  
**2,240**  
tonnes of CO<sub>2</sub> emissions  
through recycling and reusing  
old IT equipment\*

**3,675 pieces**  
of IT equipment processed  
for resale or recycling\*



## Meet the Champion

*Jes Bakrania, Regional Head  
of Service Desk Management*



*“At a time of global pressures, Aspen seeks to use ESG principles as a force for good. As well as reducing our own environmental footprint, we also strive to enrich and make an impactful difference to the charitable organizations that seek to improve the lives of the most vulnerable members of society.”*

\*between August 2021 and September 2022



# Investments

## Overview

During 2022 we have enhanced our approach to incorporating ESG considerations within our Investment Management strategy. We have recently started the implementation of our ESG investment guidelines which set out the asset classes where we are able to incorporate ESG considerations in our investment decisions and how we do this. In some areas of our investment portfolio, we are restricted by trust and collateral requirements in the type and extent of investments in which we can invest. Additionally, we have observed that for some of the asset classes we invest in, there is insufficient data to be able to fully evaluate and monitor ESG-associated characteristics.

We have also recently registered our commitment to the UN Principles for Responsible Investment and have committed to a program of ESG training for the investment team in 2023.

## Spotlight | Investing in Climate Policy

During 2022 we invested in our ability to consider climate factors in more detail as part of our investment activity. We are at an early stage in this initiative. However, we have increased the focus on climate considerations in our interactions with our external asset managers; we are increasing our ESG focused training across the investment team; and we have implemented new reporting solutions to enable us to better measure and track climate related aspects of our investment strategies. Finally, in January 2023, we became a signatory to the Principles for Responsible Investment which we view as an important step in our ESG journey.

## Meet the Champion

*Pam DaCosta, Vice President,  
Group Investments*



*“The focus on ESG within investment management continues to sharpen and deepen. At Aspen we are excited to be moving forward in more actively incorporating ESG considerations within our investment management activity and we are looking forward to developing this further in 2023.”*





# Aspen Capital Markets

## Overview

Aspen Capital Markets (ACM) was formed in 2013 and operates as an asset management platform providing investors with direct access to expertly-managed insurance and reinsurance risks. Our investors act as partners, participating with Aspen on a range of business lines including Property Cat and Casualty.

In 2022, ACM along with colleagues in Distribution and Underwriting developed a compelling investment proposal in which the highest scoring insurance risks based on their ESG attributes from Dun & Bradstreet would be shared with investors. The structure also envisioned an ESG-focused investment strategy for collateral investments.

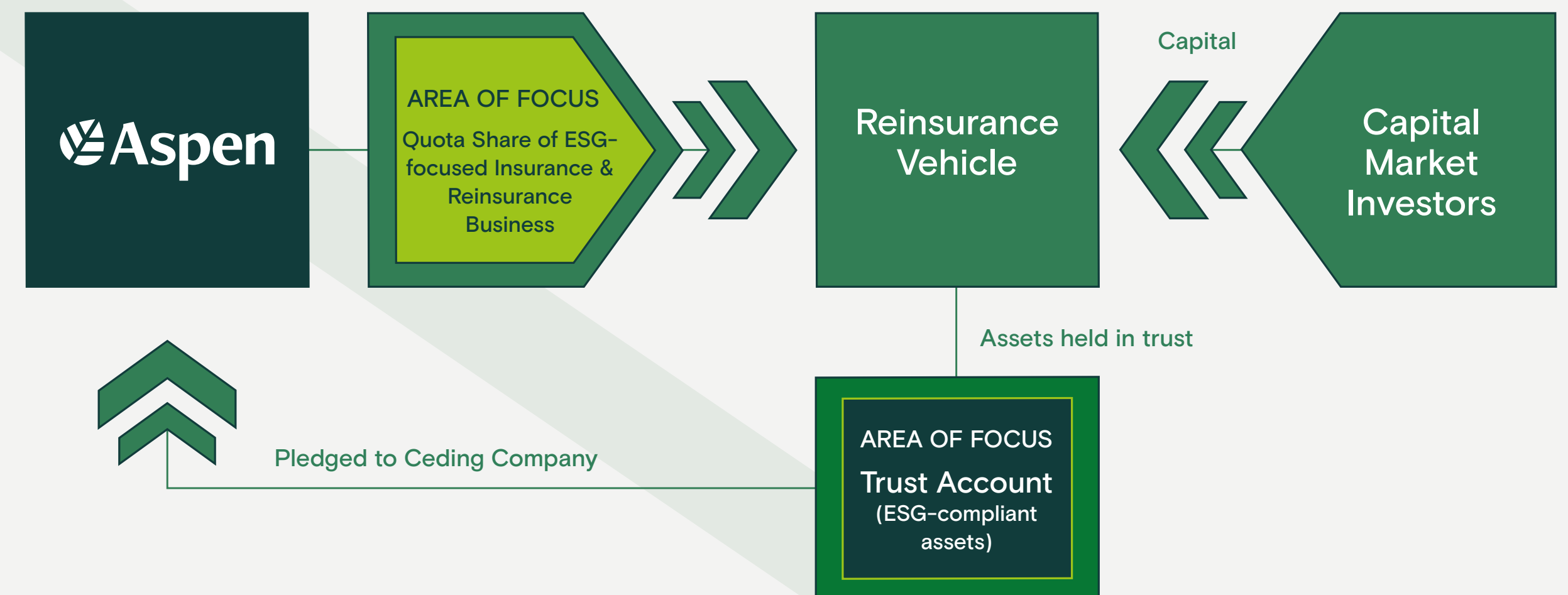
Investors appreciated the level of innovation but finding the right “home” proved challenging given the market environment. So, we are now focused on making incremental progress by allowing ESG-compliant assets as part of existing ACM transactions.

## Meet the Champion

James Lee, Director of Capital Markets



*“Sourcing the right partnership capital is essential for sustainable growth. With Aspen making significant progress in integrating the Group’s ESG goals into the underwriting and investment process, the ACM team wants to work with like-minded investors who want to join this journey with us. Capital support from ESG-conscious investors will allow Aspen to make an even greater ESG impact on our industry.”*



## Spotlight | ILS Evaluation Framework

Aspen Capital Markets has been working with the Investments team to build an evaluation framework because we see a significant opportunity to push ESG innovation in the Insurance-linked Securities (ILS) market.

Our strategy is to start with a relatively easy target – trust account assets supporting ILS transactions. We want to explore flexibility in the investment guidelines to pursue ESG-promote assets. As the market develops, we envision pushing further on the innovation side by focusing on top quartile ESG insurance risks.



# Sustainable Underwriting

## Overview

Building on the sustainable underwriting framework outlined in our 2021 ESG Report, we have increased our use of client ESG data to help us make better underwriting decisions.

There continues to be a limited amount of reliable granular data relating to corporate ESG, although a number of regulators have now published clearer reporting standards over the past 18 months, meaning that we are beginning to see some useful new developments.

The industry remains some way from having the level of information required to make truly informed decisions but there is increasing momentum in the right direction. One such initiative is the new Dun & Bradstreet ESG scoring model which we are currently trialing. The model is now having direct input into our underwriting processes across multiple product lines including Credit and Political Risk, International Excess Casualty, Onshore Energy, International Management Liability and Directors & Officers.

Our piloting efforts throughout 2022 have gone some way to helping our clients and brokers improve their own sustainability standards, paving the way for the industry to work together to create the data needed to allow more rigorous sustainability assessments.

The need for a uniform industry framework remains a priority; in the meantime, we continue to move towards a wholly sustainable underwriting practice.

## Aspen's Vision:

*To align sustainable underwriting principles with our corporate ethos of protecting and positively impacting the environment and global communities.*



## Sustainable underwriting framework



### Engage

Engagement and knowledge sharing between underwriters



### Harmonize

Develop a harmonized view on responsible insurance across all lines of business



### Implement

Integrate and implement underwriting strategy



### Thought Leadership

Lead the conversation on how underwriting can enhance the global transition to a sustainable future



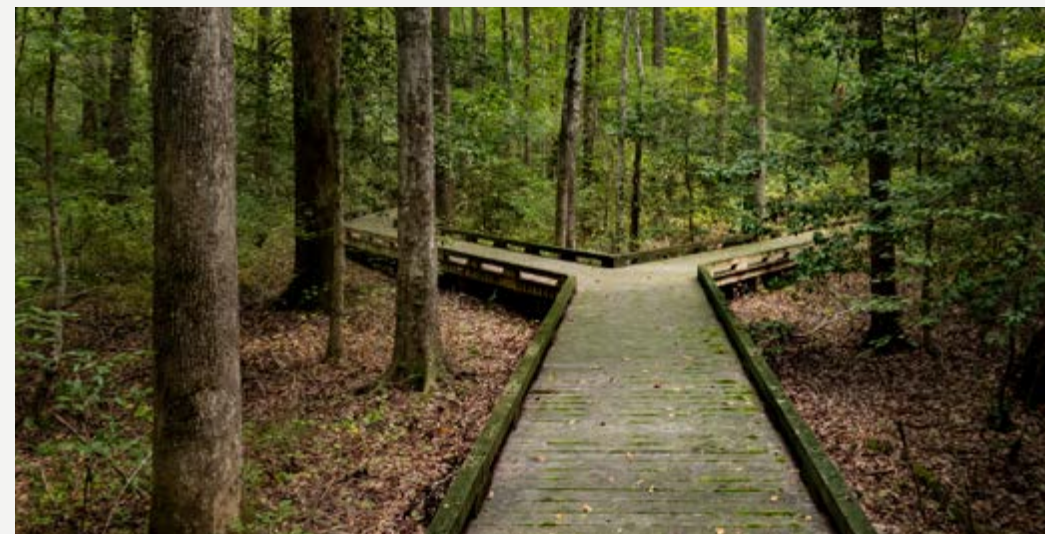
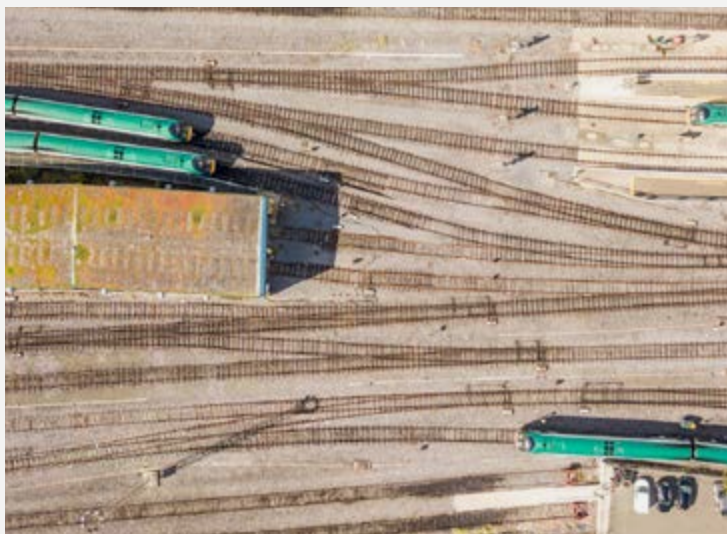
# Principles For Sustainable Insurance

## Overview

2022 has been a seminal year for Aspen and becoming a signatory to the *UN Environment Programme Finance Initiative Principles for Sustainable Insurance* has been one of our more significant environmental commitments.

PSI serves as a global framework for the insurance industry to address environmental, social and governance risks and opportunities and is the largest collaborative initiative between the UN and the insurance industry.

We are now actively embedding these principles into our underwriting processes, from initial decision making through to the way we assess risk in their context.



## UN Environment Programme Finance Initiative



Source: UNEPFI



# Spotlight | Project Leaf

Following 18 months of preparation, the beginning of 2022 marked the launch of Project Leaf. We conducted an extensive portfolio review which enabled us to put in place a methodology to assess an individual transaction's impact across environmental, social and governance factors. This framework has allowed Aspen CPR to create a roadmap towards a more sustainable portfolio and think through the nuances of a transaction's impact.

Based around the UN Sustainability Goals, the team's ethics-based approach has been to consider the individual impact of each policy, recognizing that one-size-does-not-fit-all and regional differences in energy mix and economic development. We continue to assess transactions across the three pillars of ESG, which has led to thoughtful discussions around how the team

views its impact. This framework has informed Aspen CPR's appetite for new business and support for our clients.

We have engaged with insureds to understand their approach to the challenge of balancing the different issues, for example the negative impact of a fossil fuel transaction versus the potential positive impact through energy generation.

There remains space in our portfolio for less favorable deals as we work with our clients through their own ESG transitions, being thoughtful about changes in our business appetite. We remain committed to aligning with the UN Sustainability Goals, the Aspen ESG vision and being responsible corporate citizens.

Headline figures below show portfolio exposure shift as well as the shape of the new business we have underwritten changing.

# 42%

of 2022 year-to-date premium has been ESG favorable, a significant rise from 29% during the whole of 2021

## Exposure has shifted from 5% ESG favorable in 2021 to 23% in 2022

## Meet the Champion

Dan Osman, Co-CUO AIUK Insurance  
and Head of CPR



*"Project Leaf has enabled the Aspen CPR team to bring ESG considerations into our underwriting and strategic thinking. It is evident that applying forward looking sustainability to our business is more critical now than ever. By partnering with our clients, we can help effect change and support this transition to a sustainable future. It is a complex, ever-evolving landscape and requires us to reflect constantly upon and update our approach and strategy as we develop greater understanding of the issues and the potential solutions."*







# Climate Risk & Scenario Analysis

## Overview

Climate scenario analysis represents a further development of Aspen’s approach to climate risk management, allowing us to enhance our understanding of the impact of financial risks from climate change and assess the resilience of the business model to a range of outcomes.

In 2022, Aspen considered three potential climate scenarios informed by those developed by the Network for Greening the Financial System (NGFS). The impacts of each scenario are considered over short, medium and long timeframes.

## Meet the Champion

*Douglas De Couto, Group Head of Exposure Management and Underwriting Performance*



*“Climate Change affects everyone, but Aspen is playing its part now in enacting change for good. The work we are doing is helping us to evaluate future risk and make the appropriate changes to our strategies. We are proud that our research is shaping Aspen’s climate change policy and awareness in a way that helps poor and underdeveloped communities in the long term.”*

## Physical Risk Analysis

Physical risks from climate change relate to specific weather events such as heatwaves, floods, wildfires, hurricanes, and other storms, as well as longer-term shifts in the climate, including changes in precipitation, extreme weather variability, sea level rise, and rising mean temperatures.

These risks impact frequency, severity or volatility of property and casualty insurance loss experience.

For physical risks, scenario analysis focused on losses from North Atlantic hurricanes. To support the analysis, Aspen licensed a climate package with nat-cat vendor model, RMS. The model provides projected physical risk impacts for the selected scenarios. A Climate Change Framework has been developed to prioritize examination of other perils & regions.

This will guide our decisions on how to invest our time and money in research, tools, systems, and data. It also outlines specific underwriting actions to take, that are qualitative, but which can vary by territory, region and peril, and line of business. One result is that the Property Reinsurance teams are now able to explicitly track and record how they are considering the impacts of climate change on each deal they consider.

## Transition Risk Analysis

Risk Management worked with underwriters to assess each class of business written by Aspen according to its potential exposure to climate transition risks. Expert judgement was harnessed to consider the potential transition risk impact that each scenario could have on Aspen’s underwriting portfolio.

## Embedded portfolio risk

The investment portfolio is exposed to risks associated with issuer and supply chain exposure to physical weather and climate events, as well as transition risks arising from the process of adjustment towards a low-carbon economy. The investment team has used its existing fund manager relationships and licensed a climate analysis package through the Aladdin Climate Model. The model provides us with scenario analysis and scores for our investment portfolios, which we are able to compare to selected benchmark portfolios.





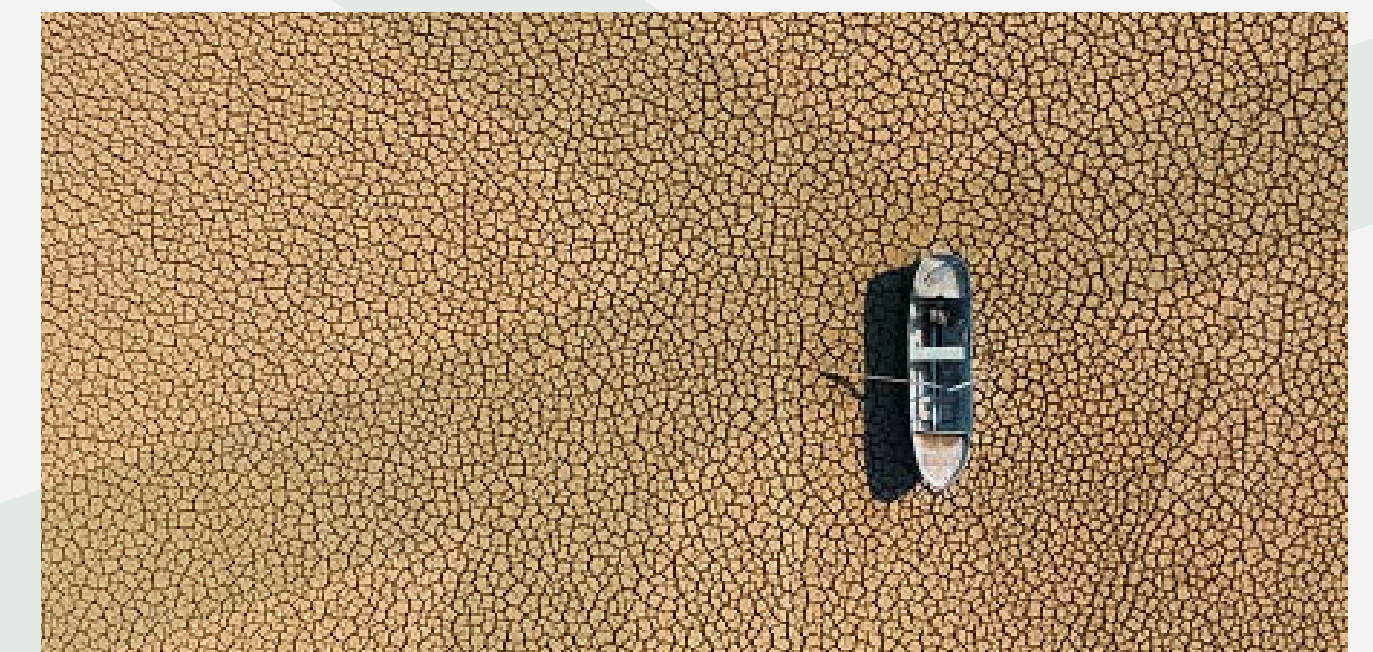
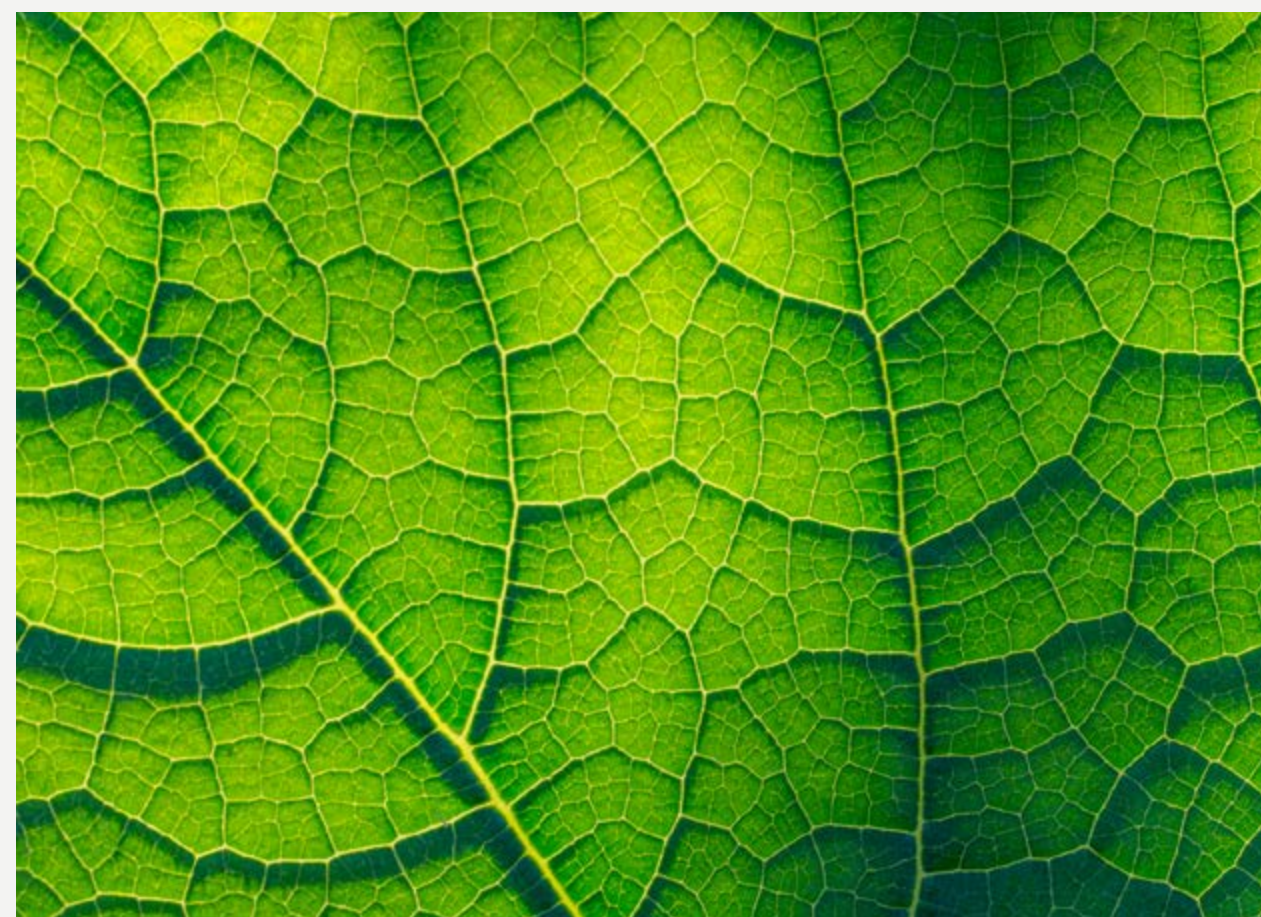
# Spotlight | Developing The Climate Change Framework

Aspen has undertaken extensive work in the past 18 months around climate change and its impact on our underwriting risk, especially in Property and First Party. We have restructured existing work in a more coordinated way so that Aspen's view on climate change can be properly evaluated and assessed.

We have created a Climate Change Framework. This allows us to communicate and evaluate our actions for various kinds of climate risk, across Underwriting, Exposure Management and Risk Management. Going forward, quantitative and qualitative factors will guide our decisions on climate money & research, tools, systems and data. The framework also outlines specific underwriting actions to take, that are qualitative, but which can vary by territory, region and peril, and line of business. One clear benefit of this approach has been in the Property Reinsurance teams, who are now explicitly tracking and recording how they consider the impacts of climate change on each deal.

We are also evaluating the impact over the long-term of climate change for regulatory and stress test purposes, using "climate conditioned" models. This is focused on the North Atlantic Hurricane (NAHU).

Additionally, we are using those models to estimate the short to mid-term (3-5 years) impact of climate change on our portfolios. The output from this exercise has been explicitly and quantitatively included in our planning process, and the impact has been built into Aspen's view of risk, pricing and exposure management.





# Operations & Corporate Real Estate Services

## Overview

Aspen began a program in 2021 to standardize and transform our offices, reducing the footprint of our office space, and providing more sustainable, less energy-intensive accommodation. The offices in Atlanta and Dallas are the latest to undergo the program, with offices in San Francisco, Chicago and Puerto Rico following in 2023.

This comes at a time when office occupancy rates remain substantially below pre-pandemic levels. In the last year Aspen introduced the Move 2 The Future program to allow employees to work remotely. In conjunction with our office transformations, we have been able to cut our property footprint by up to 50%. This allows our remaining space to be used more efficiently as office occupancy levels continue to fall. In the Tristate area of New York, New Jersey and Connecticut, we achieved occupancy levels of 44% during October 2022, and 46% in London.

All transformed offices now benefit from the introduction of timer switches, engineer-reviewed LED lighting, and follow-me print services.

Collectively these initiatives have resulted in substantial savings in energy and water usage, heating and air conditioning, reduced commutes and less need for corporate travel.

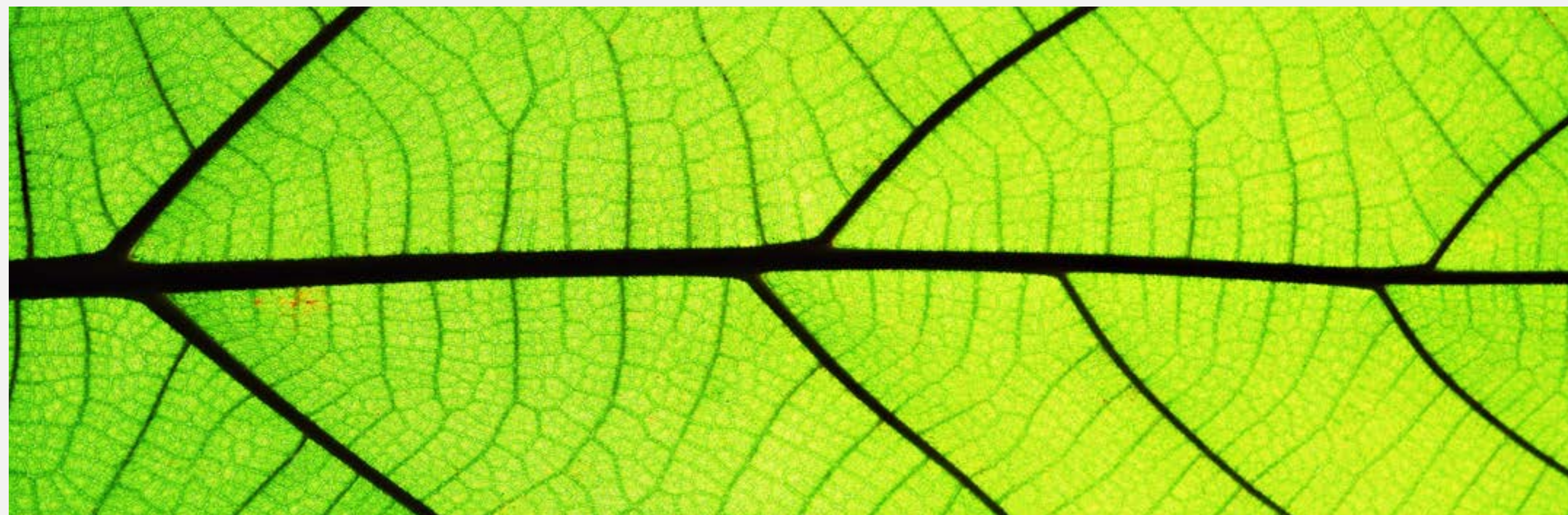
Additionally, every desk and chair is now ergonomically designed to improve the health, comfort and posture of employees. This has helped to reduce our accident rate to zero Total Reportable Incidents. It's also helped to address long-term health issues such as eyestrain, back pain and RSI-related injuries.

**50%**

reduction in footprint  
size of newly  
refurbished offices

Office occupancy  
levels around 40%  
as new systems  
allow more remote  
working

Emphasis on reduced  
energy consumption  
in new ergonomically  
designed office  
space



## Meet the Champion

Emilio Galanda,  
Group Head Corporate Real Estate Services



*"We are delivering real change to the natural environment by reassessing our working environment. As working patterns change, Aspen is at the forefront of ensuring that our workspace is fit for purpose and provides sustainable solutions at every opportunity. We are also seeking to balance the needs of our staff by ensuring our accommodation meets the highest standards of health and safety and environmental friendliness."*





# Spotlight

## 1 Push for zero plastic and single use drinks containers

Aspen is actively looking to eliminate single use plastics from our offices. We have stopped the purchase of water and other soft drinks in plastic bottles and instead installed zip taps in our cafeterias and kitchens. These allow staff to have access to hot and cold and mineral or sparkling water at the push of a button. The measure saves water as drinkable water is now immediately available without the need to run the tap. It also saves on single use plastics and transportation. Additionally, our coffee making facilities now use recyclable pods. Spent coffee grounds can now be composted rather than going into the general waste. The pods themselves can be salvaged and recycled by the manufacturer. These simple initiatives have collectively helped to reduce our waste disposal footprint.

We have also invested in the purchase of reusable drinks containers, which simply need to be washed and used again. Every member of staff is being provided with a personal water bottle. These are made from recycled materials. Each bottle is individually coded allowing us to measure the number of times it is being re-used. For our conference and meeting rooms, we are making greater use of glass bottles and ceramic mugs, all of which can be washed and reused.

## 2 Trim Trax – Reducing food waste

We have rolled out a service called Trim Trax which seeks to reduce the environmental impact of materials throughout their entire life cycle. This initiative, in conjunction with our catering partners, helps to monitor how food waste is produced, used, reused and disposed of. Before the introduction of Trim Trax, leftover food scraps accounted for almost half of foodservice waste.

We have now begun to reduce the levels of food waste at source. This has entailed modifying our ordering and purchasing procedures in terms of quantities and timing. We have reviewed our menus to see if certain items account for excessive waste levels. We have also re-examined our production and handling practices to reduce waste. Finally, we have introduced secondary uses for excess food; leftover bread can now be turned into croutons, excess rice becomes fried rice, and an extra tray of lasagna can be donated to the local shelter or soup kitchen.







# Social

Corporate Social  
Responsibility



Company  
Culture



Diversity, Equity  
& Inclusion





# Corporate Social Responsibility

## Overview

The Aspen Corporate Social Responsibility mission is to do our part to create a more sustainable world and provide opportunities for future success in our global and local communities.

Our CSR policy is designed to empower our staff to support their own charitable passions through the employee matching program. Additionally, it helps to create staff engagement and comradery with volunteering and team building opportunities. Aspen sees CSR as a method to help acquire and retain the best staff since it instills a sense of pride amongst our teams based on the work we do in our communities.

## CSR Pillars

### The Environment

Creating a more sustainable world through

- Climate Action
- Life Below Water
- Life on Land
- Education
- Sustainability

### Our Communities

Providing opportunities for future success through

- Quality Education
- Gender Equality
- Reduce Hunger
- Reducing Inequalities
- Providing Opportunities

## Aspen's CSR strategy

To help achieve our CSR objectives, we have established three regional CSR committees to drive our charitable giving. Each committee is staffed by a diverse group of Aspen team members and had a budget worth \$300,000 in 2022.

The “Your Cause” portal allows charities to apply for grants directly. We reviewed and awarded funds to initiatives that align with our pillars, meet the UN’s Sustainability Goals and are championed by our staff. Applications are based on their ability to make a meaningful difference within our areas of concentration.

### Meet the Champion

*Adam Barboza, Director of Corporate Social Responsibility*



*“CSR is a vital part of Aspen’s ethos and culture. We take great pride in supporting worthy causes and empowering our staff to do good, creating positive impact through our actions.”*

### The Environment:

- Increase biodiversity and natural habitat restoration through Blue Carbon projects
- Implement reforestation and carbon sequestration initiatives
- Increase awareness, education and action of climate change and healthy oceans

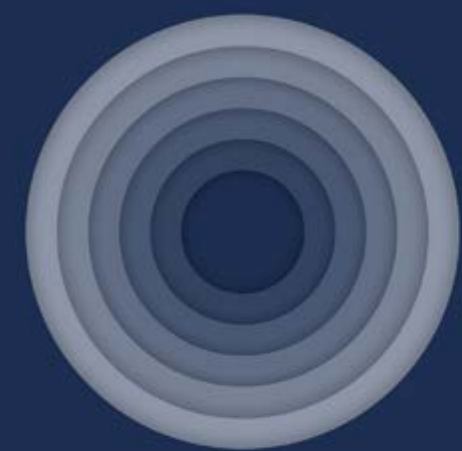
### Our Communities:

- Increase healthcare, education and neonatal services in Uganda and Nepal (Adara)
- Reduce the negative impacts of homelessness
- Provide educational and future career opportunities
- Support crisis and ongoing healthcare needs
- Assist the underinsured to provide therapies and support for patients with life-altering diseases
- Provide feeding options for people in need
- Support emergency assistance and disaster relief efforts



# Values Based Approach To CSR

How CSR goals and objectives align with Aspen's Values and Behaviors



## One Aspen Team Creating Value

Creating stakeholder and reputational value while increasing social capital with both internal and external clients.



## Open minded

Fostering and developing ideas and initiatives that support our pillars and our sustainability work.



## Do the right thing

We do good by doing well by supporting initiatives that have impact in our global and local communities.



## In it together

We develop collaborative engagement with our staff, our third sector partners and ultimately the work they do. We instill a sense of pride in current staff and build a platform to attract future talent.



## Own it

We play a vital role in the success of the partners we support. We own the ability to reduce our own environmental impact.



## Innovate

Through knowledge sharing and collaboration we increase our social impact. We can all do our part to make this a better world. Engaging our staff in our corporate philanthropy while encouraging their own individual altruistic passions.





# CSR Initiatives

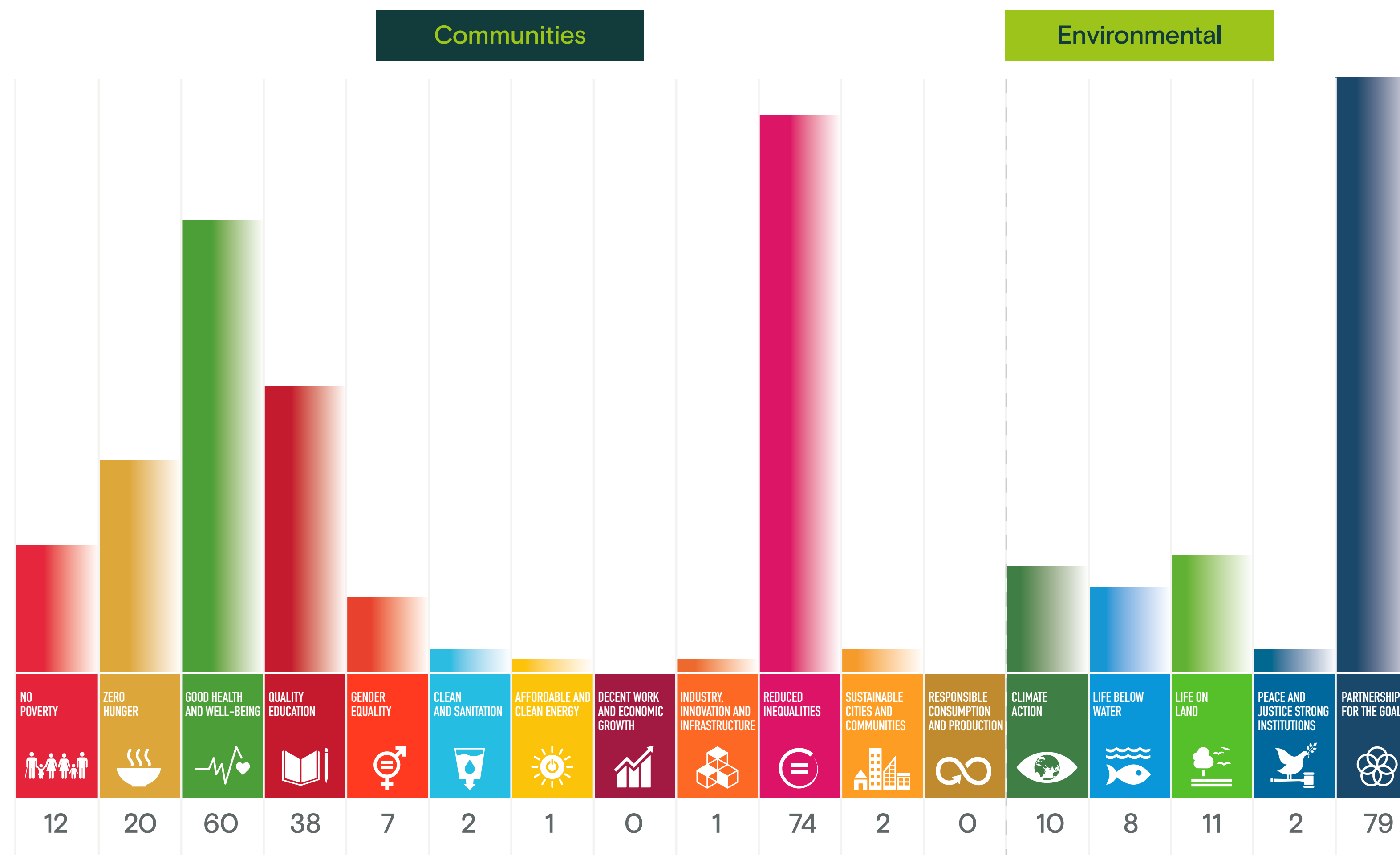


## THE GLOBAL GOALS

Aspen's approach is focused on thinking globally and acting locally to support projects with targeted UN Sustainable Development Goals.

Aspen has a baseline budget of  
**\$1.2 Million**  
 to spend on CSR initiatives. This sum is approximately equivalent to 0.045% of GWP and equates to  
**\$1,200**  
 for every employee in the group.

Distribution of Aspen's CSR initiatives across UN Sustainability Goals





# Spotlight | Blue Marble

Climate risk affects agriculture around the world, but in developing countries it is particularly destructive. These are countries that are often disproportionately exposed to more extreme temperatures, precipitation and the risk of natural disasters.

Aspen invested in a micro-insurance entity known as ‘[Blue Marble](#).’ It’s a for-profit social enterprise offering parametric insurance to previously uninsured agrarian and other societies. It started as an insurance industry initiative in 2015, and it now positively impacts many farms in a number of developing economies. Through specialist products and technology, it enables parametric insurance solutions to help with climate change adaptation and resilience in countries around the globe.

We’ve seen a substantial rise in the number of beneficiaries of the Blue Marble scheme – rising from under 2,000 to nearly 100,000 over just 6 years. From coffee growers in Columbia, Honduras, Guatemala and Kenya to fruit growers in Indonesia, we are committed to supporting these communities should weather-related damage jeopardize their livelihoods. Payouts to these communities were nearly \$3m during 2022.

Blue Marble engages in bilateral partnerships with governments in places such as Pakistan and Kyrgyzstan to secure this type of protection insurance for farmers struggling not only with climate change, but also major societal and economic challenges. Blue Marble also collaborates in both public and private sectors with companies and organizations including the World Food Program, Nespresso and Oxfam.

Blue Marble is also excited to be in the early stages of expanding the lines offered to private medical insurance and individual protections. These lines are already offered in the Indian subcontinent, and there are plans to extend into Kenya in 2023.

## Blue Marble’s Vision

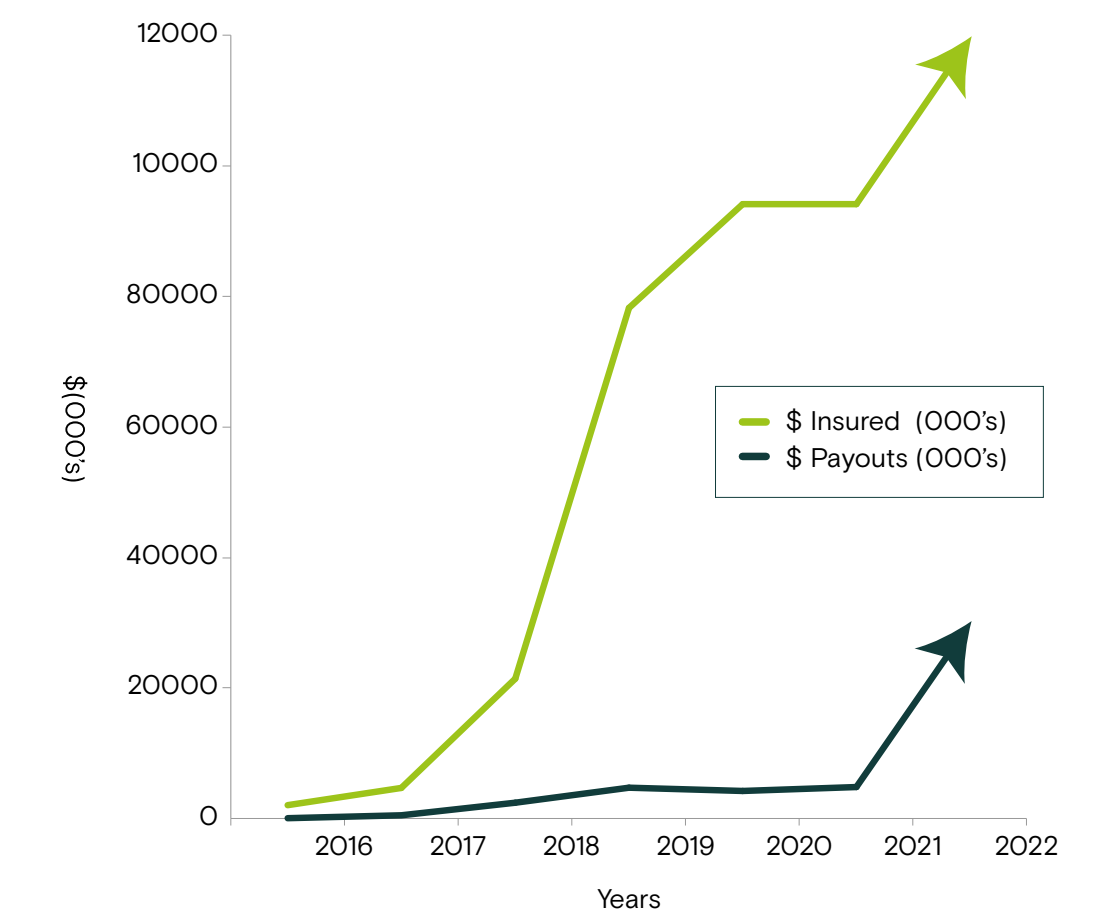
To normalize financial risk protection for underserved populations in order to reduce poverty and have a positive impact on the environment.



Blue Marble scheme beneficiaries increasing from

**2,000 to 100,000 in last 6 years**

## Blue Marble scheme beneficiaries





# Spotlight | Blue Marble



*“With this catastrophic year, I could pay the debt that I had for my fertilizers in this season, giving me a clean plate for the next one.”*

**Jorge and Jose, farmers in Cafe Seguro in Colombia via Vereda Alegrias cooperative**

## Meet the Champion

*Jonny Atkinson,  
Director, Blue Marble*



*“Blue Marble’s vision aligns closely with a core Aspen Value of ‘Doing good by doing well.’ Our shared hope is that through our support of their programs globally, we will be making microinsurance a viable and sustainable product that will positively impact many lives. Frankly, it is a privilege to play a part in the Blue Marble story.”*

*“Previously we farmed small portions. We did that without insurance but now with insurance, we are upscaling because we feel safe to do so.”*

**Trainys Muchagona, farmer in Ruzhowa/Uthango program in Zimbabwe**



**Payouts to beneficiary communities  
\$3M in 2022**





# CSR Initiatives

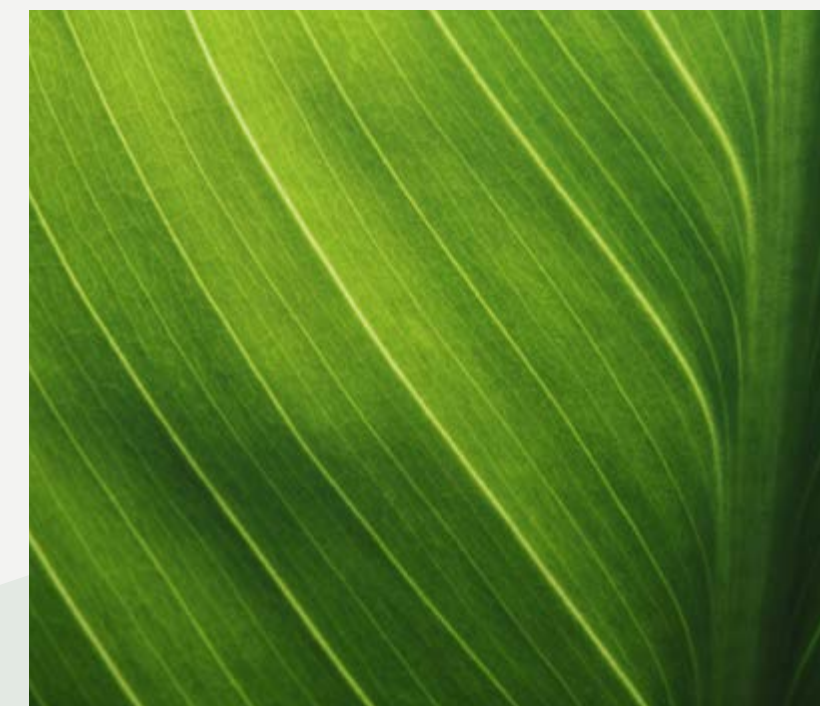
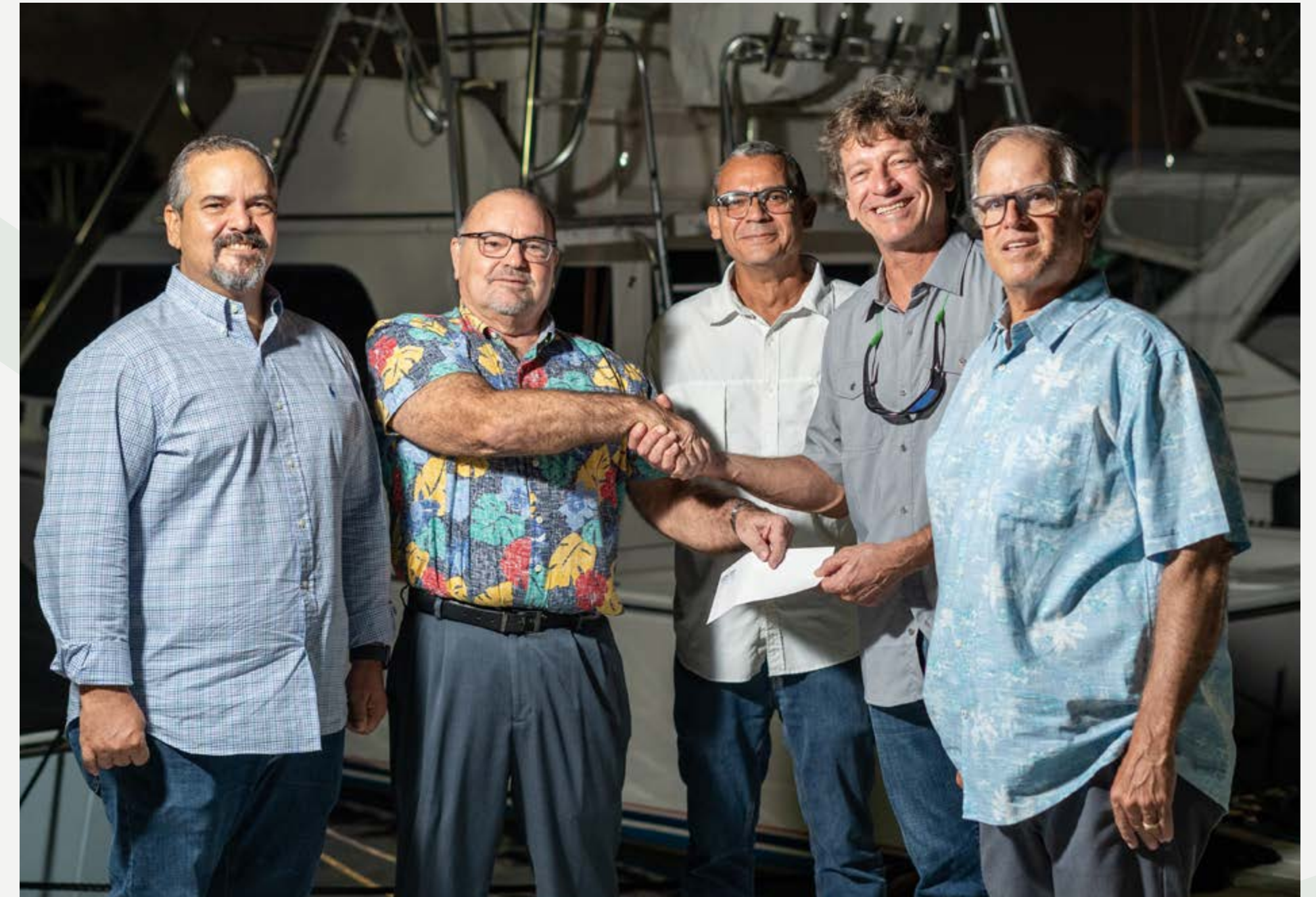
## Spotlight | Fundación Legado Azul

Puerto Rico is very dependent on its fishing stocks, so it's important that those relying on the marine environment help to promote sustainable forms of fishing.

During 2022, 22 FADs (Fish Aggravating Devices) were built and deployed around the island to help control the problem of overfishing. These new additions are working with the 16 that had previously been established. The FADs help to meet sustainability targets by encouraging offshore trolling for Pelagic species, such as Dorado, Tuna and Kingfish - species that are not in danger. This applies not only to sportfishing enthusiasts, but also to the island's commercial artisanal fishermen.

By providing a fertile and sustainable fishing ground offshore, pressure is taken off the nearshore reefs, giving them a better chance of recovery. In addition to benefiting the reefs directly, the FADs also benefit the marine environment indirectly by encouraging interaction with nature, in this case the activity of deep-sea fishing. It is well known that people who interact with nature are more likely to protect it.

To support and continue this vital work, the Blue Waters Insurance office in Puerto Rico, which is a company within the Aspen group, was able to hand over a donation of \$10,000 to Fundación Legado Azul. This is a natural resource conservation organization based in San Juan that was founded in 2018 and helps to monitor the FAD system.







# Employee Empowerment

## Overview

Aspen is committed to supporting people and communities at both a national and local level, with the aim of making their lives better and giving them opportunities they may not otherwise have had.

This also includes supporting our employees in their efforts to raise money or involving themselves with charities and providing opportunities for staff to become involved with charitable work.

Aspen offers a Volunteer Day Policy with employees eligible for up to two days or 15 hours to volunteer per calendar year. There is an annual budget for providing corporate donations and employee matching net income for charitable purposes, which is reviewed on an ongoing basis.

## Meet the Champion

Adrian Jackson FCII, Head of Property,  
Business & Community – UKP&C



*“Give As You Earn, supported by matching Aspen contributions, is a very effective tax-efficient method of supporting my chosen charities. Regular monthly contributions soon build up into a significant amount, that I can then use to make donations (via CAF) to my chosen charities and providing meaningful results. For example, I have recently been able to support a local Scout Group to plan their new HQ building – effectively paying for the architect’s drawings. In addition, I have been able to make an immediate positive contribution to charities providing responses to world-wide emergencies.”*



The number of paid leave days employees can take each year to volunteer

## GAYE (Give As You Earn)

Give As You Earn is a great way for our UK employees to make tax-efficient donations via payroll to charities of their choice. In the UK Aspen matches donations up to £100 a month and covers the cost of administration, meaning charities get the full donation amount to support the incredible work they do.

Aspen currently has 44 employees in the UK enrolled in the plan and in the last 12 months, over £50,000 has been donated to various charities including Cancer Research UK, RSPCA, Macmillan Cancer Support and Great Ormond Street Children’s Hospital.

In the US and Bermuda, Aspen matches each employee’s donations up to \$1,750 per year.

## Employee Matching Statistics

	# OF EMPLOYEES USING MATCHING	# OF CHARITIES FUNDS DONATED TO	AMOUNT OF MATCHING
UK	19	16	£17,130.00 (\$20,982.00)
US	11	11	\$8,503.00
BERMUDA	15	16	\$16,750.00
TOTALS	45	43	\$46,235



# Spotlight | Support For Ukraine

Aspen staff were encouraged to donate funds to the Daar Foundation in support of the crisis in Ukraine in the middle of 2022.

An organization, Ukraine Rises, has been working behind-the-scenes to support Ukrainian people rebuild their lives and nation.

With the support of our donors, including the generous team at Aspen Insurance, we have been able to provide Ukrainians with ongoing aid in the form of:

- A 40 foot container stocked with critically needed medical supplies
- Personal protective equipment for first responders including Explosive Ordnance Disposal (EOD) gear for demining efforts
- Winter hand and body warmers and much more

Ukraine Rises is anticipating what is likely to be the largest reconstruction and development program in modern history. In October 2022, they helped to connect American policymakers with their Ukrainian counterparts to discuss making improvements to conflict-zone humanitarian aid and national security issues. In particular, the summit looked at targeted populations such as women and children, service members and veterans, and entrepreneurs. It also considered improvements to health and safety, technology and STEAM, and advocacy and capacity-building.



More than 70 staff  
contributed nearly  
**\$40,000**

Aspen additionally  
donated  
**\$125,000**



# Spotlight | Volunteer Days

## Emory Children's Hospital

Aspen sponsors a room in the Ronald McDonald House at the Emory Children's Hospital campus in Atlanta, Georgia. It's a place that gives parents who are far from home a place to stay close to their hospitalized child without incurring additional hotel and food costs. In the past year, the Aspen room hosted 14 families seeking treatment at the hospital.



## Houston Food Bank

During the Insurance Industry Charity Foundation's (IICF) Week of Giving, four staff members from Aspen's Houston office volunteered to pack macaroni meals that were distributed to local schools at Houston Food Bank in Houston, Texas. The day was a joint effort between Aspen and Dallas-based charitable organization Buckner International.

Around 1 million people in the 18 counties of southeastern Texas served by Houston Food Bank are considered food insecure. That means they lack consistent access to enough nutritious food to fuel a healthy life. In order to address this issue, the Houston Food Bank distributes food and other essentials to those in need through a network of more than 1,600 community partners.

Houston Food Bank also provides programs and services aimed at helping families achieve long-term stability including nutrition education, job training, health management, and help in securing state-funded assistance.





# Spotlight | Salary Sacrifice For Electric/Hybrid Vehicle Leasing

Aspen has partnered with Tusker in the UK to launch a salary sacrifice scheme enabling employees to lease electric/hybrid cars. This scheme provides an affordable way to drive a brand-new electric/hybrid car for a fixed monthly amount deducted from their gross pay. This results in reduced deductions of both income tax & national insurance.

Vehicles are available from all leading car manufacturers and come complete with fully comprehensive insurance, road tax, breakdown cover, tires, servicing and maintenance and no upfront deposit. Employees can benefit from a fixed monthly cost without having to worry about unexpected costs arising.

Employees enrolling in this benefit also help the 'Trees with Benefits' scheme offered by our benefits portal provider, Benefex. The initiative plants one tree for every benefit selection on their platform. Over the next three years, Benefex expects to plant 1 million trees in a dedicated reforestation site in Nepal.



## Meet the Champion

*Pritesh Rabadia, Benefits Partner*



*"Aspen is delighted to be adding the Tusker car scheme to our benefits offering in the UK. Employees will have access to a brand-new electric/hybrid car for a fixed monthly deduction without having to worry about ongoing maintenance and repairs which are all included as standard. I think Introducing this scheme truly shows Aspen's commitment to a greener future by helping employees move away from diesel/petrol cars and opting for an environmentally friendly electric/hybrid option instead."*





# Spotlight | Sustainable Partnerships

## Spotlight PGA Butterfield Bermuda Championship

Aspen partnered with the Butterfield Bermuda Championship; a PGA event held at the Port Royal Club in Bermuda. It's hoped that the relationship will be expanded and developed in the coming years to achieve more sustainability aims and objectives.

During 2022, water refill stations throughout the golf course enabled spectators to refill their reusable water bottles and avoid buying bottled water throughout the four-day event. The introduction of reusable cups in place of single-use plastic cups used in previous years also helped significantly reduce the amount of single-use plastic on site. Aspen Bermuda Limited also gave away 500 reusable water bottles daily at the entrance gate to promote single-use plastic awareness.



## Spotlight Micro Forest Project

Aspen has helped with the Micro Forest Project organized by the Bermuda Zoological Society. The project aims to restore endemic Bermudian plant life by planting native flora to assist in the overall reduction of Bermuda's carbon footprint.

During the Bermuda Youth Climate Summit held on the island in November, Aspen donated 2 seedlings for every delegate attending (there were 320 in total).





# Spotlight | Sustainable Partnerships

## Spotlight Bermuda Mangrove Reforestation

Aspen is committed to a five-year, \$25,000-per-year partnership with the Bermuda Zoological Society (BZS) to establish a Red Coastal Mangrove exhibit on Trunk Island. In June 2022, together we developed the first phase of mangrove reforestation.

Worldwide there is growing interest in mangrove restoration for several reasons. First, mangroves support sustainable coastal and marine ecosystems and protect areas from storm surges and extreme weather. Second, there is rising confidence globally that Blue Carbon will become an effective solution to the climate crisis. Mangrove forests aid in carbon cycling, and their muddy soil is carbon-rich, making these coastal forests extremely valuable.

Locally, surveys show that in many locations, few mangrove forests remain to block strong waves. This destruction of our natural mangrove forests led the BZS to initiate its community-based mangrove reforestation and management project.



To be successful, the mangrove reforestation project must work closely with the community. As part of its 20th Anniversary celebration, 17 employees from Aspen, led by Mark Pickering, CEO Aspen Bermuda Limited, took part in a workday on Trunk Island, reinforcing the mangrove habitat with recycled, biodegradable burlap bags filled with rich red soil and planting the first mangrove propagules.

To date:

89

burlap bags placed

223

red mangroves planted



## Spotlight Final Straw Foundation

Aspen supports the Final Straw Foundation (FSF), which focuses on promoting ocean health and reducing single use plastics through education and awareness to turn off the tap of plastic pollution. We work with local communities, schools and businesses to highlight the impact of plastic pollution on our environment and to minimize the amount of plastic entering our local seas and wider oceans.

Wild Beach Schools FSF aims to take children to our beaches to learn about our local shores and wildlife, and the impact that plastic pollution is having on them in the UK. We aim to inspire all with a love for the sea, whilst encouraging appreciation and the importance of caring for our shores by ending plastic pollution.

Since we started running beach cleans in 2018, we have collected over 32,072 kilos of plastic waste and rubbish from local beaches.



32,072

kilograms of plastic waste and rubbish from local beaches.



# Our Values & Behaviors



Open minded



Own it



Do the right thing



Innovate



In it together

## Overview

Aspen launched our refreshed values and behaviors in 2021, and throughout 2022 we have been working to embed them in everything we do, from shaping expectations of individual behaviors through to how we operate as a business.

Here are some of the actions we're taking to bring our values to life:

- Using our behavioral framework as the backbone of our leadership development programs
- Instilling consideration of core cultural components – particularly collaboration and accountability – into how we manage change projects
- Building an assessment of values and behaviors into our internal audit process, so we can track and benchmark our progress to embed positive culture – particularly in terms of how we manage risk - at local team level
- Launching our Culture Champion Awards to celebrate colleagues who are role models of our values
- Refreshing our careers pages to show how our culture works in practice and encourage applications from candidates who share our values

We are already seeing the impact of our work, with very positive feedback in our 2022 engagement survey about the alignment our people feel to the goals of Aspen and support from line managers. Our people also report significant improvements in innovation, recognition and collaboration.

What is more, our values are helping us to win business as we demonstrate to clients how our corporate culture aligns with their own ethos.

# 88%

say their manager genuinely cares about their wellbeing

# 61

nominees for our very first Culture Champions Award

# 89%

of our employees participated in our annual engagement survey

# 223

people said thank you or well done to a colleague using our Aspen Moments Recognition portal

# 87%

of our employees say they know our company values



## Meet the Champion

Christine Miller, Senior Claims Adjuster



*"It was a fantastic surprise to be selected as the first winner of our Culture Champions award, especially for our value of 'In it Together.' I always try to support my colleagues, especially those who are newer to the role, and working in partnership with our underwriting teams just makes sense – if we all collaborate, we can do the best possible job for our clients and for Aspen. It was a very special feeling to know that other people value the contribution I make."*



# Diversity, Equity & Inclusion

## Overview

Having put in place a strong infrastructure for DE&I in 2021, our work in 2022 has been focused on delivering outputs. Under each of our two pillars of attracting and building diverse talent and building an inclusive culture, we have a clear work plan that is led by people from across our business and championed by executive sponsors.

This year we launched training for all our people managers, using real-life case studies to encourage them to reflect on and challenge the assumptions that can have an undue influence on hiring and performance decisions. We refreshed Breakthrough, our well-evaluated women's sponsorship program, and launched a listening campaign to understand and improve the experience of employees who take time off to care for children.

Good data is essential, and we have run successful campaigns to encourage job applicants and our employees to declare their demographic data. We report on a range of data points formally to our Executive Committee twice a year and each member of the Executive Committee takes personal accountability for driving improved outcomes in their own areas, including promoting attendance at DE&I training and ensuring we are developing diverse leaders for the future.

# 90

people managers attended training on unconscious bias

# 80%

of our employees declared their ethnicity/race, up 5% since 2021

# 5

executive sponsors for our women's sponsorship program

## Meet the Champion

Aileen Mathieson,  
Group Chief Investment Officer



*"When I joined Aspen, I was reassured to see a strong and coherent approach to diversity, equity and inclusion. The bottom line for me is that diversity and inclusion must be lived not just talked about, and that means having good data, a genuinely inclusive environment and strong leadership that champions this work from top to bottom. I have a role as a member of ExCo as well as a leader of my own function to challenge the status quo and provide an environment for diversity to flourish at Aspen, and as Chief Investment Officer I carry that banner when I look at investment opportunities externally."*





# Spotlight | Early Careers Programs

We recognize that increasing the diversity of our business and our industry means investing for the long-term, and we have launched a suite of activities that focus on people at the early stages of their careers.

For our graduate programs, we have collaborated with partners to consciously target potential applicants who are first in their family to go to university or college. We also encourage applications from women and people from all ethnic and racial backgrounds. Through this strategy we brought in 12 graduates in 2022 who increasingly reflect the diversity of the environments in which we operate.

The success of the program is also measured in feedback from the business, with growing numbers of managers asking to host graduates.

We relaunched onsite summer internships in 2022. Once again, we strongly encouraged diversity of gender, race

and socio-economic background as part of our application process and welcomed a very diverse cohort of six interns, including – with the support of the Chair of our Bermuda RESET (race and ethnicity ERG) - two students from Bermuda Community College.

All of our interns reported extremely positive experiences and we were particularly pleased when two of them asked to stay on at Aspen in permanent roles at the end of their internship.

In 2021 we launched a program to offer internships to military veterans in the UK and in the US. Two former military interns from the program were offered permanent positions in our Cyber Underwriting and Entity Operations teams. In 2022 we have so far hosted three interns and have again been delighted to offer two of them permanent roles in the business.

## 55%

of attendees at our graduate assessment centers were ethnic minorities

Two out of three military internships have resulted in the offer of employment

## 50%

of our summer interns were female

## Meet the Champion

*Halima Khan, upReach Summer Intern 2022, now Assistant Underwriter, Casualty Reinsurance*



*“When I got a place on Aspen’s intern program, my plan was to meet new people and make the most out of the experience before I chose a career path. Having done a humanities degree, I was unsure on whether Insurance could be for me, but the team made me feel at home so quickly and were always so willing to help. I was given such interesting projects to work on that when the end of the scheme came around, I wanted to pursue a career in insurance. My boss was incredibly supportive, and I’m now an underwriting assistant in one of our Reinsurance teams!”*

## Meet the Champion

*Nathan Neal, Ex-Military Intern joined Aspen Summer 2021, now Assistant Underwriter, Cyber*



*“After leaving the Royal Marines I started my own consultancy, but I really wanted to try working in a corporate environment. Aspen’s ex-military internship was for two months but I very quickly felt this was somewhere I wanted to make a career, so it was great to be offered a substantive role and within a year I was able to take a step up into an Assistant Underwriter role in the Cyber team. It’s now really satisfying to be able to support the new interns coming onto the scheme”*





# Employee Resource Groups

## Overview

We launched employee resource groups at the end of 2021 and during 2022, we have seen them go from strength to strength.

We now have groups for gender (GAIN) and race/ethnicity (RESET) in the US, Bermuda and UK. They are chaired by colleagues from within Aspen and are all highly active in informing and helping to deliver our DE&I strategy.

One of the first priorities for our ERGs was to build knowledge and confidence to talk about issues that previously may not have been openly discussed in the business. Using personal blogs and panel discussions, our ERGs have prompted thoughtful conversations about sexual orientation, racial and gender discrimination, the menopause, mental health and micro-inequities.

They have led activities to mark events such as International Women’s and Men’s Days, Diwali, Black History Month, Pride Month and Hispanic Heritage History Month, all of which combine celebration with an opportunity to grow understanding.

We have seen very high levels of attendance and engagement with our activities, and huge support for those colleagues who share their experiences. Feedback from our 2022 engagement survey was that our people have seen a step change in how we approach issues of diversity, equity and inclusion and have confidence in the business’ commitment to this work.



### Meet the Champion

Vim Phiri, Business Manager  
and Founding Chair of UK GAIN  
(Aspen’s Gender ERG)



*“It’s important to talk! Open and honest discussion breaks down barriers and leaves us all better informed. Our Employee Resource Groups have become important forums for exploring and questioning issues and ideas that are sometimes regarded as socially taboo; to confront the challenges of modern society, we need to be open about them. We’ve looked at personal and health issues, celebrated communities and cultures and talked about protecting mental health. By opening up, we can break down stereotypes, improve relationships, aid recovery and take the stigma out of something that affects us all.”*

6

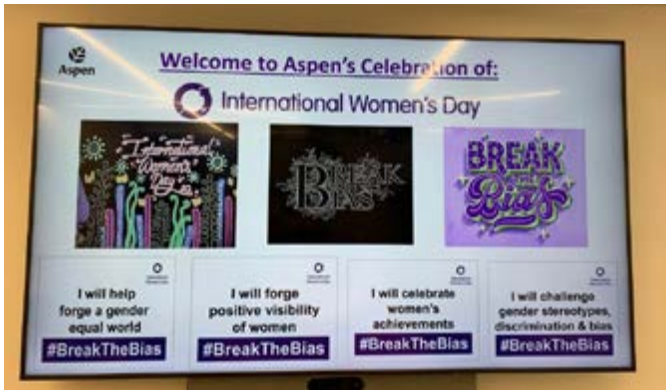
ERGs established across all our global locations

4

4 in-person celebratory events to mark keynote moments in the DE&I diary globally

4

global virtual panel discussions and Q&A events on DE&I issues





# Spotlight | DE&I And CSR Working In Collaboration

During 2022, our gender ERG, GAIN, marked International Women's Day and World Menopause Day, and wanted to also highlight and raise awareness surrounding issues that affect men.

We felt that the global 'Movember' campaign was a great opportunity to increase awareness of men's health issues such as prostate cancer, testicular cancer and men's suicide as well as raise money for related charities with many of our male colleagues being sponsored to grow moustaches.

Aspen used the month to promote our Mental Health First Aiders in the UK. Additionally, a global blog by the Chief Finance Officer on how he maintains his own mental health was a highly visible statement about the importance of this often-hidden problem.



By the end of the month, Aspen had collectively raised over \$15,000 for charity.

For Giselle Yeung, AVP, Capital Management, and David Le, Senior Distribution & Marketing Analyst, 'Movember' was a great demonstration of how GAIN, which worked on the campaign, is helping to make Aspen a more inclusive, mindful and globally connected company.

Aspen raised  
**\$15,000**  
 globally for 'Movember'



## Meet the Champion

Vim Phiri, Business Manager  
 and founding Chair of UK GAIN  
 (Aspen's gender ERG)



*"Over the last couple of years, I've seen Aspen take a committed approach to diversity, equity and inclusion – this encouraged me to apply to be chair of GAIN in the UK. Our ERGs provide a safe space for colleagues to speak freely on topics often described as 'difficult,' to ask questions and contribute towards positive and impactful change. There's a lot of support for what we do, both from employees and the business, and whilst everyone agrees that there is still work to do, there is a real sense of excitement as we work towards building a truly inclusive business."*





# Corporate Governance

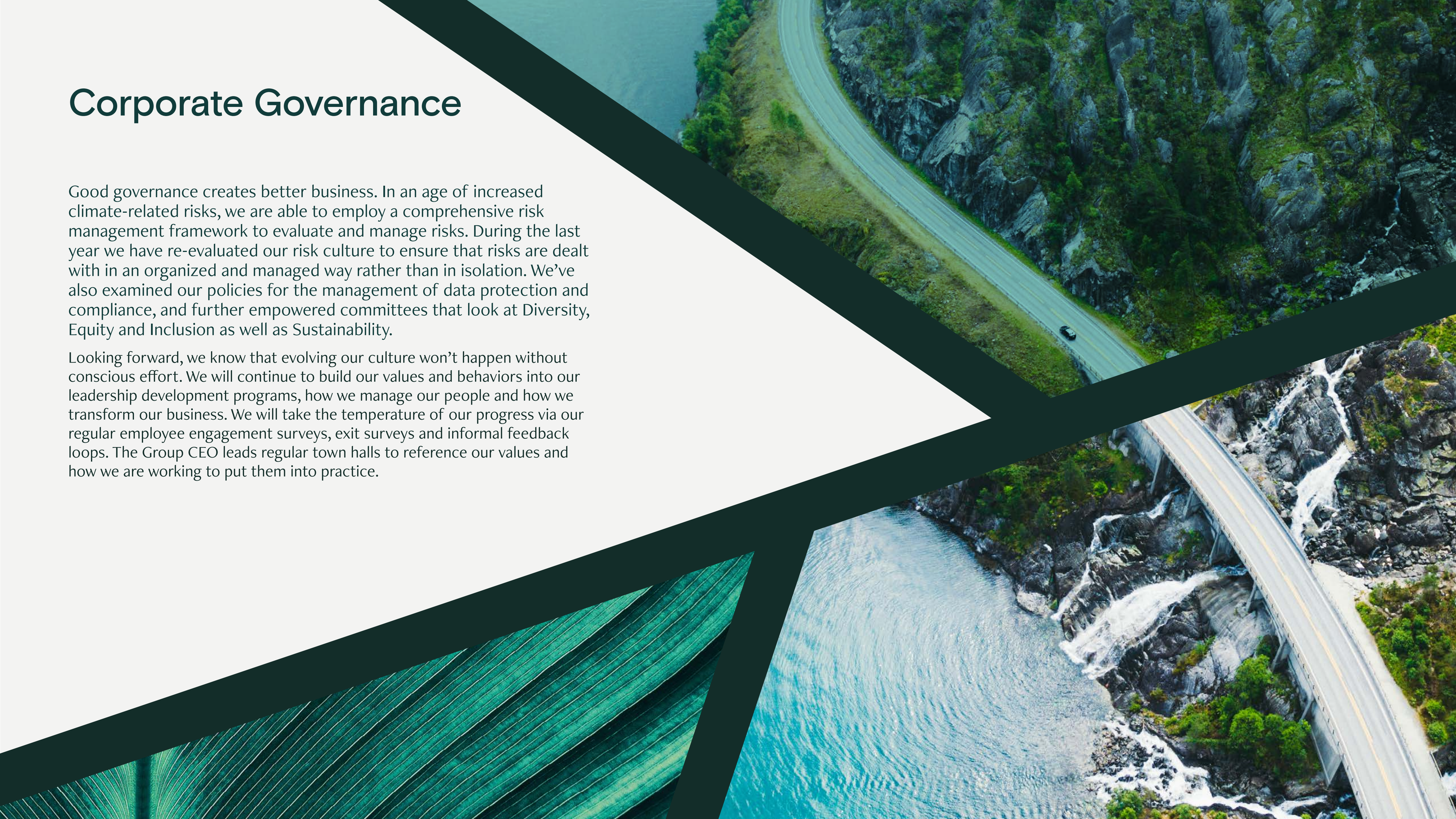




# Corporate Governance

Good governance creates better business. In an age of increased climate-related risks, we are able to employ a comprehensive risk management framework to evaluate and manage risks. During the last year we have re-evaluated our risk culture to ensure that risks are dealt with in an organized and managed way rather than in isolation. We've also examined our policies for the management of data protection and compliance, and further empowered committees that look at Diversity, Equity and Inclusion as well as Sustainability.

Looking forward, we know that evolving our culture won't happen without conscious effort. We will continue to build our values and behaviors into our leadership development programs, how we manage our people and how we transform our business. We will take the temperature of our progress via our regular employee engagement surveys, exit surveys and informal feedback loops. The Group CEO leads regular town halls to reference our values and how we are working to put them into practice.





# Board Strategy & Alignment

## Overview

At Aspen, we take our responsibility to comply with all applicable regulations of the jurisdictions within which we operate very seriously. Good governance is the bedrock of our commitment to offer value to our clients, employees and the communities around us. We have strict operating structures in place to deliver on this.

4

total number of Group Board meetings held during 2022

22%

AIHL Directors who identify as female

18

total number of Group Board and Group Board Committee meetings held during 2022

## AIHL Board of Directors

The Aspen Insurance Holdings Limited (AIHL) Board is the ultimate supervisory body of AIHL and the Group. All-but-one of the AIHL directors serves in a non-executive capacity. The AIHL Board members have ultimate oversight of the business, including the implementation of appropriate management controls and the determination of the Group's ESG strategy. The AIHL Board also reviews on an annual basis Aspen's three-year strategic plan (the "Plan") and its corporate objectives and has oversight of the implementation of the Plan.

## Group Board Committees

The AIHL Board maintains four separate standing committees. Each Group Board Committee has its own charter setting out their terms of reference, membership details and operating procedures, and meets at least four times per year, unless otherwise determined by the chair. These include:

- An Audit Committee to ensure the integrity of the Company's financial statements, the Company's compliance with applicable legal and regulatory requirements, and the performance of the internal audit function.
- A Risk Committee to ensure the ongoing integrity of the group's risk management framework.
- A Conflicts Committee to review potential transactions involving Aspen and/or its subsidiaries and its shareholders or other non-Aspen affiliates that may present a conflict of interest.
- An Investment Committee to have oversight of, and review and monitor, the management and performance of the investment function of the Group.

4

average number of meetings per year for each Group Board Committee

90%

directors in attendance across all Group Board and Group Board Committee meetings

## Group Governance Framework – Operating Entities

Operating entity independence is a fundamental principle of the Group's governance model. The management of each operating entity is responsible for acting in the best interests of that entity and is responsible to the board of directors of that operating entity for all aspects of strategy, operations, risk management and capital management. However, where appropriate, governance frameworks are aligned across the Group, to ensure consistency of process and decision-making. Group-level legal and regulatory disclosures related to ESG are considered by the management-level Disclosure Committee and the AIHL Board where required, with certain ESG-related matters presented to the AIHL Board and its committees where appropriate.



# Governance & Regulatory Framework

## Compliance

### Code of Conduct

Aspen is committed to conducting its business with the highest level of integrity and ethical standards. Aspen's Code of Conduct (Code) outlines the ethical principles and expectations of all directors, officers and employees. Aspen's Values and Behaviors help guide stakeholders to be in it together to add value, achieve our and achieve our goals.

All such stakeholders have access to the Code. Aspen has put in place policies and frameworks to address key Compliance topics within the Code, which provide guidance to 'Do The Right Thing' with clear accountability and ownership of risk(s).

We maintain a strong compliance culture at Aspen. Employees are encouraged to speak up if something doesn't feel right or is against our Code or our Values and Behaviors. Employees have multiple channels to raise concerns regarding compliance or ethics issues, including speaking with Management, Human Resources, Legal or Compliance. Aspen also maintains an Ethics Helpline staffed by an independent third party. All such matters are taken seriously and investigated appropriately. Aspen also maintains a Whistleblowing Policy that prohibits retaliation, harassment, or reprisals of any kind.

## Financial Crime Frameworks

Compliance provides the business with guidance to enable informed and compliant decision making.

Aspen has developed triggers to identify higher risk sanctions transactions/jurisdictions and implemented a framework for the referral of sanctions matters to Compliance on a preventative basis, in addition to screening controls. With the unprecedented high velocity of sanctions imposed in 2022, Aspen's Sanctions framework was effective to identify potential exposures and enable appropriate actions, when needed. Improvements made to the Sanctions framework have been leveraged in 2022 to improve our Anti-Money Laundering framework as well.

As set forth in the Anti-Bribery framework, Aspen is fully committed to complying with all applicable anti-bribery and anti-corruption laws in the jurisdictions in which we operate. Aspen prohibits any promise, any offer or the provision of anything of value to any government official or any other person for the purpose of improperly obtaining or retaining business, influencing action or obtaining any form of improper benefit.





# ESG Governance Framework

## Overview

Aspen Insurance Holdings Limited has engaged a recognizable global consultant, leading in the field of ESG, to assess Aspen’s current governance framework\* as it relates to ESG and conduct a benchmarking exercise of Aspen’s current inventory of ESG metrics against relevant standards.

The purpose of this work is to assist Aspen in assessing their overall effectiveness pertaining to its ESG governance framework, including its internal systems and processes it uses to govern itself, and identifying any gaps or deficiencies that may exist when comparing to leading practice or other relevant ESG standards and frameworks. Aspen is currently reviewing the findings of the review and will be implementing those recommendations which are agreed by the Group Executive Committee during 2023.



\* This work does not form any part of the information disclosed in Aspen’s ESG Annual Report (the Report). The consultant has not performed any procedures in relation to the Report and the information and metrics presented herein.



# Group Underwriting Committee

## Overview

The Group Underwriting Committee (GUC) meets quarterly and is a subcommittee of the group Executive Committee. It assists the Group CEO and Chairman in their oversight of underwriting risk. Membership of the GUC is heavily weighted towards the underwriters and actuaries with other key function attendees. This ensures that the GUC has representation and understanding of the entire business. It's chaired by the Group Chief Underwriting Officer.

Its primary purpose is the management and control of underwriting risk. It has oversight of the global underwriting portfolio and of global strategic underwriting initiatives, and promotes best practices. As a result, the ideas, principles and decision-making emanating from the GUC are embedded across the entire business, subject to our operating guidelines.

The remit of the GUC is deliberately kept broad, because it considers the general appetite as well as taking responsibility for the execution of underwriting principles. Any changes to embed and be adopted into underwriting practices are initially presented to the GUC for oversight, challenge, improvement and approval or rejection.

The GUC is the primary custodian of the framework for moderating best practice in underwriting. As a body it has the power and responsibility to implement appropriate controls. The GUC has regular strategic conversations with the underwriting teams, which in turn each have authority to execute their strategies. One such framework is the ESG scoring model from Dun & Bradstreet that is currently being trialed as part of our renewed commitment to sustainable underwriting. The GUC has full oversight of the pilot and makes recommendations about the weighting of the data and implements changes where necessary.

## Meet the Champion

Christian Dunleavy, Group Chief Underwriting Officer



*“Appropriate governance procedures are a core principle of effective insurance underwriting. The procedures at Aspen are embedded across the business. We always seek to empower our local teams with the most responsible and sustainable underwriting strategies. The Aspen approach means risk data is continually monitored, and responsible underwriting lies at the heart of our business.”*

Formalized focus on sustainable underwriting framework across the Group

Agreed and adopted climate change price loading for North America Hurricane based on scientific modelling and internal analysis

Reviewed requirements for Aspen to be a signatory to the UN Environment Programme Finance Initiative Principles for Sustainable Insurance





# Risk Management

## Overview

Aspen’s comprehensive risk management framework provides the foundation through which we evaluate and manage business opportunities and related risks in a structured and disciplined manner across the group.

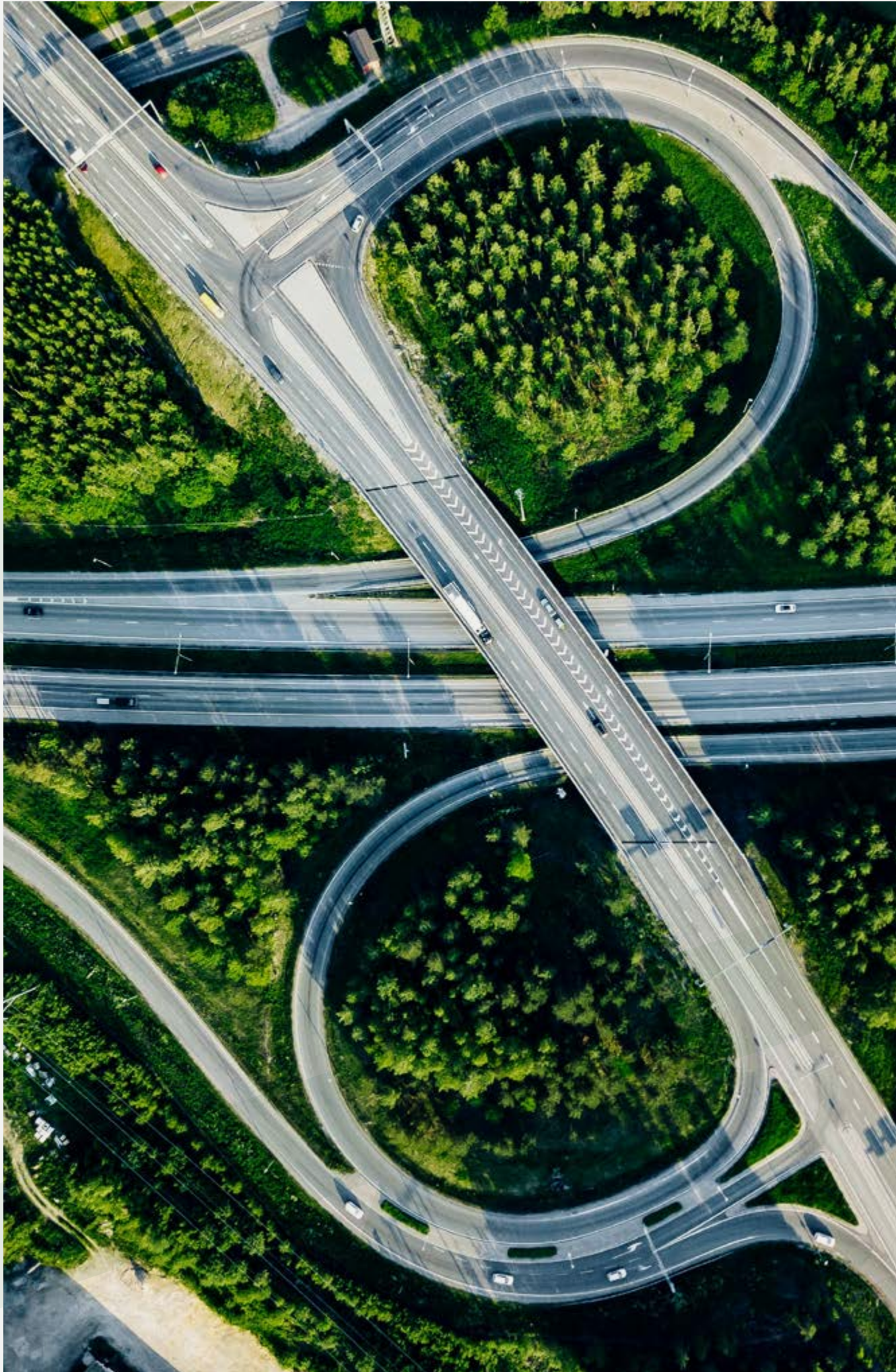
It covers both existing risks and emerging risks that could impact on our operations or financial results.

As a property and casualty reinsurer, climate-related physical risks associated with extreme weather events are of particular relevance to our business.

Aspen is also exposed to various transition risks associated with our casualty classes and investment portfolio, specifically in relation to the uncertainty caused by legislation, policy and societal changes which aim to reduce the impact of climate change.

In 2022 we deepened our understanding of Aspen’s exposure to climate-related risks by undertaking climate scenario analysis. This required a collaborative effort, bringing together expertise from across the business to consider the potential impact of physical risks and transition risks across both sides of the balance sheet. The findings have been considered at the highest level in Aspen and are driving real enhancements to how we manage climate risk.

## Aspen’s Risk Management Framework





# Spotlight | Risk Culture

## Risk Culture

2022 has seen Aspen focus on group risk culture, in particular how we articulate, measure and embed risk culture throughout the organization, and integrate this into our existing performance management processes.

We have defined and communicated behavior expectations to ensure consistency across our jurisdictions. These are:

Commitment to ethical principles expressed in Aspen's Code of Conduct

Demonstration of Aspen's values and behaviors

Clear accountability and ownership for specific risks or risk areas

Decision making that reflects an appropriate assessment of risks and rewards

Transparent and timely flow of information within the organization

Active ownership of the internal control environment, with a focus on continual improvement

## Meet the Champion

Jenny Kane, Group Chief Risk Officer



*“ESG and climate-related risks are broad and complex. At Aspen, we believe that they are best managed by being integrated and embedded into the risk management framework, rather than being dealt with in isolation. Aspen’s approach to understanding and managing ESG and climate related risks are front and center of the risk management agenda.”*





# Data Protection

## Overview

Not only is rock solid data protection a legal requirement in every one of Aspen’s locations, but it is also paramount for good governance and risk management. Increasingly, data protection is becoming the single most important consideration for all companies.

At Aspen we understand that data privacy has an intrinsic social value. We must protect the data we collect, respect the privacy of the entities we collect data from, and be conscious about potential biases and discrimination of technology driven business decisions.

This understanding increases the care we take with our data, improves the transparency of this data and results in better data management and risk mitigation.

We maintain robust information security policies and leverage tools and processes to actively monitor and audit our privacy and data management practices. These allow Aspen to meet the strict demands of the regulatory environments we operate in and mitigate the financial, legal and reputational risks that could arise in the event that Aspen does not meet these demands.

The more data that Aspen collects, processes, and stores, the more energy, equipment and server space is required. This impacts our energy efficiency, carbon emissions, climate change, and electronic waste management and is something we are increasingly conscious of managing through data minimization strategies.



## Meet the Champion

Alex Ramjuttun,  
Chief Information Security Officer



*“We are constantly seeking to stay abreast of the latest advances to maintain robust information security policies effectively and actively monitor and audit our privacy and data management practices. There are strict demands in the regulatory environment which could have severe consequences if we don’t rise to the challenge. But meeting the challenge is only half the battle. While maintaining robust privacy and data governance frameworks, we also need to be flexible in our approach, because failure to do so can potentially compromise our security posture.”*

## Spotlight

Aspen’s privacy and data governance framework imposes a rigorous and consistent approach to the security of all the data we hold.

Within this framework we use privacy and data governance metrics and take a privacy and cyber-security by design approach to developing our systems.

Aspen’s culture of accountability, together with our commitment to data ethics and algorithmic transparency, ensures all colleagues understand our objectives and have clarity on how to deliver against them.





# Marketing, Communications & Sustainability

## Overview

Aspen is committed to delivering tangible and pragmatic ESG results in line with our overall values. Accordingly, in 2021 we included Sustainability in our existing Marketing & Communications forum.

This body provides operational oversight, content and alignment of developments and activities feeding the Group's ESG Strategy implementation plan. During 2022, the scope and structure of the committee has evolved as the group's ESG principles have become further integrated.

Each meeting is a rich discussion on matters of Culture, Marketing, Communication, Innovation, CSR and ESG. It is important we look at these important issues both holistically and collaboratively.

We are now a formal committee with a codified governance structure reporting into the Group Executive Committee. Aspen has also engaged a global consultant to develop this governance framework to our board levels, demonstrating our commitment to fully aligned top-down leadership, informed by the considerable bottom-up activity that is a natural part of Aspen today.



## Meet the Champion

Jonny Atkinson,  
Group CBDO, Chair MCS



*"At Aspen, sustainability is at the heart of everything we do. From our underwriting and decision making as a business... to the way we interact with our clients and colleagues... and how we deal with governments, regulators and stakeholders. We see sustainability as both building a profitable business for the long term and at the same time having a positive impact on society and the environment. Aspen, the insurance industry and the wider world all have parts to play."*





# DE&I Delivery Board

## Overview

In 2022 we evolved our governance strategies for diversity, equity and inclusion (DE&I) to reflect the growing maturity of our work.

Our delivery board, which is chaired by our Group Chief People Officer and includes our two executive sponsors for DE&I, meets every two months to set strategy and oversee delivery. It provides a comprehensive report twice a year to our executive committee which includes key data and metrics.

We have now also established an employee resource group (ERG) steering committee which brings together all the chairs of our ERGs, and in turn reports into the delivery board.

This structure ensures that all our activities are aligned to our strategy whilst allowing us to incorporate emerging ideas from our new ERGs. Our executive committee members are closely involved at all levels of our work and are visible in their support, making the case that DE&I is not only the right thing to do but it makes us a better business.

We also provide regular updates to our boards and have benefited from the active leadership of non-executive directors in promoting discussion and sharing personal experiences.



## Meet the Champion

Mo Kang, Group Chief People and Communications Officer and Chair of Aspen's DE&I Delivery Board



“Having a robust governance structure has undoubtedly been a critical factor in our progress on diversity, equity and inclusion. We take an evidence-based approach, drawing on good practice and always looking for impact – whether that’s changes in perception amongst our people or hard data. Our delivery board brings together the people responsible for delivering this work along with executive directors, so that together we regularly review, collaborate, challenge and ensure that all components of our DE&I strategy are helping move us forward.”

## Facts and figures

10

DE&I priority actions identified and delivered in 2022

10

data-driven goals agreed with ExCo

50%

of Aspen's board identify as women



# Innovation Working Group

## Overview

Innovation is one of Aspen’s 5 core values. It’s something that is valued by our employees, as demonstrated by a recent staff survey, which showed an increased favorability rating over the last 12 months. The Innovation Working Group (IWG) lies at the heart of our strategy. It’s designed to promote a sense of inclusiveness within the group. In simple terms, IWG allows a bottom-up approach to idea creation. It feeds into the Marketing, Communications and Sustainability Committee which in turn reports to the ExCo.

## IWG objectives:

1

Evolve Aspen’s Innovation Strategy, sharing best practices.

2

Promote existing Group innovations (including cross geographies, Reinsurance, Insurance, ACP).

3

Drive specific innovative initiatives, (internally within the Group and externally).

4

Develop strategic business and cultural deliverables.

5

Partner with appropriate external third parties.

During the year, the IWG has overseen the provision of seed funding to the ESG scoring pilot. This pilot is designed to give underwriters access to an ESG score to help assist with the underwriting process. Additionally, in collaboration with the Underwriting Super Group, the IWG has helped with selecting vendors involved in the RFP process.

# Spotlight | Innovation Awards

We established an awards program to celebrate innovation and new ways of working. The awards are designed to reward contributions that have a positive effect for clients, brokers or stakeholders, or represent an innovative approach which benefits the lives of Aspen employees within the wider group. The awards offer prizes including funds for a team social event. They also provide charitable donations of up to \$2,000 to be handed over to the charitable cause of the winners’ choice.

35 entries were received in the inaugural nomination process, from which 4 prizes were awarded globally.

# Spotlight | Mental Health First Aiders

One of the winning ideas in the Innovation Awards was the provision of Mental Health First Aiders in the UK office. They function as a point of contact for employees if they are experiencing emotional distress or suffering in silence with mental health problems, such as stress, anxiety or depression.

Mental Health First Aiders are trained to recognize the early signs of mental ill-health in others. They are taught to confidently signpost someone to appropriate support, both internal and external, and they are equipped to deal with emergencies too - such as psychosis and thoughts of suicide.







Scan here to watch how we deliver clarity in the face of complex risks.

“We want Aspen to be a progressive, positive contributor. To do this, we must continue to focus on producing results that will enable us to reward our shareholders and investors, while at the same time building a resilient and sustainable earnings platform from which we can maintain our commitment to advancing our ESG strategy, reporting our progress, understanding where we can improve and being demanding in the objectives that we set for ourselves.”

Mark Cloutier

Aspen Group Executive Chairman and Chief Executive Officer

#### About Aspen Insurance Holdings Limited

Aspen provides reinsurance and insurance coverage to clients in various domestic and global markets through wholly-owned subsidiaries and offices in Australia, Bermuda, Canada, Singapore, Switzerland, the United Kingdom and the United States. For the year ended December 31, 2020, Aspen reported \$13.2 billion in total assets, \$7.2 billion in gross reserves, \$3.0 billion in total shareholders' equity and \$3.7 billion in gross written premiums. Aspen's operating subsidiaries have been assigned a rating of "A-" by Standard & Poor's Financial Services LLC and an "A" ("Excellent") by A.M. Best Company Inc. For more information about Aspen, please visit [www.aspen.co](http://www.aspen.co).

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This report contains information about Aspen. Aspen disclaims any duty or obligation to update such information. This report may contain written "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are made pursuant to the "safe harbor" provisions of The Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts. In particular, statements using the words such as "expect," "intend," "plan," "believe," "aim," "project," "anticipate," "seek," "will," "likely," "assume," "estimate," "may," "continue," "guidance," "objective," "outlook," "trends," "future," "could," "would," "should," "target," "predict," "potential," "on track" or their negatives or variations and similar terminology and words of similar import generally involve forward-looking statements. These statements include, among other things, statements about our future results of operations and financial condition; our strategy and competitive advantages; our goals, beliefs and intentions and efforts to support and achieve the same; our strategic and operational initiatives to improve profitability and competitiveness; our new product offerings; our innovation and environmental, social and governance ("ESG") agenda; our investment portfolio; our risk management, including climate-related and other ESG-related risks and opportunities, as well as catastrophe modeling; and our underwriting strategy. A number of factors could cause our results, beliefs and intentions to differ materially from those expressed or implied by forward-looking statements and we caution readers not to place undue reliance on such statements. Factors that can cause results to differ materially include those described under "Forward Looking Statements" in Aspen's most recent Form 20-F filed with the SEC. This report may contain links to other Internet sites, and may frame material from other Internet sites. Such links or frames are not endorsements of any products or services in such sites, and no information in such site has been endorsed or approved by Aspen. Except where noted, the information covered in this report highlights our performance and initiatives in fiscal year 2020.

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