



Benefact Group

TCFD Disclosure 2024



About the Group

Owned by Benefact Trust, the Benefact Group is an international group of financial services businesses, that gives available profits to charities and good causes. Each business is individually recognised as a specialist in their market, but united by the belief that everyone benefits from better business. Doing right by our customers earns their business; their business enables us to give back to good causes and communities. Giving our profits to good causes means we are driven by something far greater than the need to satisfy shareholders. We are motivated to make a real difference in the lives of the people and properties we help protect, the financial futures we fortify and the communities we were built to help.

Specialist Insurance

Ecclesiastical UK
Ansvar UK
Ansvar Australia
Ecclesiastical Canada
Ecclesiastical Ireland

Our award-winning insurance businesses offer insurance products and risk management services to customers in sectors including faith, heritage, charity, leisure, education and real estate. We have particular expertise in valuing and protecting distinctive properties both old and new – from cathedrals to concert halls, schools to stately homes and iconic modern buildings to youth hostels. Committed to being the most trusted and ethical specialist financial services group, we are proud that our UK home insurance has again been awarded the First Place Gold Ribbon in this year's independent Fairer Finance Customer Experience ratings, for the 16th consecutive time.

Ethical Investment

EdenTree

With over 35 years of experience in responsible and sustainable investing, our investment management team provides responsible, sustainable and impact investment products to the wholesale, advisor, and institutional markets. EdenTree also manages the majority of the Group's financial investments. This year, for the 16th consecutive year, EdenTree celebrated winning 'Best Ethical Investment Provider' at the Moneyfacts Investment Life & Pensions Awards.

Broking and Advisory

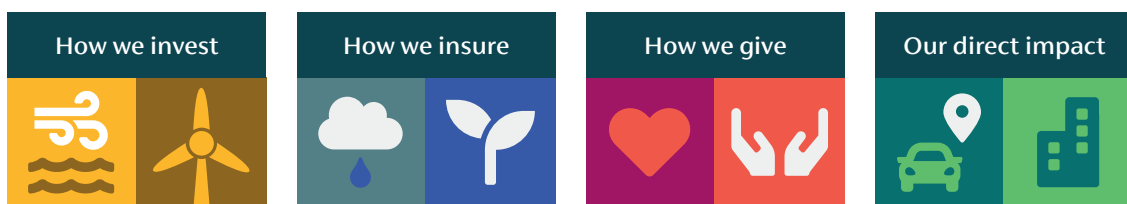
Ecclesiastical Financial Advisory Services (EFAS)
Ecclesiastical Planning Services Ltd (EPSL)
Lycetts Insurance Brokers (Lycetts)
Lycetts Financial Services
Lloyd & Whyte
Access Insurance

Our specialist brokers, Lycetts, provide tailored insurance products for customers, particularly those in the high net worth, farming and rural estates, equine, animal trades, and specialist motor insurance sectors. EFAS and Lycetts Financial Services offer financial advice to businesses and individual customers including Church of England clergy. EPSL markets and administers prepayment funeral plans under the Perfect Choice brand. Lloyd & Whyte is a specialist provider of insurance and financial services to professional associations and their members, including dentists, doctors and vets. Access Insurance is a specialist advisor to charities, churches and community groups.

Introduction

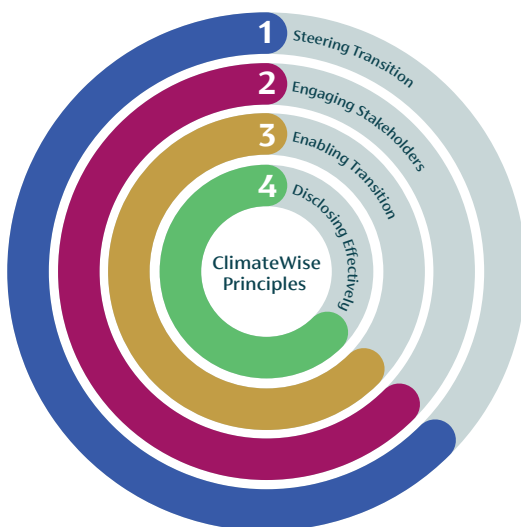
Our Planet. Our Part.

In 2024 we spent time considering how we're explaining our climate beliefs and commitments. We consulted widely including with our specialist businesses EdenTree investment management and NatureSave insurance brokers in particular as well as external consultants. We wanted to ensure that we talk about climate in an open, honest and credible way. We developed 'Our Planet. Our Part'. It explains and brings together our climate strategy clearly and succinctly.



Our strategy has four pillars – how we invest, how we insure, how we give and our direct impact. As a financial services group we recognise that the majority of our climate impact, and our biggest opportunity to influence, is in how we invest and insure. Our charitable ownership also means we have a unique opportunity to support charities tackling climate and environment issues. We also have a responsibility to reduce the direct impact of our operations, namely offices, travel and supply chains.

We've shared and discussed our climate strategy right across our Group. We've specifically shared it with leaders and held webinars for all colleagues. We'll continue to engage our people, whilst telling this story externally.



ClimateWise – a framework for positive climate action

The Group continues to be an active and supportive member of ClimateWise, a voluntary framework for positive climate action. In 2024 the ClimateWise framework was relaunched, raising the bar on climate performance by incorporating current and future disclosure and reporting requirements.

Membership involves an annual report which is independently assessed by risk consultants Crowe. In 2024 Benefact continued to perform positively, in the top third of reporting companies. However, the real value of ClimateWise as far as we're concerned is feedback to focus us on areas of improvement, plus networking and sharing with other member companies.

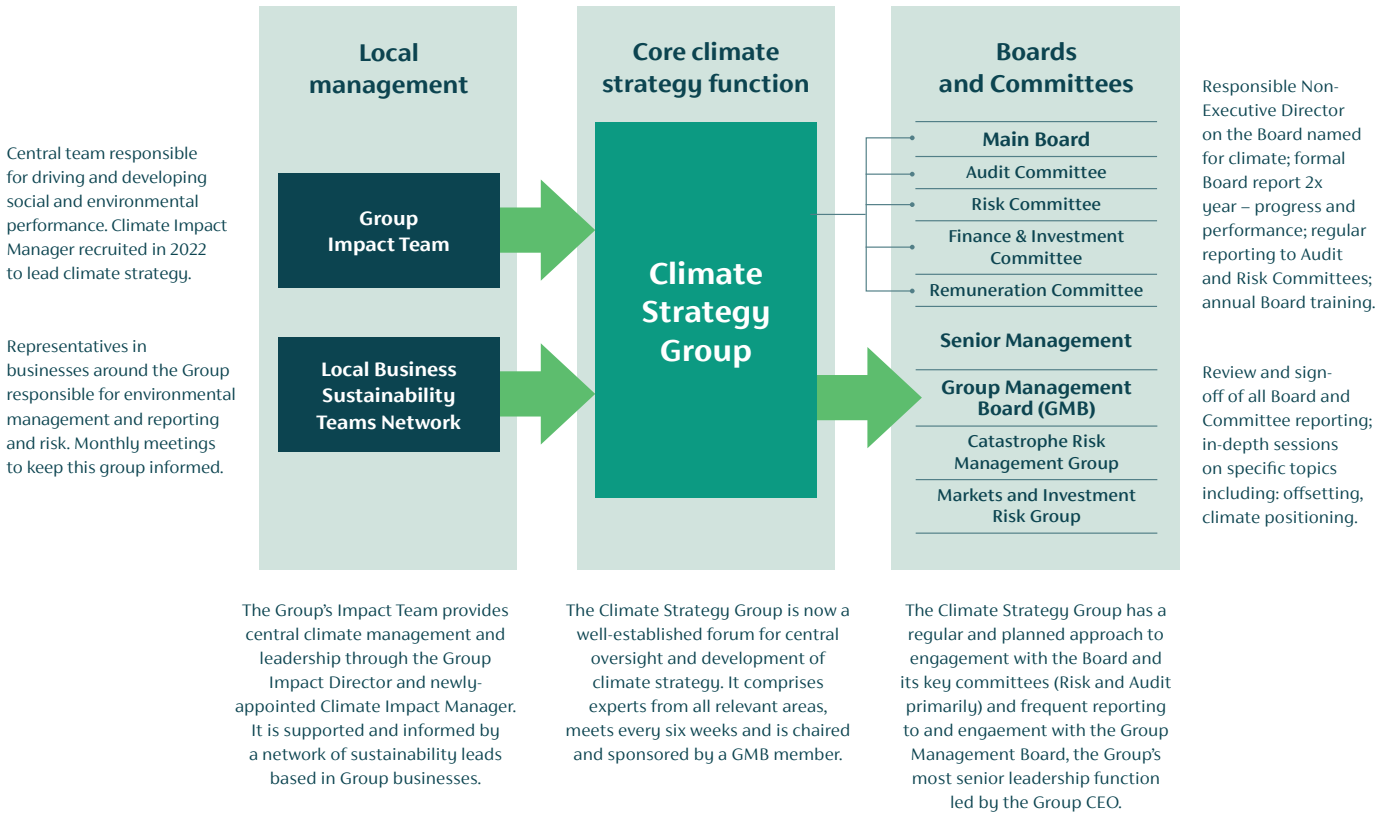
About this report

This report is in line with the Taskforce on Climate-related Financial Disclosures (TCFD), so it is simply structured in four key areas: governance, strategy, risk and metrics and targets. We recognise the developing sustainability and climate reporting landscape and expect our reporting to continue to evolve to fulfil requirements whilst telling a clear and transparent story of our impact.

Governance

The Board has overarching responsibility for overseeing the Group’s response to climate change. Due to the cross-cutting nature of climate risk (as identified by our enterprise-wide risk management framework) the Board has delegated responsibility for oversight of climate risk to the Group Risk Committee (GRC). Climate strategy has designated responsibility with a named Group Management Board member and non-executive director.

The following graphic summarises Board and Management oversight and engagement with climate change.



The following table provides some examples of the activity which has taken place in various governance forums shown in the previous graphic:

Governance forum	Example of climate topics discussed/decisions made
Group Board	A Board member has designated responsibility for climate change. In 2024 the Board was engaged on a number of occasions – presenting plans and priorities; reporting on progress and performance; and receiving training from an external third party. The Board also received an external appraisal of the Group's climate position and progress.
Group Audit Committee	Group Internal Audit has carried out a “Close and Continuous” review of climate change activity during the year, providing an update to each Audit Committee meeting. The review has involved meetings with key stakeholders to keep current with progress on the Group's climate positioning and areas such as emissions data gathering and calculations, results from the ClimateWise submission and sustainability reporting.
Group Risk Committee	Group Risk provide a quarterly summary of developments in Climate Risk across the Group and wider industry quarterly to the Group Risk Committee via the Chief Risk Officers Report. Climate Risk is also considered on the Group Risk Register which includes an assessment of risk severity and likelihood which is approved by the Group Risk Committee.
Group Market & Investment Risk Executive	Equity carbon footprinting and property portfolio performance were reported to the Committee throughout the year.
Group Management Board	A wide range of climate topics were discussed and presented to the Group Management Board including Science Based Targets, nature and climate performance. Climate is also a key strategic initiative for the Group, so performance was tracked as part of performance against business plans.
Group Remuneration Committee	The Group's Long Term Incentive Plan continues to include an element of climate performance which was reviewed and approved at the Remuneration Committee.
Finance & Investment Committee	Investment policy and performance were presented and reviewed at this Committee. This includes carbon footprinting of equity funds and stewardship of highest emitters. The property portfolio was also reviewed from a climate perspective considering energy performance and transition risk.
Business Unit Management Boards	Climate change topics featured on business unit management board agendas throughout the year, for example our Ansvar Australia business shared and approved its climate action plan.
Climate Strategy Group	This group brings together functions from across the Group to guide climate strategy. Members of the group presented a wide range of topics including risk modelling, stewardship of investments and nature impact. The group is responsible for delivering the climate strategic initiative.
Business sustainability groups	Local groups responsible for climate and environment action within the Group continue to drive engagement. Teams got behind the Big Give Back initiative which rallied volunteering support for charities giving nature a helping hand.
Impact team	The Impact Team is the Group's central function responsible for managing and developing the Group's climate strategy and approach. Activity included preparing briefings, reports and presentations on key topics. The team also led Group-wide engagement in Our Planet Our Part.

Strategy

The Group underwrites property and casualty insurance risks in the UK, Ireland, Canada and Australia. In each of these territories the Group operates as a specialist insurer focusing on areas in which it has expertise, including the faith, heritage, real estate, charity and care sectors. The Group has an investment portfolio of assets which it owns to back liabilities and provide regulatory and working capital. This portfolio includes equities, directly owned properties and government and corporate bonds. All assets are managed by the Group's investment management subsidiary, EdenTree. The Group also owns a range of insurance and financial broking and advisory businesses ranging from specialist brokers in equine insurance to funeral planning.

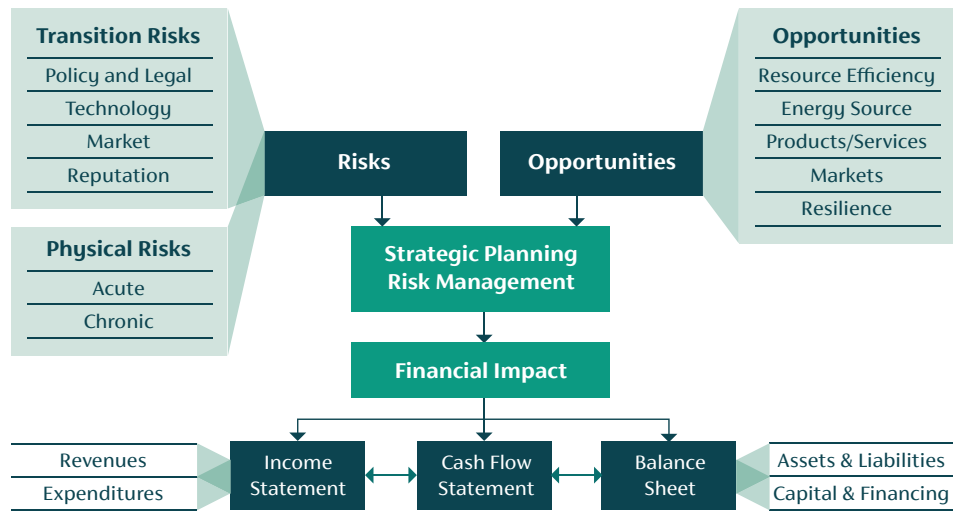
How climate change is embedded in how the Group operates

Climate change is considered at all levels and functions within the Group, as illustrated here:

Climate change consideration	How it is considered
Strategy	A Group-wide corporate strategy includes a key initiative on climate. This gives climate focus, impetus and regular scrutiny. Performance against this strategic initiative is assessed monthly and results feed into our bonus schemes.
Business planning and management	All of the Group's businesses set local plans relevant to their businesses incorporating external factors including the impact of climate change. In particular the Group's risk function informs and challenges our businesses to consider climate impact.
Solvency – Own Risk Solvency Assessment and Ratings	The Group's ORSA is updated to reflect climate considerations. It will continue to reflect the Group's increasing understanding of climate risk. The Group shares climate strategy with ratings agencies in particular.
Change	Climate change is being increasingly incorporated into business cases for change programmes. For large or Group-wide change (for example new systems providers) the Group Impact team is consulted and the climate change impact of the supplier considered.
Remuneration	An element of bonus the bonus scheme for all employees is performance against the Group's strategic plan which includes a climate initiative (see above). Specific climate objectives are included in the Long-Term Incentive Plan for senior leaders and specific individuals have climate objectives which are assessed as part of annual performance management.
Supply chain	A Supply Chain Code of Conduct was launched in 2024 to set clearer expectations of climate commitment and performance. The Group uses a collaborative supplier platform which screens on ESG criteria. The Group also produced a goods and services footprint which will inform targeted engagement with the most material suppliers.

How the Group embeds consideration of climate risk and opportunity

The following graphic illustrates how the Group considers climate risk and opportunity:



How physical, transition and liability risk are considered

The Group continues to build understanding and assess climate risk impact. The three major climate change impacts considered are:

Physical risk

changes to weather and climate, particularly affecting the Group's insurance business in the UK, Ireland, Canada and Australia. Significant weather events including wildfires and floods have affected all of these territories.

Transition risk

the shift to a lower carbon economy has many repercussions; positive, negative and unforeseen. Changing climate risk facing investee companies, insurance customers adapting and striving for greater resilience.

Liability risk

exposure to legal action relating to adequacy of response to climate change.

The following table outlines these risks in more detail, including time horizons and gives examples of action we're taking to understand and mitigate impact.

Risk	Nature of risk	Time horizon	Actions being taken to understand and mitigate impact on business, strategy and planning
Physical	<p>Direct damage to assets both owned and insured and indirect impacts from supply chain disruption.</p> <p>The Group's main physical risk exposures stem from its property underwriting portfolio and from its investment assets.</p>	There are acute, event-driven risks which can occur over all time horizons, and chronic risks, which are typically longer-term.	<ul style="list-style-type: none"> • We have partnered with a third-party expert to quantify exposures on our insured portfolio across territories where we operate using models based on a range of scenarios. This will be used to inform capital, pricing and underwriting strategy. • Mapping technology has also been used in the UK to identify concentration of risks in the most flood-prone areas. • We continue to work with our reinsurance partners to ensure that our risk mitigation remains appropriate for our current risk exposures and to learn from their expertise. • The Group is a member of the Partnership for Carbon Accounting Financials (PCAF) and has completed an initial assessment of the carbon impact of its underwriting portfolios in the UK, Ireland, Australia and Canada. This will inform strategy for engagement and decarbonisation. • As part of its investment process, EdenTree assesses a company's exposure to climate risk (including physical risk). Where this is deemed to be material or poorly managed, a company will not be included in the portfolio.
Transition	<p>Relates to financial risks resulting from transitioning to a low carbon economy. They arise from policy, technology and market disruption. Additional implications include the subsequent changes to consumer expectations, demand and behaviour.</p> <p>The Group's main exposure to transition risks is on the value of its investment assets through the impact of changes to a low carbon economy on investee companies.</p>	Short to medium term	<ul style="list-style-type: none"> • The Group's funds are invested with a responsible and sustainable policy which excludes fossil fuel exploration and production, thermal coal extraction and eschews investment in high carbon emitters (automotive, aviation and heavy industry). • Across EdenTree's Funds, we also invest in companies providing solutions that will enable the low-carbon transition alongside providing a compelling investment case • The Group's investment manager EdenTree has established a Climate Stewardship Plan which engages investee companies and targets improvement. • Climate change is also a permanent pillar of EdenTree's engagement strategy, and they have supported various initiatives over the years. They have contributed for seven consecutive years to the CDP's non-disclosure campaign. They supported the Paris Pledge for Action in 2015 and are a signatory to the TCFD Framework. EdenTree also maintain memberships including the UK Sustainable Investment and Finance Association, UN Principles for Responsible Investment and the Institutional Investors Group on Climate Change. • The Group also footprints its property portfolio annually, to understand both physical and transition risks, inform investment strategies and understand energy performance.
Liability	Stems from the potential for litigation if entities and boards do not adequately consider or respond to the impacts of climate change.	Short term	<ul style="list-style-type: none"> • The Group and each territory have assessed exposure to the potential for receiving future liability claims relating to climate related litigation arising from customers' activities. The Group will continue to track potential for insured customers to be exposed to liability risks and the evolving legal environment.

Integrating nature within our view of risk

In 2024 the Group made progress in understanding and starting to integrate nature alongside its climate strategy. We launched awareness training, established a working group, delivered a workshop to discuss locating nature impact. For general insurance we reviewed external assessment tools and completed an initial mapping of the Group's nature impact looking at office footprint and customer exposure. For investments, negative screening means that many negative nature impacts are excluded by default and positive screening assesses companies' positive nature contribution. EdenTree also promotes responsible water and chemical stewardship among its thought leadership themes. Nature has also featured heavily in the Group's giving – for example understanding nature impact in English Heritage's estate and supporting biodiversity with Heal Rewilding. The Group expects to continue and expand its focus on nature and include strategy, activity and performance in future reporting.

Using scenario analysis to understand climate risk

A key tool for assessing and understanding climate risk is scenario analysis. The following table illustrates how this is used in insurance and investment:

Testing risks through scenarios	
Insurance	Investment
<ul style="list-style-type: none"> • Focusing on worst case scenario: the Group's assessment of insurance underwriting risk has focused on the worst-case scenario of the Bank of England's three Climate Biennial Exploratory Scenario (CBES) scenarios (the No Additional Action scenario) because this enables identification of the most extreme outcomes, therefore the greatest risks to the business, particularly over the medium to long-term. The scenarios have been used primarily in a qualitative nature to identify the types of perils that are most likely to affect the current insured portfolio. We have also looked at other, less harmful scenarios to understand a range of feasible outcomes and so the difference in expected impact that would result from positive climate mitigation actions. • Considering socioeconomic impacts: besides considering the direct impact of weather events, the economic and social impact on key customers were also considered, in this case also using the scenarios whereby Paris-aligned targets are met, to identify some of the issues they likely face in the various circumstances. This analysis is being used to inform customer propositions and how the Group might work with and support customers to manage and mitigate climate risk. <p>The process has been used to assess the Group's insurance footprint in various geographies, for example assessing wildfires in Canada, temperature rises in Australia and windstorm and flood in the UK. For example, in the UK a tool for flood and storm mapping, Mapview, is used to manage individual and accumulated local exposures.</p>	<ul style="list-style-type: none"> • The Group's property investments continue to be assessed for climate impact using a Real Estate Environmental Benchmark (REEB) benchmark, Energy Performance Certificate (EPC) schedule priority, physical and climate risk assessments and scope 1, 2 and 3 data completion, it also included emissions reduction targets and a decarbonisation plan. • Footprinting: tools used by EdenTree enable the Group to view its investments from various perspectives. These include the portfolio emission pathway vs climate scenario budgets (and whether it is overshooting) and the associated temperature increase. Based on current targets, the Group's equity investments are expected to be aligned with the Sustainable Development Scenario by 2050, representing a potential temperature increase of 1.5°C by 2050 compared to 2.9°C for the benchmark. • This figure is tracked annually to ensure continued alignment. This temperature alignment score is based on the ISS-ESG methodology and shows the estimated temperature increase which the portfolio is associated with by 2050. • We also track the current proportion of holdings that have adopted a Science Based Target (SBT). Increasing this is a key part of our engagement work to support the decarbonisation of our portfolio.

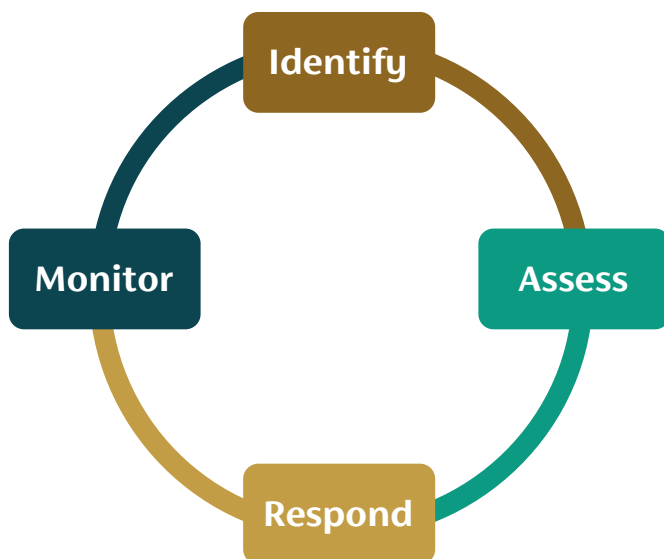
Risk

Risk management framework

The Group's Enterprise-Wide Risk Management Framework as illustrated in the Annual Report and Accounts, provides the tools, guidance, policies, standards and defined responsibilities that enable us to achieve our strategy and objectives, whilst ensuring that individual and aggregated risks to our objectives are identified and managed on a consistent basis. Our Group Risk Register includes climate change as one of the key risk exposures of the Group. The Group Risk Taxonomy has been updated to reflect the cross-cutting nature of climate change acting as a driver for other risk exposures. A Preference Statement and Risk Appetite statements were also developed for specific elements of climate risk. Recognising the likely impacts on its customers, the Group seeks to support them to address these through our underwriting, claims management and risk management activities.

Risk management process

The Risk Management Process is a structured, iterative method by which the Group, each business unit and significant business areas identify and assess the significance of the risks that it faces in pursuit of its business objectives. Climate risks are managed according to the four-step cyclical process as illustrated below:



Identify. The Group operates a Strategic and Emerging Risk Process that scans the external environment for future risks. Potential climate impacts are part of the Group's business planning and strategy development processes, and we have a robust internal model that simulates the potential for weather-related events. The Group works with third parties to develop analysis and scenario planning to better identify patterns of future risk.

Assess. Having identified the climate risk exposures, the next step is to assess their potential impact. This entails gaining a deeper understanding of the nature and scale of the risks, and where possible seeking quantitative measures of the impact that the risks may have on the financial position of the Group under the different scenarios.

Respond. Climate risk impacts often emerge over much longer timescales. Appropriate responses include informing business planning and strategy, for example future capital adequacy, underwriting and investment approaches.

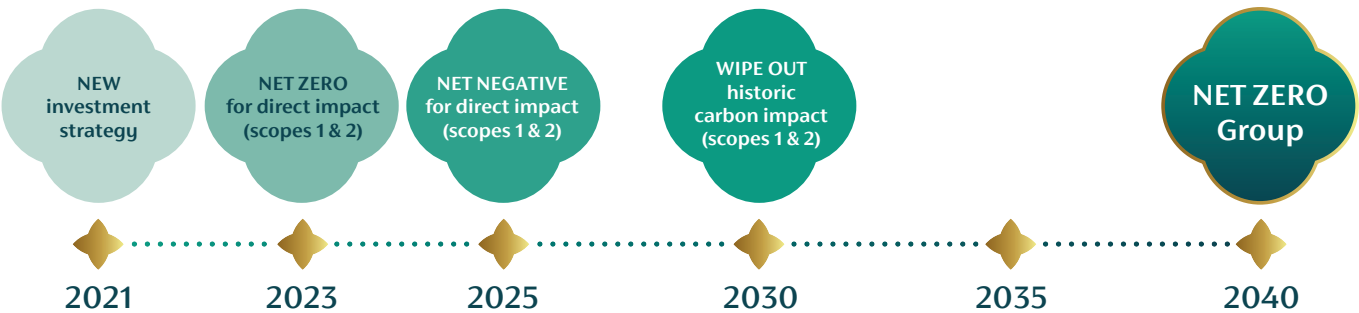
Monitor. Monitoring of climate risk is carried out at Group and business level. Group risk has established core metrics for internal monitoring, and it challenges self-reported risk assessments.

Risk registers are a key tool used at Group and business unit levels to capture, assess and respond to risk, but also to monitor and report. Business unit climate risk reporting is shared with the Group Risk function which uses this and Group level information to report to the Group Risk Committee. This is done via the quarterly Chief Risk & Compliance Officer (CRO) Report which summarises the key risks across the Group.

Metrics and Targets

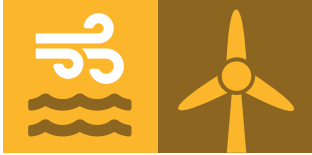
The Benefact Group has committed to Net Zero targets over the short and long-term. We are achieving Net Zero for direct impact through decarbonisation and offsetting. We are offsetting with the most highly assured and charitable offsetting but recognise it is no substitute for decarbonisation, but it has a role in the short term.

Net Zero progress and ClimateWise performance are integrated into our long-term incentive plan for senior leaders to ensure climate has sufficient focus and commitment.



The following table outlines how we are measuring, understanding and developing our climate impact under the four key pillars of our strategy. The Group recognises the huge impact financing through investments and insurance has – and the opportunity we have to influence. We also appreciate the difference we can make through our charitable giving, and the day-to-day operations of our businesses and behaviours of our colleagues and suppliers.

How we invest



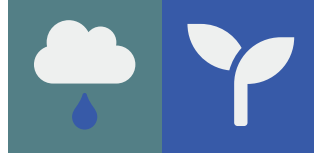
We don't invest in the most polluting industries and we're influencing companies to make better decisions

Key metrics:

- Fund alignment with 1.5-degree pathway
- Weighted Average Carbon Intensity (WACI)
- % of investee companies with Science-Based Targets

In 2024 we published our second Climate Stewardship Plan which outlines how we are targeting and influencing decarbonisation in our investment portfolio. It details engagement activities in particular. We have set a target for 60-80% of our financed emissions to be covered by Science Based Targets by 2025.

How we insure



We don't underwrite the most climate-harming industries and we're working to help our customers decarbonise

Key metrics:

- Underwriting footprint calculated to PCAF methodology
- Identifying most carbon intensive customer sectors and activities
- Customer engagement and support

In 2024 we become a member of the Partnership for Carbon Accounting Financials and worked with a third-party consultant to calculate the footprint of our underwriting across our territories in the UK, Ireland, Australia and Canada. We're engaging our underwriting teams in the results and plan to publish them in the future. Customer engagement continued with Enterprise Risk Management sessions with key customers and 'green guides' published.

How we give



We give to environment and climate charities tackling a wide range of issues from biodiversity to transition

Key metrics:

- Amount given to climate charities through annual Movement for Good Giving
- Engagement in our colleague climate volunteering campaigns

The Group gave over £250,000, to charities including Heal Rewilding, FarmEd and English Heritage, supporting a range of issues including biodiversity, climate education, regenerative agriculture and climate impact on historic buildings. The Group's colleagues also got behind climate causes, volunteering during the 'Big Give Back' week to give nature a helping hand.

Our direct impact



We're committed to decarbonising our direct operations – the impact of our offices and travel*

Key metrics:

- Total carbon footprint for the Group
- Carbon intensity per colleague
- % of energy sourced from renewable sources
- Goods and services footprint
- Colleague commuting footprint
- Colleague engagement in climate

The Group continues to reduce the impact of its offices and fleet by moving to new, sustainable buildings and hybrid or electric vehicles. A Group-wide survey also gathered commuting footprint for the first time. The emissions screening of goods and services was also completed for the first time to understand most material impact. Over 1,000 colleagues from all parts of the Group attended briefings on the 'Our Planet Our Part' positioning to inform and give the opportunity for discussion and questions.

Offsetting – more about the Group's approach

To offset its 2023 direct emissions, in 2024 the Group continued to invest in a project in Kenya that brings subsistence farmers together to improve their farms and the local environment by planting and maintaining trees on degraded and unused land. The offsetting credits were purchased through non-profit broker Cool Effect, which provides high levels of assurance. The project enables participating farmers to collect seeds, plant trees, maintain groves and monitor results and in so doing, start tackling the cycle of deforestation, drought, and famine. It meets all seventeen of the United Nations Sustainable Development Goals.

*Please note – the Group's footprint calculated in line with Streamlined Energy and Carbon Reporting requirements (SECR), including methodology for this calculation, is published in full in the Group's Annual Report and Accounts available under investor relations at www.benefactgroup.com.



BENEFACT GROUP

Benefact Group, Benefact House, 2000 Pioneer Avenue
Gloucester Business Park, Brockworth, Gloucester GL3 4AW, United Kingdom