Recommended Disclosures	Response/Comment
Governance	
1. Disclose the insurer's governance around climate-related risks and opportunities.	Ascot's US entity (AIUS) does not currently have any publicly stated goals or objectives specifically addressing climate-related risks and opportunities. Climate risk is managed at the Ascot Group Limited (ultimate group) level with reporting and input from subsidiary entities and intermediate holding companies, which includes US operations.
A. Describe the board and/or committee responsible for the oversight of climate-related risks and opportunities.	The Ascot Group Limited Board is the ultimate supervisory body of Ascot Group. The Board is responsible for assessing and understanding climate-related financial risks and opportunities for Ascot Insurance Company and subsequently developing and maintaining an approach to the disclosure of said risks and opportunities. Ascot Group Limited has multiple board sub-level committees who also have responsibilities concerning managing climate-related financial risks. For example, the Nominations and Governance Committee is responsible for all issues related to sustainability. For the US, we do not have any dedicated board members or committees at this time, but climate related issues are discussed at the US Risk Committees as they come up when related to the US and pursuing Group related initiatives. In 2024, we will look to establish a new group wide Climate Risk Working Group . The role of this group is to consider, evaluate and make recommendations to management in relation to the oversight and management of climate risk related matters across the Group. These duties will be discharged in line with the Group's strategic approach to climate risk management and in compliance with regulatory requirements where applicable. Further to this, Ascot is taking steps to strengthen governance surrounding climate risk and general sustainability by setting up an ESG steering committee . This body will facilitate coordinated efforts across several workstreams that play a crucial role in identifying, assessing and managing sustainability & climate risk issues.
B. Describe management's role in assessing and managing climate-related risks and opportunities.	US Senior Management plays an important role in assessing and managing climate-related risks and opportunities. Climate-related risks are discussed during Functional leadership monthly meetings as well as in detail during US Risk Committee quarterly meetings, which are attended by all senior functional leads. Any significant risk or opportunity that would impact stated aggregate exposure limits would need to be brought up to group level committees, such as the Exposure Management Committee, to fully understand the risk and ensure it does not exceed our risk appetites. The Group Risk Management function(s) meet on a quarterly basis to discuss emerging risks and specifically those related to climate. Building on this, such functions meet with senior management in the US (as well as other jurisdictions) to identify the key climate emerging risks that could impact Ascot and its staff. Deep dives are performed where necessary and reported to the risk committee. Furthermore, the Sustainability Team and CRO's from each of our global entities meet monthly to discuss all matters pertaining to climate risk, including ongoing projects and regulatory requirements to ensure cross-functional co-operation and consistency in Ascot's approach. Throughout 2023, several meetings took place with different classes of underwriters across Ascot's US offices to enhance our understanding of producing a US Sustainable Underwriting Policy. We do note that the US is subject to multiple state regulators that have different stances on climate change and will need to consider these when adopting a broader strategy, however we will leverage the group framework as our baseline in the US. In 2024 we are looking to re-evaluate our Group wide approach as there has been significant development in the climate risk space. These meetings enhanced our understanding of the correlation of climate risk aggregations within our underwriting portfolios, and we will look to continue building on the progress made soon.
Strategy	
2. Disclose the actual and potential impacts of climate-related risks and opportunities on the insurer's businesses, strategy, and financial planning where such information is material.	Internally, Ascot distributed its 2022 Sustainability Report to all employees group-wide in Q1 2023. This Report informed employees of climate-related goals and more generally Ascot's sustainability initiatives throughout 2022. In 2023, we adopted a more selective approach, with our 2023 Sustainability Report shared externally upon request from various stakeholders. Further to this, we have also released our Sustainable Underwriting Policy at the Group level. Within the Sustainable Underwriting Policy, Ascot reaffirms its support for the UN Principles for Sustainable Insurance, providing insurance that aims to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social, and economic sustainability. Ascot Group is progressing in its project to collect all emissions data. Ascot will continue to work alongside an external service provider in completing the emission calculation process. This will support the development of an emission reduction roadmap allowing for the identification of focus areas for emission reductions. Alongside emissions data collection, Ascot encourages suppliers to have a sustainability policy in place and monitor and reduce environmental impacts. Additionally, Ascot expects suppliers to follow all necessary regulations in this area. In 2024, Ascot will look to enhance the tracking capabilities surrounding pertaining to vendor expectations. Ascot is also working to enhance existing business travel management for our US employees with a specific focus on flights and car rentals. In 2024, Ascot will look to leverage new tools with the capability of tracking greenhouse gas emissions with enhanced accuracy in alignment with existing processes used in the UK and Bermuda.
A. Describe the climate-related risks and opportunities the insurer has identified over the short, medium, and long term.	Ascot retains a similar definition to those outlined, aligned with the definitions of the various regulatory bodies across the group: Short term: 0-5 years Medium to long term: 5-30 years

B. Describe the impact of climate-related risks and opportunities on the insurer's business, strategy, and financial planning.	Ascot continues to develop several initiatives in supporting the transition to a low carbon economy. Ethos Specialty is a member of the Ascot Group and US operations, focused on developing high-performance specialty insurance programs. In 2022, Ethos launched its Clean Technology program providing commercial solutions to emerging technologies. These companies include manufacturers that design and build new products in the clean tech space such as batteries or EV charging stations, as well as developers or asset owners of renewable energy projects such as hydroelectric dams or solar farms. In 2023 we saw a 215% increase in premium and over 70% of the new accounts are part of a clean energy value chain and half dedicated to providing renewable power and for improving the stability of the US PowerGrid. In addition, in 2024 we will be looking to add coverage for tax credit recapture related to carbon sequestration efforts by our insureds to further support our companies advance green energy initiatives. Ascot has also begun establishing an Energy Transition Sub-Committee. The remit of this group-wide forum is to enhance the knowledge base of our underwriters across the group and discuss various tools with a focus on technologies supporting the transition to a low carbon economy. These discussion points aim to enhance the insurability of projects contributing to the transition to a low carbon economy. This forum will kick off in early 2024. In 2023, The Group Sustainability Team and appropriate employees from various teams will continue attending conferences around best practices in supporting the transition to a low carbon economy. This will assist Ascot in furthering its knowledge and understanding for future requirements around transition plans.
C. Describe the resilience of the insurer's strategy, taking into consideration different climate-related scenarios, including a 2 degree Celsius or lower scenario.	Ascot has developed a management framework to mitigate risks from climate-related hazards. This framework includes a physical risk assessment with three components: evaluating models by incorporating a climate change score and determining the need for alternative models or tools; adjusting models for short-term (10-year) and medium-term (30-year) climate projections under low, moderate, and high impact scenarios; and providing a quantitative estimate of the current impact of climate change, with adjustments to the models if necessary. We have completed climate projections for three perils. North Atlantic Hurricane (landfall frequency and wind hazard) and U.S. Wildfire are based on projections provided by Verisk, with some minor adjustments, and we developed projections for U.S. Inland Flood based on climate model output (CMIP6). We also recently completed an alternative view for the North Atlantic hurricane model to estimate the potential higher risk from very warm SST conditions. Work is currently underway to properly assess how we should interpret these results and implement a strategy to effectively manage these exposures over both the short term and long term.
Risk Management	
3. Disclose how the insurer identifies, assesses, and manages climate-related risks.	For physical risks Ascot manages its geographical aggregations using both proprietary exposure management process and third-party vendor modeling platforms. Ascot has developed a risk management framework to mitigate climate related perils. Ascot is using scenario analysis to assess the future impact of climate change on the medium-long term, by applying event resampling or loading factors to natural catastrophe models to account for changing frequency or severity of events. Additionally, current day and short-term risk of climate change is managed based on a blended view of catastrophe models and historical data. With respect to transition and liability risks, Ascot is in the process of updating the US and Group Sustainable Underwriting Policy to ensure risks within its appetite remain sound. Ascot takes a holistic view to managing climate risks as we look to balance the social ramifications of such approaches in conjunction with the impacts from a climate change perspective. For liability risk, we have developed realistic disaster scenarios to assess potential impacts as well as work with our reinsurance partners to use third party aggregation software to assess the potential risks in our book. Furthermore, in 2023 Ascot considered liability risk with a specific focus on climate litigation. This project analyzed current and future trends in litigation, with a focus on key categories such as greenwashing and emissions, whilst providing an insight into our potential exposure. Such risks were not deemed material at the time of completion; however, this analysis will be refreshed considering the latest global developments. In 2024, Ascot will begin the process of completing its first climate risk materiality assessment engaging with stakeholders across various functions across the group. This assessment will consider the current status and potential future changes in the business model, strategy and external factors and consider all physical and transition risk drivers. Ascot has not begun discussions with its clients around how to manage physical and transition climate related risks, that said, the effectiveness of management is a key consideration in its underwriting decision-making process. As part of our broader loss prevention efforts across the US, Ascot is working to better assess site specific information which may include enhanced information from its clients surrounding climate-risk factors when appropriate for assessing the risk. Investments are outsourced to New England Asset Management Limited (“NEAM”). NEAM has been a signatory to the Principles for Responsible Investment since June 2019. NEAM has contracted with Sustainalytics, one of the leading climate related risk data providers, which NEAM uses to supplement their climate risk related investment analysis. NEAM supports the goal of the UNFCCC 2015 Paris Agreement of limiting global temperatures to below 2 degrees Celsius, and has built quantitative and qualitative analytics to assess the impacts to our portfolio based on these conditions
A. Describe the insurers' processes for identifying and assessing climate-related risks.	In 2024 Ascot Group is planning to complete its first climate-risk materiality assessment. As part of this, Ascot will consider various physical and transition risks risks that are likely to have a financial impact on the business, considering the current status and potential future changes in the business model, strategy and external factors. Ascot intends to further develop its evaluation of the financial implications associated with climate-related risks. This involves staying updated with the most recent scientific advancements pertaining to climate change, and fully comprehending the assumptions and constraints of the tools presently in use.

B. Describe the insurer's processes for managing climate-related risks.	The enterprise risk management team is responsible for climate risk management, which includes measuring Ascot's catastrophe exposure, and Ascot actively utilizes reinsurance to manage its peak PMLs (probable maximum losses). Ascot's gross positions are reduced in the US by use of reinsurance, which highlights Ascot's focus on actively managing its catastrophe risk. Ascot has a long track record of outperforming the industry as a Group with respect to catastrophe losses and takes a conservative approach to modeling tail events. Additionally, Ascot utilizes the warm weather Verisk model for North Atlantic hurricanes, which factors in increased activity and severity of storms due to rising sea levels and temperatures and have developed a very warm SST alternative view to estimate the potential higher risk from years with extreme SST values. Ascot also applies all secondary loss perils to consider an uncertainty in loss estimates that may occur due to exposures from climate change. To supplement Ascot's modeling of catastrophe risk, exposure management actively monitors coastal risks for exposure to climate change. Ascot is developing a similar approach for wildfire risk and is currently assessing third party wildfire models. In addition, Ascot continues to evaluate methods to measure and mitigate changing flood exposure resulting from climate change Building on this, Ascot's planned work around completing our first materiality assessment will allow the identification of material physical and transition risks. Once completed, a clearer picture will develop as to how to enhance the existing management of various climate-related risks. Moreover, as Ascot works to establish a Climate Risk Working Group and Energy Transition Sub Committee, we can continue to build out our focus on transition risks. Further to this, Ascot is taking steps to strengthen governance surrounding climate risk and general sustainability by setting up an ESG steering committee. This body will facilitate coordinated efforts across several workstreams that play a crucial role in identifying, assessing and managing sustainability & climate risk issues.
C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the insurer's overall risk management.	The enterprise risk management team is responsible for climate risk management, which includes measuring Ascot's catastrophe exposure. Catastrophe modelling is a central pillar in climate risk management. The use of models to manage and assess risks is well established in the industry but may require internal adjustments to accurately capture the current day risk. Ascot works with third party vendors to understand the latest climate change impacts and how they are incorporated into risk models, helping to accurately assess the potential impacts of climate perils. Ascot also attends risk conferences to hear both academic views on climate risk as well as how the insurance industry is approaching modeling these emerging exposures. The consideration of climate risk is integral to the research process at the investment manager, and in Ascot's on-going risk monitoring of the investment portfolio. NEAM provides climate related risk ratings for the fixed income portfolio using Sustainalytics which categorizes the impact on enterprise value driven by climate related risk factors across five different risk levels. In addition, we monitor the Scope 1, 2, and 3 carbon intensity of the portfolio against a representative benchmark to ensure that our exposure to carbon-intensive companies is managed appropriately. An example of a climate scenario utilized by the asset manager and Ascot is the Climate Change Stress Test based on Bank of England's Climate Biennial Exploratory Scenario Stress Test 2021 (CBES). The Climate Change Stress Test generates hypothetical illustrations of prospective market value changes to the current portfolio and sectors based on CBES. It explores three scenarios that represent different degrees of potential risk from transitioning to net-zero emissions (Transition Risk) and risk from higher global temperatures from not transitioning (Physical Risk), by 2050.
Metrics and Targets	
4. Disclose the metrics and targets used to assess and manage relevant collateralized risks and opportunities where such information is material.	At a group level Ascot models all property exposed business through Touchstone, our cat modeling software. This provides us with our aggregate exposures across geographies and both impacts to the US book and Group overall. We also supplement cat modeling by looking at realistic disaster scenarios that combine our liability exposure to climate related risks with our property exposures potentially impacted. In combination with a score based on the confidence in a climate change signal for each peril, Ascot uses a loss metric from the catastrophe modelling output to identify and manage physical climate risks. This approach allows Ascot to identify perils and regions with high exposure, but moderate current-day climate impacts, such as North Atlantic Hurricane, or perils with a high impact but moderate exposure, such as U.S. Wildfire and U.S. Inland Flood, to accurately prioritize further work. This further work includes climate projections, to estimate the potential future risk under a range of potential emissions scenarios, and where applicable will include alternative views to current day risk to estimate the potential current day impacts that may not be captured by the catastrophe models. This analysis can be useful in determining Ascot's resilience to these impacts and to inform decision making.
A. Disclose the metrics used by the insurer to assess climate-related risks and opportunities in line with its strategy and risk management process.	The Group board sets the annual risk appetite for natural catastrophe risk on an annual basis which considers aggregate annual losses gross, and net of reinsurance taken from the capital model at multiple tail return periods. The catastrophe risk appetite is monitored as a percentage of the plan against the actual losses. In terms of ranking perils by exposure and climate change signal, Ascot selected on a TVAR (Tail Value at Risk) metric based on 1-in-200-year events. As this work is still underway, we are also yet to establish the best metrics for managing the physical risk impacts of climate change beyond the metrics already established by exposure management.

B. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas () emissions, and the related risks.

We anticipated growth in our Scope 3 due to several factors such as: removal of many covid restrictions has increased number of in-person meetings/conferences requiring travel, as well as growth in US remote workforce, which would increase our travel needs for regular in-person strategy sessions at office hubs. Our scope 3 emissions from these activities were in line with our expectations. Therefore, the driver of the material increase in our Scope 3 emissions was due to improvements in our data collection process and methodology, particularly for emissions related to purchased goods and services. Our refined process in 2023 aligned better with how we collect our finance data, which allowed for more accurate assumptions to be applied. We also applied updated emission factors (AR6) which is in line with the IPCC Sixth Assessment report. We would expect to leverage 2023 as our baseline as we don't anticipate material changes to this methodology in the future. That said, we do note that this is a very new concept and changes on broader industry levels could occur at times that would impact our approach.

In addition, now that Ascot has an effective approach to measuring our Scope 3 emissions, we will be able to develop policies and frameworks that provide guidance on when travel is necessary to manage our emissions and time resources more effectively.

AIUS (tCO_2e)	2020	2021	2022	2023
Scope 1	23	33	15	5
Scope 2 (Location)	380	317	383	346
Scope 2 (Market)	384	312	376	350
Scope 3	915	1,285	2,362	11,896
Total (Location)	**1,318**	**1,635**	**2,761**	**12,246**
Total (Market)	**1,322**	**1,631**	**2,754**	**12,250**

**Market-based: calculates emissions based on the electricity that organizations have chosen to purchase, often spelled out in contracts.*
**Location-based: calculates emissions based on the emissions intensity of the local grid area where the electricity usage occurs.*

C. Describe the targets used by the insurer to manage climate-related risks and opportunities and performance against targets.

As previously stated, Ascot has not made any public facing targets related to climate risk. Nonetheless, given the complexity of climate-related risk, and the rapidly evolving landscape of performance targets and metrics, Ascot continuously monitors the appropriateness of metrics in identifying its opportunities and performance.