

Building a more
ambitious, confident
and sustainable future

CO^{*}/ACTIONSM

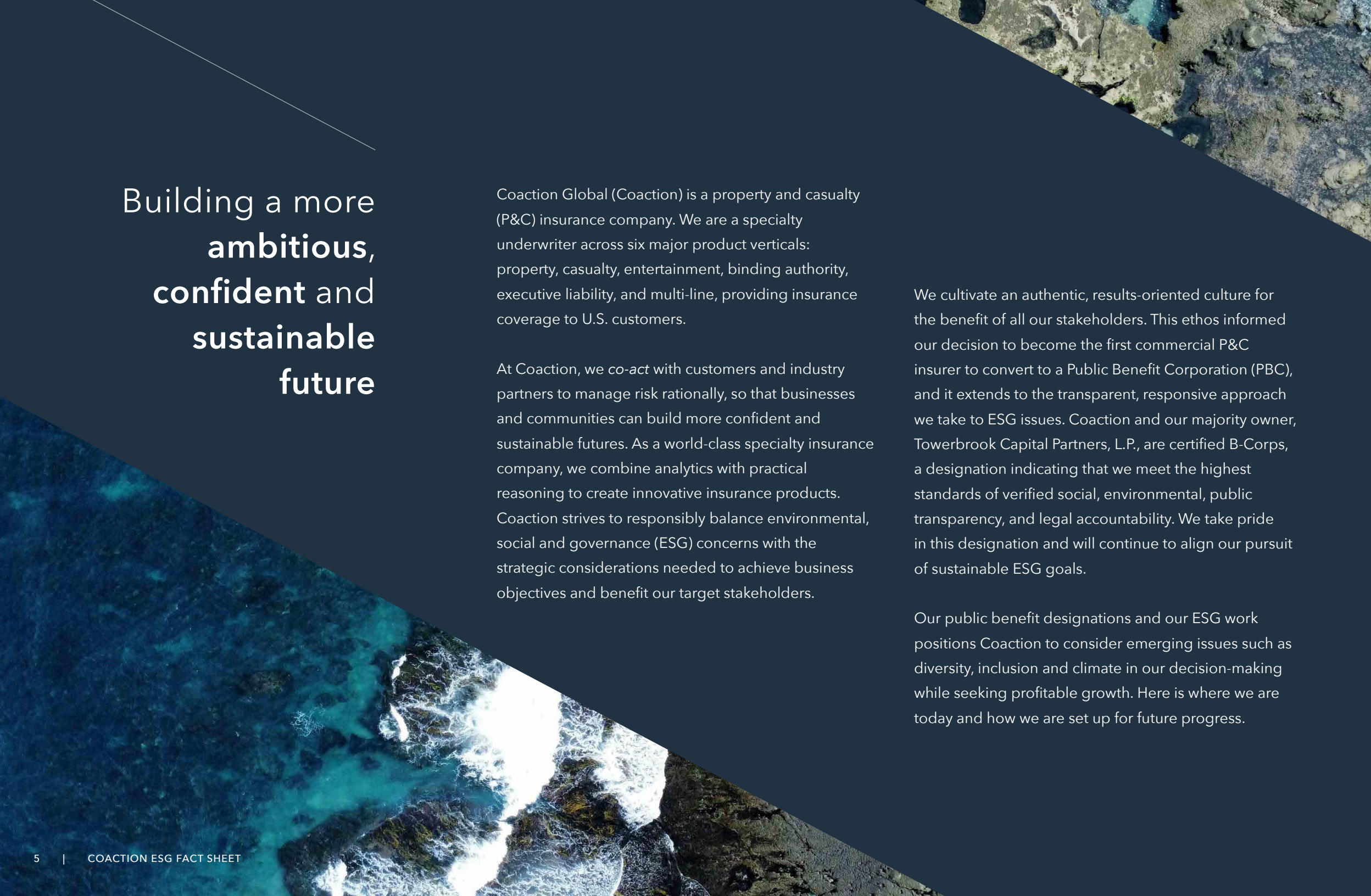
2022 ESG FACT SHEET

ABOUT THIS REPORT

The following fact sheet contains relevant metrics to Coaction Global's business that are aligned with the Sustainability Accounting Standards Board (SASB) standards and the Task Force on Climate-Related Disclosures (TCFD) framework.

This document covers the period January 1, 2022, through December 31, 2022, unless otherwise noted. This is our inaugural attempt at providing relevant information about key ESG pillars.





Building a more **ambitious,** **confident** and **sustainable** **future**

Coaction Global (Coaction) is a property and casualty (P&C) insurance company. We are a specialty underwriter across six major product verticals: property, casualty, entertainment, binding authority, executive liability, and multi-line, providing insurance coverage to U.S. customers.

At Coaction, we co-act with customers and industry partners to manage risk rationally, so that businesses and communities can build more confident and sustainable futures. As a world-class specialty insurance company, we combine analytics with practical reasoning to create innovative insurance products. Coaction strives to responsibly balance environmental, social and governance (ESG) concerns with the strategic considerations needed to achieve business objectives and benefit our target stakeholders.

We cultivate an authentic, results-oriented culture for the benefit of all our stakeholders. This ethos informed our decision to become the first commercial P&C insurer to convert to a Public Benefit Corporation (PBC), and it extends to the transparent, responsive approach we take to ESG issues. Coaction and our majority owner, Towerbrook Capital Partners, L.P., are certified B-Corps, a designation indicating that we meet the highest standards of verified social, environmental, public transparency, and legal accountability. We take pride in this designation and will continue to align our pursuit of sustainable ESG goals.

Our public benefit designations and our ESG work positions Coaction to consider emerging issues such as diversity, inclusion and climate in our decision-making while seeking profitable growth. Here is where we are today and how we are set up for future progress.

SOCIAL

At Coaction, we are committed to fostering a supportive and inclusive environment for our current and future team members. The strategic and agile nature of our organization allows for unique growth opportunities for our employees, enabling them to take charge of their careers and make meaningful contributions to Coaction. We aim to ensure that everyone feels welcome to bring their authentic, best selves.

Cultivating a supportive culture

At Coaction, we continuously evaluate ways we can support our employees, build on our culture, and measure success. We engage in various initiatives to achieve these goals:



Annual engagement surveys provide insights that drive our efforts to support employees and serve as a benchmark to evaluate our progress as an organization.



Quarterly net promoter surveys ask employees to score Coaction between zero and 10 based on whether they would recommend working at our company, enabling us to take the pulse of our employee base and address feedback proactively.



Flexible office days allow employees to decide which three days each week they will work at an office location.



Improved offices and facilities, including medical-grade air filtration systems, help ensure the health and safety of visitors and employees.



Support for employee's charitable priorities highlight difference-makers in our communities and our employees' charitable activities, while exploring a charitable contribution matching program.

Employee empowerment

Our team members often have direct access to experienced, high-level executives and members of senior management, providing opportunities to ascend rapidly into a variety of roles. We aim to capitalize on those advantages by empowering our people to grow.

We offer formalized training to support employee career development, including a Leadership Development Program. Employees are encouraged to pursue certifications and designations relevant to their role and are reimbursed for related costs. In addition, our newly revamped Actuarial Student Program provides actuaries study time and financial incentive to take and pass actuarial exams.

In addition, we have recently introduced three programs for employees with tenure of at least one year at Coaction:

- Continuing education
- Tuition reimbursement
- Student loan repayment

SOCIAL (cont.)

Diversity, equity, and inclusion

Coaction believes deeply in the value of diversity, equity, and inclusion (DEI) to improve decision-making, increase cultural cohesion, and deliver business results. We are early in our DEI journey and committed to progress as we seek to be a workplace where employees from all backgrounds can flourish and contribute. We are working to map our strategy and build on our existing DEI efforts, including:

- **Establishing Employee Resource Groups (ERGs)** for Women at Work, LGBTQ+, and Culture, Race and Ethnicity supported by an executive steering committee and formalized charter.
- **Joining not-for-profit organizations**, including the Insurance Supper Club and the Insurance Industry Charitable Foundation, to support underserved communities in our industry.
- **Diversifying our workforce** by recruiting summer intern classes with at least 50% ethnic diversity and 50% gender diversity.
- **Expanding “Soft Skill” training** for employees, focused on ethics, unconscious bias, and DEI initiatives.
- **Formalizing Equal Employment Opportunity language and disclosure of salary ranges** in job postings, highlighting to prospective employees that Coaction values transparency and fairness.
- **Reviewing our DEI initiatives** on a quarterly basis.

We have launched ERG steering committees focused on

- Women at Work
- LGBTQ+
- Culture, Race and Ethnicity

GOVERNANCE

Strong governance is central and fundamental to Coaction’s business. Our structures, policies and practices have earned us an A- (Excellent) rating from A.M. Best, the largest credit agency in the insurance industry. We apply the same rigor to the governance of ESG as we do to all aspects of our operations.

We take cybersecurity seriously

We conduct regular audits of our security systems and provide cybersecurity training to 100% of employees.

ESG operating model

We continue to build existing structures and practices to integrate our ESG strategy into our operations. ESG is a standing agenda item at board meetings, presented by the ESG Steering Committee, which is led by the General Counsel, Chief Risk Officer and Chief Human Resources Officer. We have established our ESG operating model, which is being integrated into our ERM framework. Our ESG Working Group meets quarterly, and we have expanded it to build momentum on ESG initiatives.

We are integrating ESG risks into our ERM Framework in order to thoroughly consider ESG opportunities and risk to our business. In information technology, we are exploring ways to improve data collection for ESG auditing and goal setting, developing a long-term cybersecurity strategy to move toward serverless technology, and partnering with our cloud providers for ESG tools and data. We take cybersecurity seriously: We conduct regular audits of our security systems and provide cybersecurity training to 100% of employees.

ESG regulations and reporting requirements

Coaction has transparent communication and strong alignment of interest between independent board members, management, and investors. We align with the following standards:



New York State Department of Financial Services (NYDFS)



Task Force on Climate-Related Financial Disclosures (TCFD)



National Association of Insurance Commissioners (NAIC)



Certified B Corporation



Public Benefit Corporation standards

We align our ESG disclosures with the Sustainability Accounting Standards Board (SASB) Standards for the Insurance industry and the TCFD reporting framework. Additionally, we also align our responses to the California Department of Financial Services (DFS) Climate Survey and NYDFS NAIC Climate Risk disclosure survey with the TCFD reporting framework.

GOVERNANCE (cont.)

ESG risk appetite

ESG considerations inform the products we offer, the customers we serve, and the projects we will underwrite.

We:



Include ESG factors in the cost-benefit analysis we perform for underwriting and risk transfer.



Consider ESG as we monitor our compliance with government regulations and policies.



Integrate climate change into our long-term perspective on property risks.



Account for a variety of other ESG-related risks faced by different product lines.

ESG portfolio management

We are mindful of ESG-related risks and opportunities as we invest, and we focus on incorporating ESG into our portfolio in ways that further our investment and risk-management goals. We have taken or are taking the following steps:

- We are preparing an ESG staging memo for the investment portfolio that incorporates exclusionary rules for types of investments that emit greenhouse gases.
- We have introduced several ESG-aligned investment segments into the portfolio, including Low-Income Housing Tax Credit investments and municipal bonds that fund lower income multifamily investments.
- We have established goals for 2023 by incorporating our investment managers' ESG scoring criteria and by leveraging climate risk tools to improve our investment strategy and add ESG scoring on holdings.

We have established goals for 2023

to incorporate ESG scoring criteria and climate risk tools to improve our investment strategy and add ESG scoring on holdings.

ENVIRONMENTAL

Coaction recognizes that climate patterns are changing and posing an increased risk to our industry and financial system. To accommodate this reality and achieve climate resiliency, Coaction is integrating the financial risks associated with climate change into our governance and risk management frameworks and our business strategies. We have begun tracking our Scope 1, 2, and 3 greenhouse gas emissions, and we weigh environmental considerations across our operations:



In our offices, facilities, and practices

We are identifying ways to reduce our carbon footprint. We have installed solar panels, electric vehicle chargers, and energy-saving technology including LED lighting and water-conserving faucets; we track our electricity use; and all of our offices are LEED-certified buildings. We embrace a need-driven approach to business travel to support reduced emissions.



In our products

We consider material ESG implications in underwriting, including risk exposures related to climate change, and we track both our own exposure to catastrophic property loss and the exposures of the entities we insure. We provide insurance solutions to businesses in the renewable energy economy, and we do not actively underwrite coal or oil sands production.



In our insureds

We are dedicated to addressing climate change through partnership with our insureds. We provide a Climate Risk Resource to insureds that helps them assess and improve their exposures to climate risks.



In our technology

We have reduced our technical footprint by decommissioning multiple on-site servers.

We provide a Climate Risk Resource to insureds that helps them assess and improve their exposures to climate risks.



LOOKING AHEAD

We will continue to share updates about our ESG priorities and activities. To learn more about our initiatives or to provide feedback on our progress, please contact us at ESG@coactionspecialty.com.

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