

THOMAS  
MILLER

# ESG Report 2023



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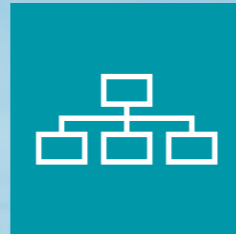
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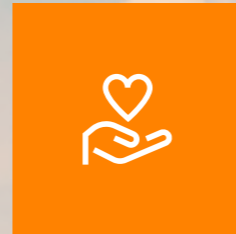
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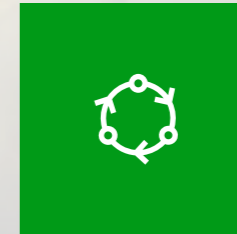
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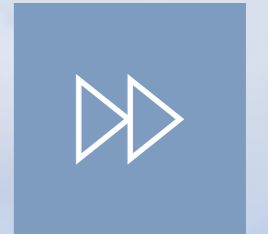
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# Introduction



## Introduction

‘Doing the right thing’ has always been at the core of the Thomas Miller ethos and as a purpose-led Company, we pride ourselves on delivering expert service to the businesses we manage and own.

### Thomas Miller Purpose

Service is our purpose.

We have provided this service to the marine mutual sector for over 150 years and have extended our reach to our owned businesses with the same purpose. Service is at the core of all we do and is why Thomas Miller exists.

In 2022, we articulated our formal approach to Environmental, Social and Governance (ESG); however, we knew that, in practice, many ESG considerations were already implicit in how we had run our business up to then.

Our first external publication on ESG was the Thomas Miller ESG Statement published in December 2022. This was an important step forward for the Company when we outlined our commitment to ESG to help us to understand better and improve our impact on the environment, to further develop more sustainable and ethical business practices, and to help us in maintaining a stable financial future in an increasingly complex world.

In this, our inaugural formal annual report on Thomas Miller ESG, we aim to provide our stakeholders with a greater insight into who we are and what we stand for as a Company and what aspects of ESG are most important and material to our business. We will delve in some detail into what we have done over the past year to strengthen our commitment to ESG in a range of different areas and the specific actions we will take in the forthcoming year to continue to move the dial in the right direction.

## BE THE DIFFERENCE BE THE IMPACT

Thomas Miller’s ESG strategy builds on our very successful Corporate Social Responsibility (CSR) programme, ‘Be The Difference’, and in recognising that ESG is a natural extension of CSR, we have been working to develop a brand for our work in this area across our five pillars: Our People, Our Company, Our Community, Our Planet and Our Marketplace.

We are pleased to present ‘Be The Difference, Be The Impact’. ‘Be the Difference’ is our collective efforts for CSR and ‘Be the Impact’ represents our commitment to taking actions that have a positive impact on how we do business.



“ We recognise that our Company success is not solely measured by financial performance, but also by our impact on the environment, the wellbeing of our employees and our contributions to society. ”

### CEO Foreword

I am pleased to introduce our first ESG report, which provides an overview of our sustainability initiatives and our progress towards delivering against our ESG strategy.

We recognise that our Company success is not solely measured by financial performance, but also by our impact on the environment, the wellbeing of our employees and our contributions to society. Our commitment to ESG is reflected in our business practices, and we are continually striving to improve our performance in this important area.

This report provides a comprehensive look at our ESG initiatives and the progress we have made over the past year. It includes details on our environmental programmes, such as our efforts to reduce carbon emissions and waste reduction. We have also outlined our commitment to diversity, equity and inclusion, as well as our community engagement and philanthropic efforts.

In addition to our ESG achievements, this report also highlights our challenges and opportunities for improvement. We acknowledge that we still have work to do, and we are committed to making meaningful progress towards our ESG goals in the coming years.

I want to thank our employees and other stakeholders for their support and engagement in our ESG initiatives. As we move forward, we will continue to develop and prioritise our ESG performance, and we look forward to sharing our progress with you in future reports.

**Hugh Titcomb**  
Chief Executive



### About Thomas Miller

Thomas Miller Group is an international provider of market-leading insurance and professional services. Many of the businesses we own or manage are acknowledged leaders in their chosen markets.

At Thomas Miller, we lead the way in defining excellence across insurance, professional and investment services. We currently have more than 850 employees across 18 countries and in 24 office locations.

Our track record confirms how we have adapted to increasingly competitive and ever-changing markets, demonstrating that we live by our values of delivering **Service Excellence**, acting with **Integrity**, being **Inventive** and always being **Supportive**. Our approach demonstrates that longevity and sustainability, two important principles of ESG, have always been at the centre of what we do.

Our origins are in mutual management; however, the portfolio of businesses we manage and own today is considerably broader as we have applied our knowledge and expertise to develop and diversify over time, resulting in an extensive global network to service clients worldwide. Mutual management remains the largest part of our operation and the principles of mutuality guide how we manage all our businesses.

Our main activities today include:

- Management services for transport and professional indemnity mutual insurance companies
- Managing general agency insurance
- Professional services including technical consulting services, legal services, captive and claims management
- Investment management for institutions

Our insurance activities play a fundamental global role in economic development by reducing financial uncertainty and protecting against insurable risk. Additionally, our heritage in mutual management drives us to manage for the long term, differentiating ourselves through a focus on loss prevention and social purpose, which supports the interests of the mutual club Members and the communities they serve and in which they operate.

In our professional services businesses, we provide a range of legal and technical consulting services including litigation support and expert witness representation.

All of our operations have an important and responsible role to play in upholding the ethical, regulatory and legal standards of the industries we service, which reinforces our commitment to ESG values.

### Thomas Miller in Numbers

24

Office Locations

850+

Employees Globally

60+

Charities in 2022

\$1.6b

Gross Written Premium



## Our ESG Roadmap and the United Nations Sustainable Development Goals

A materiality assessment conducted in early 2022 helped us to identify our primary areas of ESG focus. This was undertaken with guidance from external consultants, through consultation with our senior leadership team, and through a questionnaire and a series of structured interviews with functional heads and key Thomas Miller business ESG representatives.

We identified eight topics for the short to medium term across the three categories of ESG.



We used the output of the materiality assessment to define a set of ESG principles and an ESG governance structure, and to create a Roadmap of specific ESG activities to guide us over the early years of the development of our ESG strategy.

The United Nations Sustainable Development Goals (UN SDGs) provided a globally recognised framework to help us to structure our engagement with stakeholders and to communicate performance on key ESG outcomes. We have therefore developed Thomas Miller's ESG strategy to support and align with six of the UN SDGs. We have identified these as being particularly pertinent to the Group's primary activities as a service provider and as aligning to our five pillars of CSR impact:



### Our People

We are a people business, and it is our talented employees who strive to deliver the best possible service to our mutual businesses and clients. We put our people at the heart of all we do, evidenced by our wellbeing, learning and development, and other employee engagement activities, including through diversity, equity and inclusion.



### Our Company

Integrity is one of our four Thomas Miller values as a business and as an employer we always strive to do the right thing. We have robust governance structures, policies and practices, and we are committed to aligning our ESG strategy with these to develop and define further our ethical practices across our global operations.



### Our Planet

We meet all regulatory, legal and financial requirements to report on the environmental impact of our business and we are continuing to expand the scope of our voluntary carbon emissions reporting. As a service business, our own operations are limited to the offices occupied by our employees around the world and travel in support of the services to our clients. However, we have launched environmental initiatives across our operations to reduce our carbon emissions where we can.



### Our Community

Community engagement has been at the core of the Company's CSR programme 'Be the Difference', which was launched in 2018. Driven by our employees, engagement ranges from volunteering and supporting local community efforts through to making charitable donations and the start of a formal Corporate Charity partnership, currently with Street Child.



### Our Marketplace

The mutual insurance businesses we manage are highly respected within the marine, transport, professional indemnity and other specialist markets they serve. We are committed to supporting them on their own ESG journeys. We also take great care around ESG considerations within the businesses we own and through our wider supply chain.

# Our People

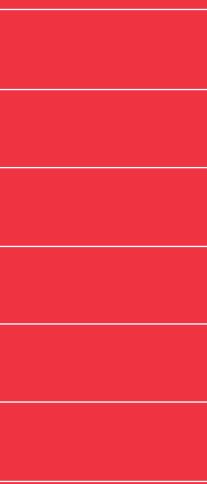


## Diversity, Equity and Inclusion (DEI)

At Thomas Miller, having a diverse, equitable and inclusive workplace is a given and is consistent with our culture and values. However, we recognise that there will always be opportunities to improve, and we will be honest about where progress needs to be made.

We have recently updated and published our global DEI Policy incorporating our DEI Mission Statement. Over the coming months, our DEI mission will be embedded in our HR policies and processes to ensure that we have clearly articulated the standards we have set ourselves. We expect our leaders, managers and employees to live by these policies in their day-to-day roles and interactions with each other. We are committed to engaging with a prominent DEI figurehead to talk to our Group senior leadership team about DEI and how we can lead on this day to day.

In 2022, we implemented Diversity Data monitoring in the UK and the Isle of Man as a pilot. We are pleased to have achieved a 40% response rate so far and are well on our way to having a broader dataset that will enable us to set more meaningful diversity targets in time. We will continue to encourage our employees to provide this data by explaining the benefits of having more robust diversity data and reassuring them that all data is confidential and treated with respect. This data will enable us to better track our progress against our DEI actions over time; without it, our targets will necessarily be more subjective.





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The proportion of women in senior roles in the UK increased by the largest percentage in 2022 and has increased by 8.7% since 2017.

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In the UK, we have been reporting our annual Gender Pay Gap since statutory reporting obligations began in 2017. 2022 saw the most significant annual improvement (5.2%) in our gender pay gap which now stands at 35.9%, down from 45.3% in 2017. This means that average female pay in Thomas Miller UK is now 64.1% of average male pay, compared to 54.7% of average male pay in 2017.

The proportion of women in senior roles in the UK (in the highest quartile based on salary) also increased by the largest percentage in 2022 and has increased by 8.7% since 2017, standing at 22.6%. We plan to report on our global gender pay gap in 2024.

We make the greatest impact on the diversity of our people through our recruitment and selection processes. In 2023, we have committed to expanding our approach to sourcing candidates for vacant positions. Specific actions will include:

- Partnering with diversity focused professional communities and social enterprise organisations to offer work experience and encourage applications from more diverse populations
- Analysing our job advertisements to ensure the language used attracts the broadest and most diverse range of potential candidates
- Researching and advertising on job boards that focus on specific underrepresented groups
- Implementing barrier-free application processes to support candidates with disabilities
- Working with agencies who actively promote diversity themes in their own processes

We will also continue to promote our Thomas Miller and individual business LinkedIn pages to increase our following, ensuring our direct advertisements reach the best possible demographic.



## Learning and Development

Ensuring all employees have access to a range of training and development opportunities is important at Thomas Miller. We are a people business, and our success is built through the skills and knowledge of our employees.

The opportunities for employees cover a range of learning and development needs. Employees can undertake formal study for technical and professional development such as the CII and Actuarial qualifications in our insurance businesses, and CIPD and CIM in HR and Marketing respectively, alongside a multitude of other job-related study options.

We provide a suite of personal development courses and in the last few years have made these more accessible to employees globally through engagement with online training providers to deliver courses remotely. Our own online training portal 'Knowledge Bank' gives us additional flexibility to provide digital bite-size learning tools for employees to use at the point of need. Examples of personal development learning tools include Two-Way Mentoring, Building Effective Teams and Managing Expectations.

In 2022:

- We updated our Management and Leadership Development programmes
- We took 18 employees through our new Aspiring Manager programme
- We also took 21 employees through the Experienced Manager programme

In addition, we are working with our top talent to identify suitable candidates for external leadership development courses.

Currently we have:

- 22 employees undertaking Company sponsored professional qualifications; and
- 3 employees undertaking an Apprenticeship

We also continue to look creatively at ways in which our employees can learn and develop on the job through exposure to different activities and projects across the Group to broaden their experiences.





## Employee Wellbeing

We know that helping to keep our employees fit and healthy is good for them and is good for business. In investing in our employees' wellbeing through our benefits and employment practices we engender loyalty and commitment, which strengthens further our culture and in turn helps us to maintain and grow a sustainable long-term business. In our 2022 Employee Engagement Survey, employees overwhelmingly cited employee wellbeing as needing to be a key focus for the Company.

We encourage employees to take ownership of their wellbeing by using a range of tools and resources. This encourages them to maintain a balance between their work and what matters to them outside of their job. All our employees can work some of their time remotely from home. Many of our businesses operate core days to ensure that they can remain connected as a team, but employees can also take advantage of the balance that remote working can provide.

We focus on four pillars of wellbeing:

### Physical

Ensuring every individual's health, avoiding preventable diseases and conditions, and living in a balanced state of body and mind.

### Mental

Where every individual realises their own potential, can cope with the everyday stresses of life, can work productively and can contribute to their community.

### Social

The extent to which individuals feel a sense of belonging and social inclusion.

### Financial

A sense of security and feeling as though individuals have enough money to meet their needs



We offer our employees competitive employee benefits appropriate for the region of the world in which they work in support of their wellbeing.

All employees have access to an independent employee helpline 24/7 to provide them with support on both work and home-related issues. We also have trained Mental Health First Aiders globally available to provide confidential support at work when needed.

We will continue to find ways in which we can enhance our employee wellbeing offering in all our locations.



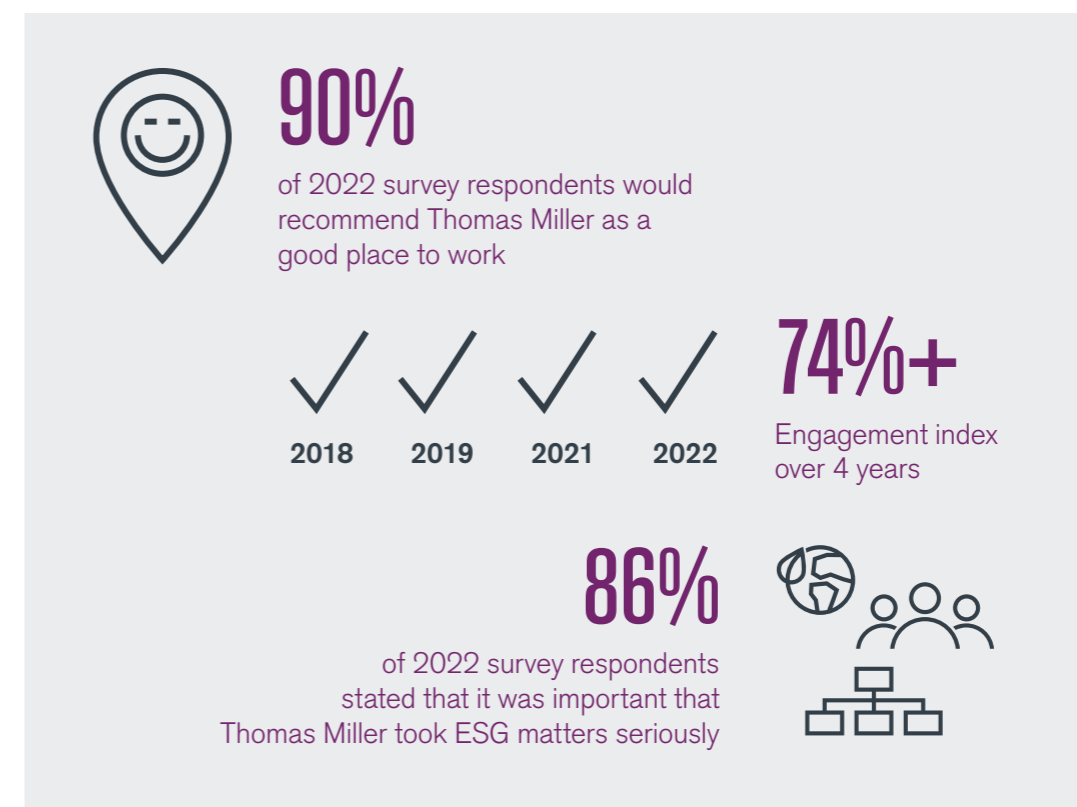
## Employee Engagement

Employee engagement is extremely important to Thomas Miller and in particular ensuring that we have open lines of communication between the Company and our employees. Our Group Marketing team takes the lead in coordinating internal communications and, in 2022, we implemented a cross-Group communication forum to better coordinate and enhance our regular communications. We have a Company intranet through which topics are communicated, including a welcome to our new joiners, business updates, CSR and community activities, and other updates that will be of interest to our employees across the globe.

In 2018 we ran our first Employee Engagement Survey and apart from 2020 during the global pandemic, we have run an engagement survey every year. Our engagement index has remained consistent at 74% in 2018, 2019 and 2021, and 75% in 2022. In our 2022 survey, 90% of respondents also said they would recommend Thomas Miller as a good place to work, which we believe is a strong indicator of how they feel about working for the Company.

In 2022, we also focused a range of questions on ESG to seek feedback on our ESG strategy. 86% of respondents stated that it was important that Thomas Miller took ESG matters seriously, which provided resounding support for our commitment to ESG. 34% of respondents said that they were not familiar with ESG issues, and we responded by opening 2023 with three weeks of ESG communications on the Company intranet. We provided employees with a range of tools and resources on ESG topics through articles, videos, webinars and podcasts.

We have recently hosted employee focus groups in order to engage further with our employees on our key ESG priorities. The output from these will be reported in the coming months, but we hope this will inform further actions we take to develop our ESG commitments and targets for the future. Seeking input and feedback from employees across the Group is an important part of our ESG engagement.





# Our Company



## Corporate Governance

The Thomas Miller Holdings Board is the ultimate authority for the Company and is responsible for the setting of strategy through the development and oversight of a Corporate Plan. The Board also ensures that any risks identified in seeking to achieve the Corporate Plan are appropriately managed and that direction of Thomas Miller is aligned with the interests of the core mutual insurance companies we manage. There is strong independent representation on the Board through our Non-Executive Directors (NEDs). Our NEDs help to steer the Board through its discussions and decision-making processes by bringing external expertise and views on governance, offering counsel to the Chair and Chief Executive, and providing original input and challenge to assist in getting the best outcomes for the Company.

Many of the activities arising from the Board are delegated to several committees where there is broader representation from across the Group. The Executive Committee consists of senior leaders from a cross-section of Thomas Miller businesses, functions and regions, including the heads of our largest clubs/businesses and functions, and global representation from the Americas and Asia Pacific. Meeting bi-monthly, the Executive Committee is the overall decision-making body for the performance and delivery of the Group Business Plan.

Group risks are monitored by the Thomas Miller Audit & Risk Committee (TM ARC). Chaired by one of our independent NEDs, the TM ARC receives regular reporting on Group risks through its risk register, the output of a defined cycle of review and updating of the business and functional risks. Specific action plans against the key Group risks are incorporated into the objectives of the relevant Executive Directors and Executive Committee members.

Our risk register incorporates specific material ESG risks to the Group, including climate change and data stewardship. Separate ESG regulatory and legal horizon scanning is incorporated into our business-as-usual processes to ensure that we are ahead of any mandatory ESG monitoring and/or reporting requirements and that we can keep abreast of developments relevant to our clients. Horizon scanning also helps us to determine what voluntary ESG reporting we may wish to adopt.

Our Remuneration Policy is set by the Remuneration & Nominations Committee (RNC), which is also chaired by one of our independent NEDs. The RNC meets three times a year and is charged with ensuring that the Company's approach to remuneration for all employees is in line with the culture and the priorities as agreed in the **Corporate Plan**.



Our risk register incorporates specific material ESG risks to the Group, including climate change and data stewardship.





### ESG Integration

The Thomas Miller ESG strategy is determined by the Executive Committee and is delivered through the ESG Committee. The latter is comprised of ESG Subject Matter Expert (ESG SME) leads in the shape of our functional heads (HR, Risk & Compliance, Workplace Services, Marketing, IT, Finance) and appropriate representatives from across our mutual clubs and other businesses and regions. Since its formation in 2021, we have extended out representation to ensure the broadest range of contributions. We will continue to monitor membership of the ESG Committee as we move through the next phases of our ESG strategy development.

In 2022, we recruited experienced ESG resource into the Group to support ESG, CSR and Internal Communications activities, recognising the importance of this subject. We have also recently appointed 13 ESG Ambassadors across the Company who have agreed to act as internal advocates for ESG in support of the implementation and embedding of the Thomas Miller ESG strategy in business-as-usual activities across the Group.

As well as mapping our ESG activities to those of the UN SDGs, we also align ourselves with the United Nations Global Compact, with a view to becoming a participant from 2024. We will also provide support and input to the mutual clubs in respect of any ESG frameworks they align to.



### Ethical Business Compliance

It is in our DNA to adhere to ethical business practices, as our key stakeholders would expect us to do, and our approach to this is all-encompassing. Thomas Miller complies with the **Modern Slavery Act** in the UK and applies these same principles across our global operations.

We also have strong **Anti-Corruption and Bribery** policies and practices which are regularly communicated to employees. These policies have a defined review cycle and employees are required to complete annual training to confirm their understanding of the requirements. We have a zero-tolerance approach with employees who do not complete this mandatory training. Anti-Corruption and Bribery are included in Board and Committee agendas to maintain an appropriate profile for this important issue.

Our Conduct Risk Policy, which links closely to the Thomas Miller values and our Behaviours Framework, lays out our expectations as to how employees should conduct themselves and how we manage our businesses. We implement training for all employees, and our managers are the first line of defence in identifying and reporting conduct risks and in reinforcing with employees our values and behaviour standards.

We have an inclusive culture which extends to encouraging our employees to call out behaviour that is not in line with our expectations. In respect of possible wrongdoing at work, we have a comprehensive global Whistleblowing Policy which is designed to ensure that all employees feel able to raise any concerns about malpractice or impropriety internally, confident that their concerns will be dealt with properly and that all reasonable steps will be taken to protect them from victimisation. We have an appointed Disclosure Officer and in the event that an employee feels unable to report a matter to them, the Chair of the TM ARC is available as a further route for a confidential disclosure.

Thomas Miller encourages open communication between employees and managers in order to ensure that problems arising during the course of employment can be aired and where possible resolved quickly and to the satisfaction of all concerned. Our Grievance Policy lays out how employees can raise concerns and how these will be dealt with.

“ It is in our DNA to adhere to ethical business practices, as our key stakeholders would expect us to do, and our approach to this is all-encompassing. ”

# Our Community



Our commitment to the communities in which we operate as a business and through our clients is well established and was formalised through the launch of our CSR programme, 'Be the Difference', in 2018. This is at the heart of our ethos as a Company.



## Corporate Charity Partner

Part of this philanthropic commitment is through the appointment of a global Corporate Charity Partner. Through this, we collaborate with a charity who shares our Company's and employees' passion and commitment towards sustainable social change on a global scale. Our first charity partnership spanned three years from 2018 to 2021 with **Mercy Ships** who deploy hospital ships to some of the poorest countries in the world, delivering vital, free healthcare to people in need. We donated over £200,000 through employee fundraising and Company donations, funding a number of projects on hospital ships and in healthcare services in sub-Saharan Africa.

In 2022, we asked our employees to choose who should succeed Mercy Ships. This led to our current partnership with **Street Child** whose purpose is to see all children safe, in school and learning, especially in low resource environments and in emergency situations. We donated £90,500 in 2022, the first year of our two-year partnership, which included £20,500 raised through employee-led fundraising activities. Our donations are focused on Street Child's operations in Afghanistan, namely supporting its campaign to progress females in education, towards gender equality and equity. We have also supported a number of emergency campaigns, including responding to the Ukraine crisis and to floods and physical disasters in both Somalia and Pakistan.

We encourage all employees in all our global locations to engage in a wide range of fundraising initiatives through both team fundraising and individual challenges. Later this year, we will begin to plan for our next charity partner, guided again by our employees and what is important to them.





## Charitable Donations

Thomas Miller supports a number of other charitable causes each year and in 2022 we made donations to over 60 separate charities. These donations were through direct corporate donations and through our matched funding scheme, where employees who are doing their own fundraising activities can request matched funding from the Company of up to £350 (or equivalent local currency). Matched funding enables us to have synergy with the causes that are most important to our employees and fits closely with our culture. Supported charities have included Crisis, Macmillan Cancer Support, Dementia UK and Save the Children in the UK, Isle of Man Hospice, Japan Seafarers Relief Association and Children's Cancer Foundation Singapore, amongst many others.



In 2022, we made donations to  
**over 60 charities**

## Community Engagement

Our support for community needs and charities goes beyond fundraising. We recognise the value our employees can bring to communities and good causes through the giving of their time, skills and experience. We give every Thomas Miller employee three days of paid volunteer leave each year to take part in such activities. They can do this with their own communities and charities, and the Company also arranges team-based volunteering opportunities whenever possible.

We have been engaged with several community initiatives such as a local community garden project in East London, helping to combat homelessness through support to Crisis, supporting and volunteering with an Isle of Man registered charity aimed at combatting loneliness, and volunteering at foodbanks.

We have also contributed the skills and professional experience of our employees, supporting initiatives such as volunteering at a schools-linked event to encourage more gender diversity in the Maritime industry through greater take-up of science and technology subjects at school.

Thomas Miller is also involved in community initiatives encouraging employees to donate items for charitable causes. A recent campaign involved collecting second-hand coats from employees to provide to the homeless in London in the winter months.

Environmental community engagement is also important to us, and maritime and ocean causes link closely to our shipping insurance heritage. In support of this, we have been involved in marine conservation projects and beach clean-up operations such as in Greece, teaming up with the **Hellenic Marine Environment Protection Association (HELMEPA)**.

We will continue to build relationships globally, providing increased opportunities for our colleagues to use their volunteering days and to broaden our volunteering approach across all regions.



# Our Planet



## Energy and Emissions

We believe that measuring and reporting our Global Carbon Footprint is a minimum ESG requirement to demonstrate that we take the emissions of our own operations seriously. This provides us with the data to understand the extent of our emissions by developing a carbon baseline and enables us to analyse our operational sustainability and identify opportunities to manage our impact.

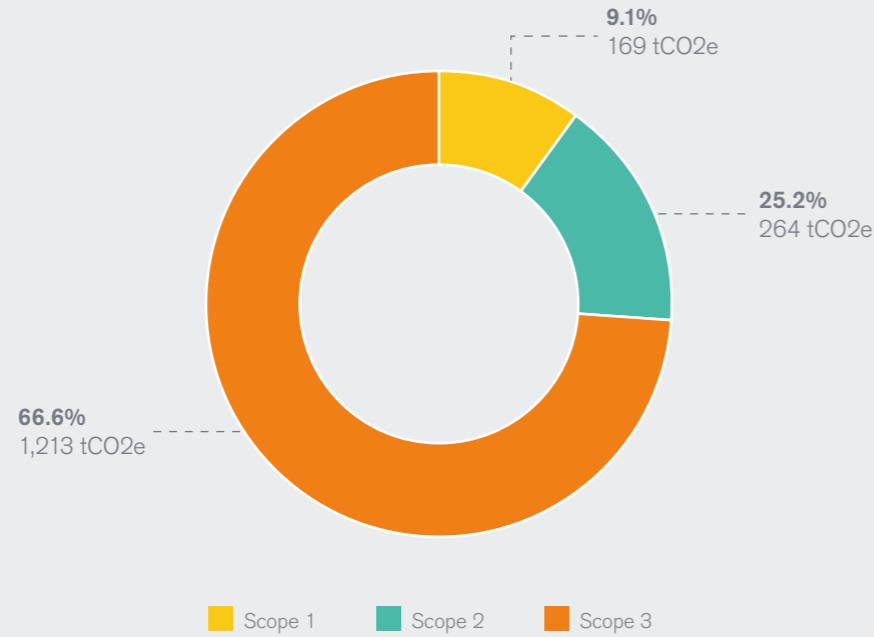
As a service business, the carbon footprint of our own operations is limited to the emissions of the offices occupied by our employees around the world and our business travel in support of our services to our clients and associated activities. We have defined processes across all regions in the Thomas Miller Group to gather emissions data in support of GHG emissions inventories. These are in place for our global Scope 1 and 2 and partial Scope 3 emissions, aligning with the GHG Protocol for a company the size and scope of Thomas Miller.

We already meet our current reporting obligation in the UK in line with the Streamlined Energy and Carbon Reporting (SECR) Policy for private companies. In addition, we will continue to gather global data and report annually in order to track our year-on-year emissions and understand any trends, record the evolution of our carbon footprint and track the impact of the actions we may take in the future.





## 2022 Global Carbon Footprint



Scope 1	169 tCO2e
Scope 2	264 tCO2e
Partial Scope 3	1,213 tCO2e
<b>Total</b>	<b>1,847 tCO2e</b>

In 2022, the majority of our Global Carbon Footprint was attributed to our London office, accounting for nearly 60% of our overall emissions.

### Note:

Scope 1 are direct emissions in our global offices, including gas and fuel consumption.

Scope 2 emissions include purchased electricity in our global offices. In London, we purchased 100% green electricity backed by Renewable Energy Guarantees of Origins (REGOs), and, as a result, our gross (market-based) emissions were reduced by 262 tonnes of CO2e, leaving a total of 264 tCO2e of global Scope 2 emissions.

Our reported partial Scope 3 emissions currently relate to our own business operations globally. We have focused this data on air travel and grey fleet mileage of our employees, based on the materiality and impact of these on our overall reported emissions. We do not include inventory, supply chain or embedded carbon emissions or the emissions of our managed clubs. Well-to-Tank emissions are included in our methodology.

## Our London Office

Our London office is the headquarters of Thomas Miller where more than 50% of our employees are based and where the majority of our office-related emissions are concentrated. We have taken steps over recent years to reduce the environmental impact of our offices. Specific examples in London include:

- Implementing a programme of light replacement to install efficient LED lighting
- Adjusting our Building Management System in order to maximise overall energy efficiency
- Reducing our plant run time in line with our office occupancy profile
- Streamlining our processes for waste management including introduction of updated guidance to employees about the recycling of food waste and other recyclable materials
- Ensuring our waste management service supplier aligns with our Environmental Statement so that as much of our office waste as possible is diverted from landfill and recycled
- Developing our relationships with our in-house catering, hospitality and cleaning suppliers to collaborate on ESG initiatives and support environmental considerations
- The introduction of agile working enabled us to review our office space needs and resulted in the reduction of our London office footprint
- Introducing new technologies to reduce the amount of paper used in our business processes, including using a specialist recycling partner for confidential waste and the reduction of the number of printers available to employees
- Promoting environmental responsibility amongst our employees, through CSR and ESG-related forums
- The introduction of an electric and low emissions Vehicle Lease Scheme
- Increasing the allowance for our Cycle to Work Scheme
- Purchasing 100% green electricity backed by Renewable Energy Guarantees of Origins (REGOs)

“

We have taken steps over recent years to reduce the environmental impact of our offices.

”





## Environmental Considerations

Our Environmental Statement has been adapted and expanded to cover all regions and ensure any environmental considerations align to the wider ESG strategy, which can be found [here](#).

Many of our UK regional and overseas office spaces are partial spaces within larger buildings. We therefore do not have full control over the full environmental operation of the building; however we are committed to improving the environmental aspects of our offices where this is possible and within our control. A recent example is in our New Jersey office which has recently undergone a full refurbishment and we were able to install more energy efficient LED lighting and regulated temperature controls as part of the office upgrade.

We will continue to support regional and overseas operations to improve their environmental credentials where opportunities exist. As our ESG strategy continues to develop, we will prepare a more detailed Environmental Policy which will lay out our commitments in this area.



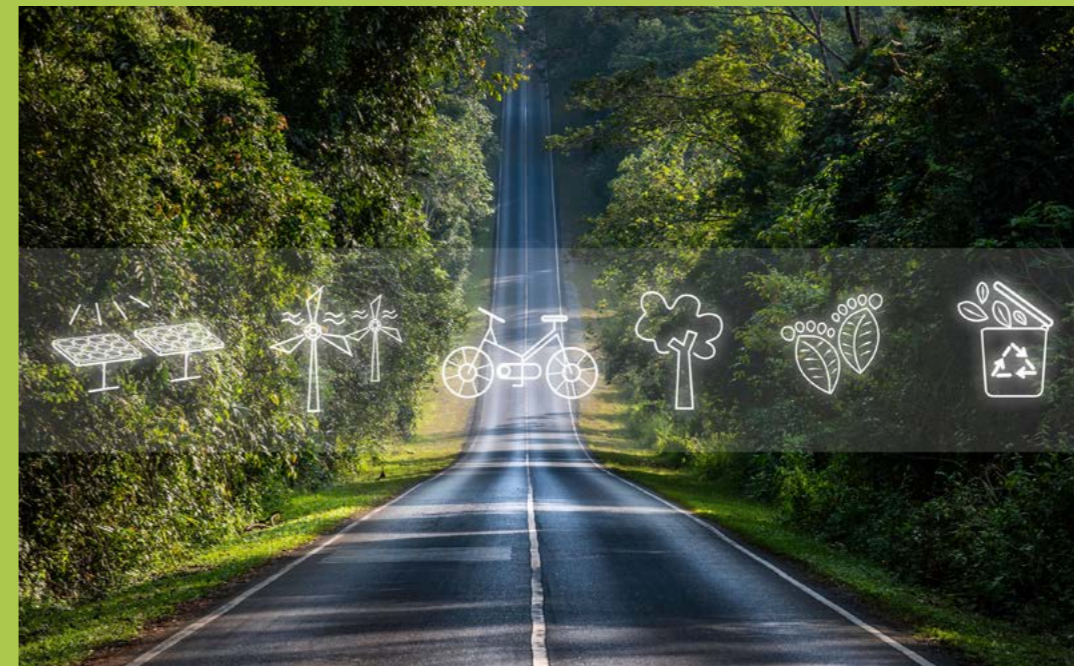
Our New Jersey office has recently undergone a full refurbishment and we were able to install more energy efficient LED lighting and regulated temperature controls as part of the office upgrade.



## Business Travel

Thomas Miller is a relationship business and face-to-face interactions with mutual clubs and their Members and other clients is a very important part of our service proposition. Our ability to reduce significantly the amount of international travel that is undertaken is therefore relatively limited.

We do recognise the impact of our carbon footprint through business travel and we have introduced ESG principles into our travel policies to raise awareness and to challenge our employees to take environmental considerations into account when planning business trips. This may result in people combining planned trips, working remotely for short periods in offices other than their own to facilitate a longer visit or reducing short visits by using technology to connect with well-established clients. We will continue to keep our travel policies under review with our travel providers to introduce other environmental benefits where possible; however, we know that the scope to reduce business travel will be minimal.



# Our Marketplace



TOKYO

SAN FRANCISCO



## Our International Business Portfolio

In our first annual report on ESG, we focus the 'Our Marketplace' section on our three largest mutual clients: UK P&I Club, TT Club and ITIC; and two of our own businesses: Thomas Miller Investment (TMI) and Thomas Miller Specialty Offshore (TMSO), for which ESG has recently been a key consideration in their respective business strategies. We report on the ESG approaches and actions that these businesses have been taking.

### Mutual Insurance Companies

A very important aspect of our own ESG strategy is to be in tune with the ESG plans of our largest mutual insurance clients. The Thomas Miller leadership team therefore works very closely with the management teams supporting the mutual businesses on ESG issues, particularly in relation to the services provided by Thomas Miller.

### Supply Chain

We are committed to establishing long-term, open and fair relationships with our suppliers. In 2023, we are strengthening our procurement and third-party supplier due diligence processes to enhance our ability to check that existing and new suppliers align with our own ESG values.



### UK P&I Club

The **UK P&I Club** is one of the largest mutual marine protection and indemnity organisations in the world and provides liability insurance for in excess of 240 million tonnes of its Members' owned and chartered ships.

The Club adopts an inclusive approach to sustainability with input from all levels of the business, including a Sustainability Steering Group and a Sustainable Impact Group.

The Club is committed to supporting its Members' efforts to make their ships and operations safer and more sustainable. The Club offers one of the most comprehensive loss prevention programmes in the market and numerous initiatives to address both physical and mental health, and provides high levels of insurance cover ready to respond quickly when accidents do occur. The Club's loss prevention, underwriting and claims-handling services continue to evolve as shipping transitions to alternative fuels and technologies. The Club offers webinars, publications and training for its Members in these areas, and collaborates with industry partners through bodies such as the International Group of P&I Clubs and Together in Safety, and through partnership with charities such as The Mission to Seafarers, Sailors' Society, Stella Maris, ISWAN and Mercy Ships.

The Club is a signatory to the United Nations Global Compact, by which the Club is committed to supporting and embedding the Global Compact's principles on human rights, labour, environment and anti-corruption into its operations and decision-making, and to aligning the Club with the United Nations Sustainable Development Goals (UN SDGs). The Club supports all 17 SDGs but has identified the following as most pertinent to its activities: SDG3 ('good health and wellbeing'); SDG8 ('decent work and economic growth'); SDG13 ('climate action'); SDG14 ('life below water'); and SDG17 ('partnerships for the goals').

Further details are set out in the UK P&I's Club's Sustainability Report and on its [website](#).







## TT Club

**TT Club** is the established market-leading independent provider of mutual insurance and related risk management services to the international transport and logistics industry. The Club's mission is to make the international transport industry safer, more secure and more sustainable.

The Club was founded in 1968 as a mutual by the community it serves, and operates a not for profit' business model. Its primary activity is providing a robust level of indemnity cover to meet the requirements of the quality container lines, ports, terminals and logistics operators that form its membership (our assureds and shareholders). This cover is underpinned by expert service to ensure its Members' claims are handled and resolved in a fair and effective manner.

As a mutual, it is imperative the Club is led by its Members' needs. The Club Board recognises that the drive to make the transport industry more sustainable will require changes and that the Club is in a unique position within the transport industry to make real impact, benefiting Member transitions. The TT Club's Board is determined to become the central reference point for all its Members in understanding the impact of climate change on their operations and assisting in their transition to Net Zero.

The Club has based its own ESG framework on the United Nations Sustainable Development Goals (UN SDGs), selecting those that are most relevant for the Club focus and ensuring real progress is made and reported on.

The Club has selected the following UN SDGs to focus on:



## ESG Commitments

The Club continues to look for partnerships where it can show value whilst remaining true to its core mission and serving its Members. In 2022, the Club signed up to the United Nations **Principles for Sustainable Insurance (PSI) initiative** committing to support the industry and its own Members transition to Net Zero. As part of this and other commitments the Club will report on its progress against its ESG framework in the third quarter of 2023.

In looking to other like-minded organisations to collaborate with, the Club is joining up to the Maritime Anti-Corruption Network, where clear value to its Members and the industry can be seen.

Further details of the Club's ESG Policy are set out in the TT Club ESG statement on its [website](#).



## ITIC

**ITIC** is the world's leading provider of professional indemnity insurance for professionals who provide services to the transport industry including marine, aviation, offshore and renewables. ITIC is managed by International Transport Intermediaries Management Company Ltd.

## Club's Approach to ESG

ITIC recognises an honest and transparent review of its ESG profile is key to its long-term vision. ITIC's website demonstrates a dynamic view of its activities in the Environmental, Social and Governance sectors and these activities are updated on an ongoing basis. ITIC is managed by Thomas Miller. Thomas Miller operates a number of schemes and initiatives that ITIC employees are able to participate in and that support some of the ESG goals.

## ESG Commitments

**Environmental.** Insurance companies' operations have limited direct impact on the environment. The main environmental risks for an insurance company, such as ITIC, relate to underwriting and investment activities. On its website, ITIC comments on its approach to: flights, Members' insured services, Cycle to Work Scheme, Electric Car Scheme, paperless office and a greener office.

**Social.** Key social risk elements of an insurance company, such as ITIC, are the reliance on a skilled workforce and also the maintenance of customer trust. In addition, data privacy is crucial. On its website, ITIC comments on its approach to: charity, modern slavery, working from home, people, gender pay gap, ITIC community, equal opportunities, rewards and benefits, training, volunteering and General Data Protection Regulation.

**Governance.** ITIC is based in the UK, a country that has a strong reputation and rule of law together with strong governance standards and regulatory framework. On its website, ITIC comments on its approach to: mutuality, ITIC's board of directors, risk management framework, investments, anti-bribery, complaints, regulation, Solvency II reporting, sanctions screening, taxation and Climate Change Policy and plan.





## THOMAS MILLER INVESTMENT

### Thomas Miller Investment

In recent years, **Thomas Miller Investment (TMI)** has adapted its approach to investment management and sought to develop a complete ESG toolkit through the combination of staff training, development and implementation of effective processes backed by adequate oversight, adoption of industry standards and client engagement.

#### Integration of ESG into the investment process

ESG and broader sustainability-related risks and opportunities are considered alongside traditional economic and financial analysis by the investment team in making investment decisions.

- **Stock selection:** TMI believes that ESG and climate change issues represent important sources of risk and consequently can have a material impact on prospective returns. Therefore, it has incorporated ESG criteria into its stock screening processes.
- **ESG reporting:** Using third-party systems and platforms, TMI has the capability to incorporate ESG analysis into its client reports. These can be high-level ESG reports or specific reports on carbon and environmental footprint.

#### Adoption of industry standards and engagement

In 2020, TMI became a signatory to the United Nations Principles for Responsible Investment. This involved the adoption of the six Principles for Responsible Investment as part of its investment decision-making process.



#### Staff training and development

**Ongoing staff training:** As part of the annual Continuing Professional Development (CPD) programme, TMI requires that all investment staff complete at least a minimum number of hours of ESG-focused CPD per year.

Furthermore, all investment staff have ESG elements in their job descriptions and annual performance objectives.



## THOMAS MILLER SPECIALTY

### Thomas Miller Specialty

Back in June 2022, Thomas Miller Specialty Offshore (TMSO), the circa. \$70 million (gross written premium) Energy and Marine insurance operation that forms part of the **Thomas Miller Specialty** division, established a renewable energy underwriting team. This new team can also transact certain conventional power generation business.

TMSO has historically largely focused on underwriting traditional offshore and onshore oil and gas exploration business, and associated support vessels and equipment. Therefore, one of the main aims of establishing a new renewable energy team was to ensure the team could support its existing clients as it increasingly looks to make the transition to clean energy. At the same time, it would also allow TMSO to build a more sustainable operation for the future.

TMSO is primarily targeting renewable energy project business, for example, onshore wind, offshore wind and solar. However, the team will also work with clients that have mixed portfolios of renewable energy and conventional power generation assets (excluding coal-fired power generation), where these clients can demonstrate a strong ESG strategy.

TMSO, as a Managing General Agency (MGA), also has to work to its capacity providers' published ESG guidelines, which for example includes not writing any coal-fired power generation business.

In the first eight months, the TMSO renewable energy team has insured, for our share, in excess of \$10 billion of renewable energy asset values. This equates to over 10 Gigawatts of clean energy power generation. The plan for 2023 is for this new team to underwrite gross written premium of in excess of \$12.5 million.

# Looking Ahead

As reported in our ESG Statement in December last year, we have made a strong start on our ESG journey and we continue to make good progress.

What will differentiate our approach to running our business are the targets and commitments we are prepared to make and against which we will measure ourselves year on year. This is how we will be accountable for the changes we wish to make. In 2022, we began to implement more robust processes for data gathering across a range of ESG topics and the development of our data sets will continue through 2023 and beyond. Ensuring sound ESG data-gathering processes are embedded into our business-as-usual activities will enable us to set more specific ESG metrics in the future.

In the meantime, we have agreed a number of meaningful ESG commitments for the forthcoming year which will equally enable us to make changes in the areas we have identified as being most material for us. In addition to those commitments identified in this report, we are making the following commitments for the next 12 months.

## COMMITMENTS

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- ✓ We will introduce blind screening of CVs at the first stage of all recruitment assignments in the UK. This will reduce any unconscious bias that might exist at this stage of our processes to enable the most diverse shortlists for interview
  - ✓ We will start a DEI Employee Resource Group
  - ✓ We will introduce employees to a number of relevant DEI networks across the industries in which we work
  - ✓ We will review a range of social mobility programmes/groups with a view to partnering with at least one external organisation by the end of 2023
  - ✓ We will introduce the recording and reporting of learning and development management information alongside gender to validate accessibility to learning of both male and female employees
  - ✓ We are committed to applying to become a UN Global Compact participant in 2023. We will also review other ESG Frameworks during 2023 and early 2024 to establish whether any are appropriate on a voluntary basis for our stage of ESG maturity, e.g. Task Force for Climate-related Disclosures (TCFD) and Global Reporting Initiative (GRI)
  - ✓ We will measure, monitor and report on Thomas Miller Board and Committee compositions
  - ✓ We will continue to develop the ESG Ambassador role in support of our ongoing ESG actions
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Our ESG commitments are clearly articulated in the objectives for the year and we will report on our progress against these during the year.

We are very pleased with the progress we have made on ESG so far and we are excited about bringing more of our ESG vision to life during 2023. Our employees have already demonstrated their own commitment to our ESG strategy through the feedback from our 2022 ESG Employee Engagement Survey, engaging with the content provided during our ESG learning weeks in January and attendance at our ESG focus groups in April. We are confident that through our people we will be able to embed further our ESG strategy into our culture and our day-to-day activities. Through our network of ESG Ambassadors, encouraging employees to think about ESG in all that they do will be a key priority for us during 2023 and beyond.

We look forward to reporting further during the year and in our 2024 ESG report next year.



We are confident that through our people we will be able to embed further our ESG strategy into our culture and our day to day activities.



