

A low-angle, upward-looking photograph of a dense forest. Tall, straight tree trunks rise from the bottom towards the top of the frame, where a thick canopy of green leaves is visible. Sunlight filters through the leaves, creating a dappled light effect. The image has a slightly desaturated, teal-blue tint.

ENSTAR GROUP

ESG Report

2022

Realising Value



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The Year In Brief

We published our inaugural DE&I Report

We committed to two UN Sustainable Development Goals (SDGs) – 5: Gender Equality and 13: Climate Action

Our staff gave us an engagement score of 88% in our 2022 Employee Survey

We improved the way we capture employee diversity data

We launched our first global Summer Internship programme

We implemented a new Group Volunteering Policy

We launched three new community-charity partnerships in the UK and US

We enhanced our ESG risk management, and expanded our existing suite of ESG related metrics within our Risk Appetite Framework

We enhanced ESG oversight policies in relation to our investment portfolio monitoring

We expanded climate scenario analysis across various subsidiaries within the Group



Chairman's Foreword

Enstar strives to build a sustainable business that positively contributes to the health of people, societies, and the environment. Our Board is steadfast in its primary obligation to shareholders, but to that end, more of our attention is now given to the effective management of Enstar's environmental, social, and corporate governance (ESG) responsibilities. The way we think about ESG continues to evolve, and our ongoing work in this area demonstrates our appreciation of the importance ESG has to the long-term delivery of shareholder value.

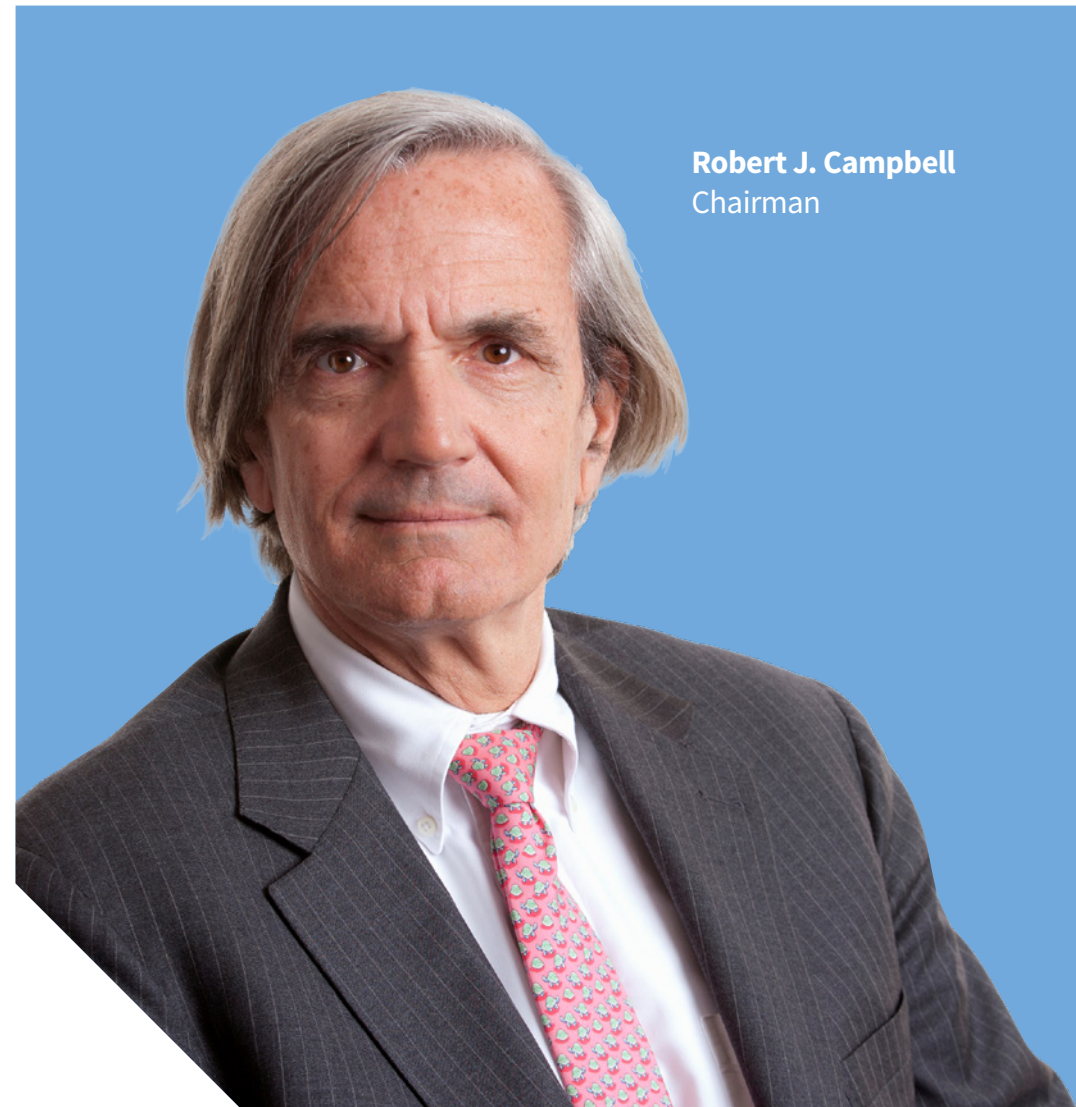
Enstar made significant progress to advance its ESG agenda and credentials in 2022. We see it in the organisational commitment to combat climate change, to actively consider ESG within Enstar's investment portfolio, and to nurture human capital. It is apparent in management's effort to make these goals part of Enstar's acquisition and investment strategies. We see it in Enstar's strengthened ESG reporting and its increased transparency on ESG factors.

In managing our investments, we strive to obtain attractive risk-adjusted returns from diversified portfolios, and we continue to discover and implement ESG initiatives that can also be complementary to our investment management objectives. Meanwhile we continue to look inward: the Board places great emphasis on Enstar's duty of care to our talented worldwide workforce, as a vital source of our success. We were proud to see Enstar's 2022 employee engagement score of 88%, while fulfilling our commitment to create an inclusive workplace.

As Enstar celebrates its thirtieth year as a leader of innovation and success in the global insurance legacy sector, I am proud to lead a Board of Directors that is determined to see Enstar deliver long-term value including across all ESG matters. I trust that all Enstar shareholders will support the Board in the steps we are taking towards a more sustainable future for our business, our shareholders and the world we operate in.



Robert J. Campbell
Chairman
Enstar Group Limited



Robert J. Campbell
Chairman

Introduction from our President and Chief Risk Officer

Orla Gregory
President



ESG – A Story of Progress

We are very pleased with the significant progress Enstar made during our second year of ESG reporting. If our first report signalled the beginning of our ESG journey, this 2022 report shows that we have accelerated with purpose and determination and maintained our direction to drive long-term value for our stakeholders and the communities we serve.

We continued to integrate ESG considerations into our operations and strategy, addressing our core focus areas of climate change, investments and human capital. We also began to embed sustainable and responsible practices into our ongoing activities.

Our achievements over the past year are highlighted throughout this report, but seven headline accomplishments are notable:

- We recruited Enstar's first Head of ESG, to lead and drive our work on this agenda across the business.
- We selected two UN Sustainable Development Goals – Climate Action and Gender Equality – to cement the direction of our ESG strategy.
- We baselined our greenhouse gas emissions, allowing us to track, manage and work towards reducing them over time.
- We continued our climate-change scenario analysis work, to improve our understanding of the evolving physical, transition, and liability risks that affect our business.

- We developed a long-term diversity, equity, and inclusion (DE&I) vision, mission, and strategy, complete with five-year objectives across five strategic pillars.
- We launched a new volunteering policy and established long-term partnerships with organisations supporting female empowerment.
- We strengthened our ESG reporting and risk management processes by formalising our governance arrangements through our ESG Oversight and Working Groups.

At the heart of Enstar is our people. In ESG, as with all areas of our business, we rely daily on our team's dedication and skill. We are immensely proud of the efforts everyone has made to achieve our goals.

While we have made great progress, we know we still have more work to do. We will achieve our long-term objectives by continuing to invest in ESG practices, and by meaningfully embracing a culture of corporate social responsibility.

Orla Gregory
President

Seema Thaper
Chief Risk Officer

Seema Thaper
Group Chief Risk Officer with
responsibility for ESG



This is Enstar



Enstar Group Limited (“Enstar” or “EGL”) is a leading global insurance group that offers capital release solutions through our network of group companies. We seek to create value by managing (re)insurance companies and portfolios of (re)insurance and other liability business in run-off and striving to generate an attractive risk-adjusted return from our investment portfolio.

We acquire legacy liabilities and (re)insurance reserves from companies and provide retroactive reinsurance coverage for portfolios

of (re)insurance business, primarily via loss portfolio transfer contracts. Additionally, we provide reinsurance contracts to other (re)insurers to mitigate some of their risk of future adverse development (an adverse development cover) on insurance risks relating to prior accident years. These solutions usually help our partners to release capital, dispose of non-core businesses and portfolios, achieve early finality, and manage claims volatility, while Enstar drives earnings through savings from technical excellence and investment returns.

The substantial majority of our transactions have been in the run-off business. At year-end 2022, our total completed transaction count since our formation in 1993, reached 115. Today, Enstar is the industry’s largest standalone run-off consolidator.

With around 800 global employees, our network of group companies (which we refer to collectively as “Enstar” or “the Group”) has a significant physical presence in Bermuda, where our headquarters are located, the United States, the United Kingdom, continental Europe, and Australia.

Enstar maintains a strong balance sheet. We hold long-term issuer ratings of BBB+ with stable outlook by Fitch and BBB with positive outlook by S&P. Enstar’s capital base continues to grow, reaching \$6.9 billion at the end of 2022, including \$4.8 billion of shareholders’ equity and total debt and other of \$2.1 billion.

A market leader in the run-off space, Enstar leverages its expertise in claims management, risk analysis, and investments to generate value. These services make Enstar different, something unique. For further information about Enstar, see www.enstargroup.com.



800+

Global
employees

115

Transactions
completed at
31 December 2022

\$19.5bn

Total investable assets
at 31 December 2022

\$4.8bn

Shareholders’ equity
at 31 December 2022

Our ESG Purpose

Enstar is working towards a sustainable future for our business and shareholders as we drive positive change across our groupwide sustainability initiatives. We will do so as an investment in the global community, but also our Group's long-term value. Our actions will support the achievement of transparent and meaningful sustainability goals.

Enstar's ESG strategy is informed by a materiality assessment and focused on three primary areas addressing sustainable investing, climate change and developing our human capital.



Addressing
Climate
Change



Sustainable
Investing

Developing
Human Capital



ESG Commitment

Enstar continues to build upon our sustainability practices through key ESG initiatives to achieve positive change for our employees over the shorter term, and ultimately for society and the environment over the longer term. Our responsibilities to our stakeholders focus on strong business ethics and compliance, people and culture, and community involvement.

ESG Oversight

Sustainability is a key Board focus, with responsibility for ESG development and oversight delegated to the EGL Risk Committee, in coordination with other committees of the Board as appropriate.

The ESG Oversight Group includes senior executives from key functional areas and is led by the Group Chief Risk Officer. This Group is responsible for implementing and reporting on the Group's ESG programme to the Board and its committees. The ESG Oversight Group is supported by the ESG Working Group, a cross-functional forum comprising management level representation from across the organisation responsible for the implementation of our ESG strategy and is led by the Head of ESG. The Working Group considers emerging ESG factors that may become material to the business and affairs of the Group.

Climate Change Commitment



Climate Change Impact

Climate change has begun to affect society and the global economy, and businesses must take proactive action to address it. Enstar recognises the threat of climate change and is taking steps to reduce any negative impacts arising from our business activities.

When assuming contracts, we focus on mitigating three major types of climate risk to ensure sustainability:



PHYSICAL RISKS

(Short to Longer Term) are the first order risks arising from weather-related events, such as floods and storms. Their impact may be felt directly through property damage, or indirectly through subsequent events such as disruption of global supply chains or resource scarcity.

TRANSITION RISKS

(Short to Medium Term) include financial risks deriving from the transition to a carbon net zero economy, and for Enstar include potential swift, adverse repricing of carbon-intensive financial assets.

LIABILITY RISKS

(Short to Medium Term) include third-party exposures such as claimants who have suffered climate-change related losses and damage and seek compensation.

Addressing Climate Change

Managing the environmental impact of our operations is a key part of our ESG strategy and we have detailed our commitment to climate change risk management in our Climate Change (TCFD) report.

This is the first year that we have started collating data to measure and report our CO₂ emissions, enabling us to understand the environmental impact of our operations and to disclose CO₂ emissions information. As part of our commitment to reporting our environmental data, we have disclosed Scope 1 and Scope 2 greenhouse gas (GHG) emissions metrics for 2022, in accordance with the TCFD standard, and we intend to participate in the CDP Climate Change disclosure for the first time during 2023.

Although we recognise that our Scope 3 emissions, particularly those arising from our investment portfolio, will be a significant contributor to our overall emissions totals, in this first year of measuring and reporting our GHG emissions we have focused on emissions arising from our own operations and covering those sources that are within our direct control, and/or where the methods and tools for collecting underlying activity data are more readily available.

Our longer-term goal is to increase the breadth of this reporting, as we continue to develop our methodology in measuring carbon emissions in response to expanding regulation, and in line with others in the market.



Reporting Methodology

The methodology used to calculate our GHG emissions is the Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol), defined by the World Resources Institute/ World Business Council for Sustainable Development.

Our emissions data covers global operations for which we have operational control and is reported on a calendar year basis, i.e. for the twelve months from 1 January to 31 December.

We have decided to use 2022 as our baseline year for tracking our carbon emissions, as it most accurately represents the size, structure and scale of our current operations under a business-as-usual scenario.

Our carbon emissions, calculated by an external third party, use the energy content and emission factors considered most relevant to each of our regions, based on information sourced from the:

- UK Government conversion factors for greenhouse gas reporting. Department for Business, Energy and Industrial Strategy, London (BEIS) (2021).
- US Environmental Protection Agency (EPA): Emission Factors for Greenhouse Gas Inventories 2021.
- United Nations (2022), UN Statistics Division - 2019 Energy Balance Visualizations & IPCC (2006), Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual. Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge.
- US EPA: Emissions & Generation Resource Integrated Database (eGRID) 2022.
- International Energy Agency: CO2 Emissions from Fuel Combustion, 2020 edition.
- Better Buildings Partnership (BBP) (2020). 2019 Real Estate Environmental Benchmarks (REEB).



Operational Carbon Footprint Data

GHG emissions are broken down into three scopes. We have included Scopes 1 and 2 in this reporting period as follows:

- Scope 1 covers direct GHG emissions from sources that are owned or controlled by Enstar Group, such as leased company vehicles.
- Scope 2 includes our indirect GHG emissions from purchased energy for electricity, heating, and cooling. We have stated our Scope 2 emissions using both the location and market-based methods, in line with the GHG Protocol Scope 2 Guidance.

Enstar's total reported Scope 1 and 2 emissions were 537.16 tCO₂e for the year, made up of 8.86 tCO₂e (1.6%) of Scope 1 emissions and 528.30 tCO₂e (98.4%) of location-based Scope 2 emissions.

This is the first year we have started collating underlying activity data and measuring and reporting our CO₂ emissions. This has enabled us to gain a better understanding of the environmental impact of our operations and to disclose the above CO₂ emissions information.

GHG EMISSIONS SOURCES	UNIT	2022	2021	YOY CHANGE 2021 - 2022 (%)
Scopes 1 - 2				
Scope 1 Direct Emissions ^{1,2}	CO ₂ e tonnes	8.86	7.97	11.20
Scope 2 Indirect Emissions - market-based ³	CO ₂ e tonnes	583.48	822.57	-29.10
Scope 2 Indirect Emissions - location-based ⁴	CO ₂ e tonnes	528.30	778.37	-32.10
Total GHG Emissions (Scopes 1, 2) ⁵	CO ₂ e tonnes	537.16	786.34	-31.70
Energy				
Total Energy Consumption (Scopes 1 and 2) ⁶	MwH Total	1,438.15	2,247.45	-36.00
Intensity Metric^{7,8}				
GHG Emissions per FTE (Scope 1 and 2) ⁹	CO ₂ e tonnes / FTE	0.68	0.95	-28.20

Our carbon footprint data is reported as at 31 December of each year. All known sources of Scope 1 and 2 GHG emissions have been included in our carbon emissions.

Emissions are expressed as CO₂e, which is a term used to describe different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂ which would have the equivalent global warming impact.

¹ Scope 1 Direct Emissions include those from leased company vehicles and natural gas consumption.

² Scope 1 does not include fugitive emissions relating to leaks of greenhouse gases, from air-conditioning units for example. This is due to the unavailability of actual data for the provision of top-up gases and maintenance engineer reports for the reporting years. In the majority of our office locations, space is leased in a shared building, or we rent a serviced office space, thus maintenance for central systems is managed by the building owner or manager.

³ Scope 2 emissions have been calculated using both location and market-based methods. The location-based method reflects the average emissions intensity of the electricity grid on which energy consumption occurs (using mostly grid-average emissions factor data).

⁴ For market-based electricity reporting, no market-based instruments have been applied to Enstar Group's electricity consumption. Country-level residual mix factors have been applied to those locations that have a valid residual mix factor available. For those locations without valid residual mix factors we have applied location-based grid electricity factors to derive a result in line with the Scope 2 market-based methodology.

⁵ Total GHG Emissions (Scopes 1 and 2) includes location-based emissions for Scope 2.

⁶ Where electricity consumption data has not been available, this has been estimated based on the amount spent and the average price per kWh electricity during the reporting period. Where the amount spent was not available either, the electricity consumption has been estimated based on the floor area and the typical electricity consumption per square meter per year according to the BBP 2020.

⁷ To give context to our operational GHG emissions and to enable a comparison of carbon efficiency with firms within our industry, our absolute emissions have been normalised using FTE as the denominator.

⁸ FTE is the total number of full-time equivalents including permanent and temporary personnel measured as at 31 December of each year.

⁹ The emissions used in the calculation of the intensity metric are Scope 1 and Scope 2 location-based emissions.

We are committed to improving data collection processes, calculation methodologies and data quality for our current reporting boundary and reducing our reliance on estimates. We recognise also that some Scope 3 categories are relevant to Enstar Group's operations which are currently not measured and reported. As we address data availability challenges, we will look to incorporate Scope 3 emissions. We will also move to independent assurance of our operational carbon footprint data, as our reporting evolves.

To ensure success, we will need to have concrete plans and to report on our progress in a transparent manner.

Operational Emissions Targets

At Enstar, we believe that setting science-based targets that are in line with 1.5°C is just one part of a company's climate action journey. To ensure success, we will need to have concrete plans and to report on our progress in a transparent manner.

Our work in 2022 to baseline our GHG emissions will enable the ESG Oversight Group to set 'near-term' operational GHG emissions targets for the next 5-10 years during 2023. However, this is only part of the story, as we expect that our Scope 3 emissions from our supply chain and investments will be larger than our Scope 1 and 2 emissions. We will therefore continue to gain a better understanding of our Scope 3 emissions during 2023, with a view to setting meaningful targets for relevant components of our Scope 3 emissions, such as our investment portfolio, as soon as is practicable.

When our near-term emissions reduction targets are in place, and when the SBTi Financial Net Zero Standard for Financial Institutions has been launched, the ESG Oversight Group will then consider going further, to establish a Net Zero commitment and strategy.



Sustainable Operations

We continued to rationalise and reduce our global office portfolio in 2022. This included further office closures/lease terminations, sub-leases and downsizing of office spaces.

We have also undertaken a range of small and practical measures in some of our office spaces to reduce energy consumption and recycle and/or reduce waste, including:

- introducing recycling for glass, batteries and CO₂ cylinders.
- identifying opportunities to remove single-use plastics.
- issuing staff communications and improving signage at waste and recycling stations, to increase recycling rates and reduce contamination.
- implementation of measures to reduce standby power consumption for power banks and office audio-visual equipment.
- piloting a scheme to measure the impact of optimising the use of lighting, heating and cooling during office hours.
- drawing on the lessons from recent office closures, plans are being put in place for more sustainable office decommissioning in the future by partnering with a third party to resell, recycle and/or convert surplus assets into charitable donations.

Across our facilities, proper management of health and safety issues is an integral part of the efficient management of Enstar's activities. It is critical to developing the professional culture and establishing and maintaining a solid reputation with clients and is covered in the Enstar Employment Manual. All employees, contractors and sub-contractors are required to co-operate with Enstar and their colleagues in implementing the Health and Safety policy and shall ensure that their own work is without risks to themselves and others as far as reasonably practicable.

Sustainable Investing

OUR INVESTMENT OBJECTIVE

Our investment objective is to obtain attractive, risk-adjusted investment returns, consistent with the preservation of capital, liquidity, and prudent diversification of portfolio assets, while operating within the constraints imposed upon a global regulated (re)insurance company.

Our investment portfolio, with total investable assets of \$19.5 billion as of 31 December 2022, is primarily managed by external managers through the execution of investment management agreements and investment guidelines negotiated by the Enstar Investment Department. Enstar's Investment Department retains responsibility for management and oversight of external asset managers and the day-to-day operations of the portfolio.



RESPONSIBLE INVESTMENT

Enstar recognises that ESG considerations are increasingly valuable inputs when evaluating global economies, markets, industries and business models. Relevant ESG factors are important considerations for investment opportunities across all asset classes within public and private markets and may have an impact on the long-term financial performance of Enstar's investments. In light of this belief, Enstar includes ESG considerations as part of its Group Investment Policy.

Enstar recognises the importance of considering ESG risks and opportunities alongside traditional financial criteria. In making investment decisions, Enstar's Investment Department considers ESG factors, the impact of which may vary across strategies, companies, sectors, geographies, and asset classes, while focusing on maximisation of risk-adjusted investment returns.

Our responsible investment goal is to be able to assess and monitor the impact of the ESG-related exposures in our existing portfolio and prospective investments. Since the majority of Enstar's investment portfolio is managed by external asset managers, Enstar relies on each of its asset managers to develop their own methods for evaluating risk and determining relative value of underlying investments. A majority of Enstar's investment portfolio is managed by several established global asset managers with well-defined ESG philosophies.

Each asset manager is best informed to determine the extent to which ESG factors may affect the asset and sub-asset classes, investment strategies, regions, and sectors in

which they invest and specialise. They are also well equipped to identify the ESG data, tools, and metrics most relevant to their investment areas, develop the necessary approach to conducting their fundamental analysis of each investment opportunity, and optimally apply these considerations in their portfolio construction.

While the final discretion on voting in our separately managed accounts lies with Enstar, the company expects its external managers to conduct their proxy voting on Enstar's behalf in a thoughtful manner as a means of creating long-term value.

To monitor the ESG exposures and characteristics of the investment portfolio, Enstar uses a combination of third-party ESG research tools and internal analysis to ensure compliance with responsible investment policies. In 2022, Enstar implemented the following ESG oversight policies in our investment portfolio monitoring:

- Implemented a minimum average ESG rating of BBB- for Enstar's corporate bond securities.
- Began tracking GHG Scope 1–2 emissions intensity for Enstar's corporate bond and public equity positions, which is not to exceed the weighted average carbon emissions intensity score of applicable benchmark indices.

Both measures are and will continue to be monitored on a quarterly basis, using MSCI's ESG rating and GHG Weighted Average Carbon Intensity ("WACI") metrics, using MSCI's ESG rating and GHG Weighted Average Carbon Intensity metrics, and issuer-level data across Enstar's aggregate corporate bond and public equity portfolios.



Impact Investments

From time to time, Enstar considers allocating capital to impact and sustainable investments, providing they are consistent with the overall portfolio risk/return objectives and liquidity guidelines, while incorporating sufficiently high standards of impact definition, measurement and reporting.

Like other companies, Enstar will continue on its ESG journey and explore and implement ways to increase the positive social and environmental impact of the investment activities carried out on our behalf.

MANAGER OVERSIGHT

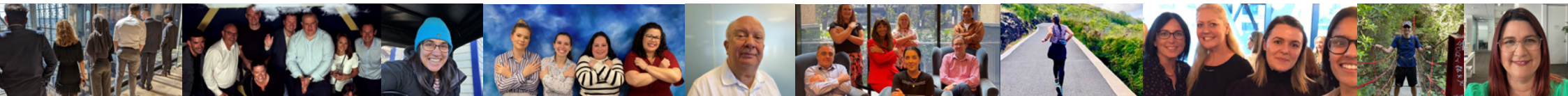
Enstar's Investment Department is responsible for oversight of external asset managers, including their approach to ESG factors. Each manager demonstrates how ESG considerations are integrated into the investment decision-making process.

The Enstar Investments Team has personnel assigned to review each external manager, with monitoring conducted on an ongoing basis. The purpose of the monitoring is to ensure that the Investment Team's view of the manager hasn't changed from the initial investment thesis.

We have been developing our consideration of ESG-related risks and variables in our investment process and, as of 2022, have begun manager assessment with regards to ESG adoption on an annual basis for existing managers and as part of our new manager due diligence process. Enstar's ESG assessment framework evaluates asset managers across the following areas: policies and commitments to standards; investment process; governance; communication and reporting; and diversity, equity and inclusion. Our 2022 ESG integration assessment survey reflected responses from asset managers managing 97% of Enstar's externally managed AUM. Externally, we intend to communicate the results with our managers and work alongside them in their ESG/DEI journey to further improve our overall scores. Internally, we will maintain a data repository to track the ESG/DEI scores over time and communicate with leadership on key improvements.

As of 31 December 2022, approximately 91% of Enstar's externally managed assets were managed by asset managers who are signatories of the UN Principles of Responsible Investment, which we believe reflects our commitment to the integration and advancement of ESG principles. Given the various stages of ESG adoption amongst market participants including our asset managers, we expect to monitor manager progress towards the integration of ESG principles.

Developing Our Human Capital



Enstar remains committed to employing, engaging, developing and retaining a highly skilled workforce. In doing so, we focus on developing and embedding programmes that further our capability within the three pillars of our Human Capital Strategy – Succession Planning, Welfare and Wellbeing, and Resourcing.

A key focus in 2022 has been to develop the technology landscape that underpins our Human Capital Strategy. To advance this area, Enstar deployed a new Group-wide Human Capital Management system with an integrated Applicant Tracking System. The system allows employees more control of their personal data and enables managers to take greater ownership of team changes. The platform enhances our people data and insight capability, including the ability to capture more data on workforce diversity.

The voice of our employees acts as a critical indicator of our culture. To help us understand employee views, we regularly engage with our colleagues through employee surveys, focus

groups, Town Hall Meetings and regular one-to-one discussions. Our regional and global Town Halls are a way of keeping employees up to date about initiatives that are being launched across the company. In 2022, we introduced regular drop-in sessions with Executive Committee members, allowing employees to ask questions and provide feedback directly to leadership. These initiatives have been well received, with 67% of employees reporting a positive belief that action will be taken as a result of their feedback¹⁰ (12% above the People Insight 2022 Finance and Insurance Sector benchmark of 55%).

Our 2022 Employee Survey results showed the progress Enstar is making in our employee engagement efforts, with an overall engagement score of 88%, 10% higher than the industry benchmark (People Insight 2022 Finance and Insurance Sector benchmark). In addition, 86% of employees would recommend Enstar as a place to work and 83% of employees expected to be working at Enstar in two years' time.

Due to our high engagement scores, Enstar received the People Insight Outstanding Workplace Award 2022 for demonstrating our ability to build a positive workplace culture and to act on employee feedback in order to deliver positive change for all.



¹⁰ 26% neutral, 7% negative



Succession Planning

A key priority for Enstar is strengthening our succession planning across all levels. We have made a significant investment in establishing and developing programmes for managers, functional heads and group executives, designed to enhance leadership and management capabilities across our senior management team. For example, in 2022 we established our Group Executive Leadership Programme.

In addition to the programmes for executives, we also offer programmes to Regional Executives and other potential successors throughout the organisation. Almost 100 leaders have participated in these programmes so far.

From these programmes, we have identified more than 70 “high-potential” people in the company, who we will develop and shape into our future leaders, in order to maximise our organisational impact. Throughout 2022 we improved this development plan, to include a new level of readiness for people who can step up into a new senior role immediately. The positive outcomes are being seen, as attrition has reduced to 2% within this group. In addition, we have identified new internal talent thanks to our Talent Review Boards, which resulted in an upward trend of promotions from 2% in 2020 to 6.3% in 2022.

To support the continuous learning and development of all employees, we launched our new digital learning platform. Approximately 65% of employees have used the platform to develop their skills, ranging from software learning to professional development and digital transformation. With more than 10,000 courses accessed, it's clear that our employee base is eager to continue their professional education, and we are committed to enhancing our digital learning culture so that we can support employees' personal and professional development.

To enhance our employee development capabilities, in March 2022 we launched Appraisd, an online platform allowing a robust approach to documenting and tracking progress against objectives. At year end, 89% of employees had carried out check-ins with their managers.



We have identified new internal talent thanks to our Talent Review Boards, which resulted in an upward trend of promotions from 2% in 2020 to 6.3% in 2022.

Welfare / Wellbeing

Enstar continues to prioritise the wellbeing of all its employees around the globe, as we believe that supporting the health and wellness of our colleagues is a key part of sustaining the stamina and capacity of our teams. The support we are providing our employees is wide and varied, and includes:

- Formalised agile working arrangements: globally, 99% of roles at Enstar are deemed to be either Remote or Agile, with 69% deemed to be Agile. This allows many employees to have some flexibility in their working arrangements;
- Our annual wellness allowance benefit, allowing employees to claim annual expenses related to wellbeing. Currently, 40% of employees take advantage of this benefit;
- Our Virgin Pulse online wellbeing platform that encourages healthy habits and is utilised by 55% of our employees;
- Yearly company-funded medical assessments for our UK employees, which were introduced in August 2022; and
- Mandatory mental health training for managers and the introduction of Mental Health First Aiders globally.

These efforts were rewarded by a satisfaction score of 91% in our latest employee survey around Enstar benefits that support health, life and wellness. Our internal wellbeing group meets monthly to ensure Enstar employees' needs are being met by our firmwide wellbeing-related offerings, and we continue to seek new ways to support employee wellness at Enstar.



91%

Satisfaction Score in our
2022 Employee Survey

Resourcing

A critical priority of our overall Talent and Succession strategy is attracting and retaining high calibre talent from diverse backgrounds. In 2022 we developed and launched a new external Enstar Careers website, significantly modernising how we attract talent. A significant deliverable for the website was to portray an authentic employer brand that is inclusive to all candidates. The website contains a vast array of content, articulating the nature of our business and detailing what Enstar is like to work for, including images and videos of current employees telling their own stories – all of which were unscripted and in employees' own words. The website will continue to evolve, to enable Enstar to maximise its reach to diverse candidates. In addition, when recruiting for specialist positions, we ensure that our partnering recruitment agencies are aware of our desire to increase the diversity of our workforce.

Having deployed a new Applicant Tracking System, we will now be able to track the self-declared diversity of our applicants and hires in 2023, subject to applicable laws and regulations. Our efforts in the resourcing space have been recognised by our employees, with 79% agreeing that we do a good job of recruiting people from diverse backgrounds, which represents a 5% year on year increase.



2022 saw the launch of our first Enstar Summer Internship Programme, developed under the leadership of our DE&I Action Group as a critical aspect of supporting diversity. After an overwhelming response with more than 1,300 applications, we welcomed a diverse group of 14 interns into our business for an 8-10 week paid internship programme based in Bermuda (Hamilton), the US (New York City (NY) and St. Petersburg (FL)) and the UK (London). On top of providing a competitive salary, we provided additional financial support to the interns to minimise any upfront or ongoing financial barriers related to issues such as clothing or travel.

We successfully attracted a diverse group of interns, with 50% being female and 43% being ethnically diverse. By using established social mobility flags, our UK interns also met additional socioeconomic diversity criteria.

At the close of the programme, the interns gave the programme an average rating of 8.9 out of 10, with 100% of participants feeling that they had learnt new skills and 100% saying they would like to work at Enstar in the future. Our manager feedback was also positive, with an average rating of 8.3 out of 10, 73% saying that they would be interested in hiring the intern they worked with and 100% feeling that the time spent on the programme was worthwhile. These positive results have encouraged Enstar to continue the programme, with preparations currently underway for our 2023 intern intake.

Diversity, Equity and Inclusion

We firmly believe that valuing diversity makes us a better business. Harnessing the unique insights and experiences of diverse employees makes us more innovative and creative, guides our strategic direction and has tangible benefits for our organisation.

Our DE&I vision is to create a diverse and inclusive workplace, which celebrates diversity and where everyone feels that they belong. Being a destination of choice for talented people across the globe will enable us to draw strength, opportunities and growth from the diversity of our workforce.

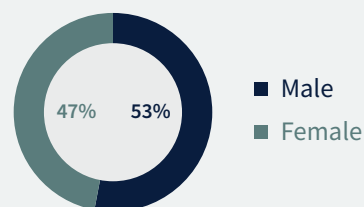
Our DE&I mission is to create an inclusive culture that enables all of our people to reach their potential, regardless of their background. We'll do this by embedding inclusive, equitable and responsible practices, by representing the diversity of our people, our clients and our communities, and by driving measurable, demonstrable improvements in our diversity performance.

This year we published our first DE&I report, charting our progress and setting out our ambitions going forward across our focus areas of Workforce, Workplace and Community.



Workforce

Enstar Employee Gender Split

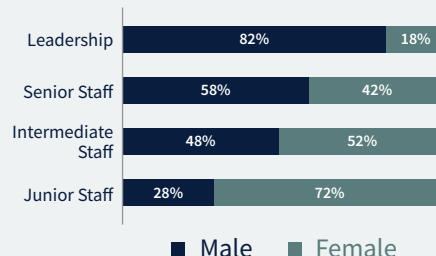


Our workforce activities are designed to help us attract, retain and develop diverse talent. Our activities this year have helped us to gain a better understanding of the make-up of our workforce and to further improve employee diversity.

In 2022 we began to analyse the diversity of our workforce¹¹. As we do not have prior-year figures to compare to, we have found it helpful to use the findings of the 2022 Lloyd's Culture Dashboard, which is contributed to by more than 40 global insurance firms, as a benchmark to assess our current progress and performance.

In terms of gender, our global workforce is fairly evenly split between men and women, with 47% of our employees identifying as women. The proportion of female employees at Enstar is higher than the comparable Lloyd's market benchmark¹².

Global Employee Seniority by Gender



In terms of seniority, the data shows that women make up 47% of our workforce, but 72% of our most junior staff and 18% of our most senior executives. Although we have a significant number of women in senior positions across the organisation, we understand that our senior female representation is below the Lloyd's benchmarks¹³ and this will be an area of future focus for us.

We have reported our UK gender pay gap for several years, as is required of all UK organisations with more than 250 employees. Our most recent report, released in April 2023, covers data up to April 2022. The report quantifies the difference between the average and median earnings of men and women, irrespective of role or seniority.

Enstar UK Gender Pay Gap Data, 2018 - 2022

Year	Mean	Median
April 2022	27.3%	19.2%
April 2021	36.7%	24.7%
April 2020	39.8%	29.6%
April 2019	36.6%	27.3%
April 2018	46.4%	34.1%

Our latest published figures show that, on average, our UK female employees' hourly rates of pay are 27.3% lower than our male employees', which we believe is linked to the comparatively lower levels of women at senior levels in the organisation. Enstar's UK gender pay gap figures as at April 2022 show a noticeable improvement from April 2018, and Enstar's UK gender pay gap as at April 2022 is below the comparable Lloyd's market benchmark¹⁴. We are pleased with the pay gap reduction and will continue our efforts in this area.

The collection and reporting of ethnic diversity data across the Group is subject to a myriad of local laws and regulations. We anticipate fully reporting on our ethnicity data next year, as we evolve our data collection process.

In this report, we're presenting only our US staff ethnicity data, which comprises 41% of our global workforce. We have grouped our colleagues from non-white backgrounds together to provide a composite picture. Our US workforce has 31% non-white representation, an encouraging figure that is higher than the comparable Lloyd's market benchmark¹⁵.

Enstar strives to strengthen the diversity of our senior leadership through both targeted recruitment and the development of talented colleagues from diverse backgrounds.

¹¹ All data presented as of 31 December 2022.

¹² Lloyd's Culture Dashboard 2022 reports 42% female representation in the total Lloyd's market workforce.

¹³ Lloyd's Culture Dashboard 2022 reports a Women In Leadership figure of 30% (defined as Boards + Executive Committees + direct reports to Executive Committee).

¹⁴ Lloyd's Culture Dashboard 2022 reports a 37% average pay gap for firms operating in the Lloyd's market.

¹⁵ Lloyd's Culture Dashboard 2022 reports a 9% minority ethnic representation in the Lloyd's market.

Workplace

Our workplace activities help our work environment to be empowering and inclusive. We want our people to feel that Enstar is a place where they can be themselves and can perform at their best. We encourage everyone to take advantage of our many personal development programmes and have expanded our inclusivity training available to managers and executives. In 2022 we broadened or introduced several initiatives to build on our inclusivity goals:

- More than 100 managers completed mandatory Inclusive Leadership Sessions, with more sessions planned in 2023 to ensure every manager participates.
- Thought Leadership Sessions were held for Group Executives on issues related to cognitive diversity, with leading speakers sharing their perspectives and experiences.
- We expanded our internal Business Excellence Leadership Programme, a twelve-month course focused on developing our business' future leaders. To date, 27% of the participants have been women.
- We celebrated diversity through events highlighting International Women's Day, International Men's Day, Black History Month, Hispanic Heritage Month, Pride Month, Diwali and International Day of the Girl.

The results of our annual employee survey indicate that our people feel that this is a place where they can be themselves – 81% of respondents said that Enstar provides an environment for free and open expression of ideas, opinions, and beliefs (2021: 78%); 79% believe that we are doing a good job of recruiting people from diverse backgrounds (2021: 74%) and 81% feel that they can be their true selves at work (2021: 82%).

To build on the work we have already begun, we have focused on developing a longer-term strategic framework for our future activities. Our new five-year DE&I strategy will involve a range of activities across five strategic pillars – People Practices; Supplier Diversity; Accessibility; Advocacy & Engagement; and Data & Insights. Please see our 2022 DE&I Report for further information.

We are evolving our model of governance and ownership for our work on diversity, equity and inclusion, ensuring buy-in and ownership of the agenda across our business.

We believe that this will leave us well placed to tackle current and future challenges related to diversity, and to make the most of the significant opportunities that a more diverse workforce will bring to our business. Ultimately the strength of our progress will be measured by the diversity of our workforce, as we will chart in future reports.



Community Involvement and Philanthropy

We designed our community-based activities to help us reach beyond the boundaries of our company, and to support causes and communities that we feel passionately about.

This year has seen a leap forward in our community support, with the launch of three

long-term partnerships with community organisations in the UK and US. In addition, we've continued to support charities across all our territories through the time and donations of our people, including this year our support to those affected by the war in Ukraine and by floods in Pakistan.



FINANCIAL SUPPORT

Enstar has a history of providing generous financial support to charities across our operating countries. Through a mixture of corporate donations and our matched giving programme, we donated over \$600,000 to more than 150 charitable organisations in 2022, supporting a range of global causes.

Heart disease

According to the World Health Organization, heart disease is the number one cause of death worldwide. We supported Heart Month in February 2022 by donating to the American Heart Association, Bermuda Heart Foundation and British Heart Foundation.

Mental health

We recognise the importance of mental health to overall wellbeing, especially in light of the COVID-19 pandemic. We acknowledged Mental Health Awareness Month in May 2022 by donating to MIND, the National Association on Mental Illness and the Bermuda Mental Health Foundation.

Breast cancer

To mark Breast Cancer Awareness Month in October 2022, we provided financial support to cancer research and support centres across the US, UK and Bermuda.

Ukraine

The war in Ukraine not only resonates with Enstar staff worldwide, but has personally affected many of our employees. Through matching the generous donations of our staff to charities supporting the Ukrainian people, we donated a combined total of \$100,000 to the British Red Cross's Ukraine Crisis Appeal in March 2022.

Disaster relief

Over 16% of our 2022 donations went to charities assisting with disaster relief. Enstar donated to the British Red Cross assistance in Pakistan where flooding affected over 33 million people. In addition, we donated to the American Red Cross to assist with their relief efforts in Florida after Hurricane Ian damaged homes and infrastructure not far from our St. Petersburg office.

International development

We continued our support to Self Help Africa and the Make a Difference Leadership Foundation, two charities that support the development of communities in Africa. Self Help Africa works in nine countries across sub-Saharan Africa, tackling poverty through a range of integrated development and enterprise programmes in rural communities. The Make a Difference Leadership Foundation develops the diverse future leaders of South Africa through a scholarship programme that includes leadership development opportunities and mentorship.

VOLUNTEERING SUPPORT

Enstar has a history of providing both financial and volunteering support to organisations in our local communities. While much of the volunteering support we have given in the past has been ad hoc, this year we have formalised our volunteering approach through our Group Volunteering Policy, allowing all employees one paid day off every year to give back to their local communities. We've been involved in a range of activities this year and we hope that by formalising our Group Volunteering Policy, more employees will be encouraged to get involved in supporting worthy causes.



Volunteering with the Bermuda National Trust



Supporting the Make a Difference Annual Golf Classic in the UK

Building Sustainable Partnerships

Although we have supported many local and global organisations financially across a number of years, in 2022 we took this commitment to our local communities further by launching formal partnerships with three organisations with a focus on gender equality:



Saracens is a leading sports organisation based in London. They are probably best known for their men's rugby union team, which has been hugely successful in English and European competition in recent years.

In March 2022, we launched a partnership with Saracens Women and Saracens Mavericks sponsoring their women's rugby union and netball teams. Although the men's rugby team are fully professional, many of the women who play for Saracens are not, combining elite sport with their work or study commitments.

Our support to Saracens will help to remove barriers that still exist for women in sport. By supporting the women's rugby and netball teams, we will make a significant difference to the development of the female players on these teams. During this three-year partnership, our logo will appear on the women's team uniforms and in matchday programmes.



Girls Friendly Society (GFS) was founded in England in 1875 as a pioneer youth organisation to support girls who left their rural homes to take up urban employment. For almost 150 years, GFS has been working to create a world where all young women can thrive, are free to be themselves and are proud of who they are.

Today, GFS runs 36 volunteer-led groups across socioeconomic disadvantaged areas in England and Wales. They build strong foundations and confidence in young women, through enabling early access to single gender spaces; a non-competitive environment; female role models; and a supportive and safe community in which they can learn about themselves.

Our partnership with GFS launched in October 2022. With our support, GFS can launch a new girls' group in early 2023 in Hackney, an area of close to our London office yet remains one of the most economically deprived areas in the UK.



Invest in Girls (IIG) is a programme run in the US by the Council for Economic Education. Their mission is to improve female financial literacy, support female financial empowerment and increase female representation in the financial services industry.

IIG works with High School students in schools across the country and online, to provide financial literacy education; access to financial services careers; a trusting, single-gender environment for girls to talk about money and life priorities; and support for girls through college and into the workforce.

Our partnership with IIG launched in October 2022. Our support will sponsor a school cohort of girls in New York City through a year of modules covering financial literacy and careers exploration. We will also support other IIG students across the US through the IIG Online programme.

In addition to our financial support, our new community partnerships will provide a range of opportunities for our people to undertake individual and team volunteering. When we introduced our new partnerships through company-wide meetings, hundreds of staff joined to meet the organisations, find out more about what they do and learn how they can participate.

EVENTS AND COMMUNICATIONS

During 2022 we celebrated a range of diversity milestones and initiatives through a series of articles, videos and events. We ran online sessions for our global workforce on issues such as mental health and wellbeing, gender equality and Hispanic heritage, as well as posting internal news articles to celebrate Pride Month, International Women's Day, Diwali and International Men's Health Week.

To mark UK Black History Month, we ran our first ever in-person diversity, equity and inclusion event in our London office in October 2022. In front of a packed audience in the office, as well as more than 150 colleagues watching the live stream, we engaged in a wide-ranging and powerful discussion with four Black men and women's Saracens players, in what was a truly memorable event that has left a lasting impression on the business.

UK Black History Month discussion in our London office in October 2022 with (L-R) Andy Christie (Saracens Men), Grace Moore (Saracens Women), Aliyah Zaranyika (Saracens Mavericks) and Nick Isiekwe (Saracens Men), chaired by Kevin Hagan (centre – Enstar EU/International HR Director)



Business Governance for the Long Term

Board Composition

The Board seeks members who demonstrate a familiarity with the substantive matters necessary to lead Enstar and who represent a mix of backgrounds and experiences that will improve the Board's ability to serve our needs and the interests of our shareholders. The Board adopted a formal diversity policy in 2021, applicable to the selection of directors. The Board considers diversity to include self-identified gender, self-identified ethnicity, nationality, age, self-identified sexual orientation, geographic background, and other personal characteristics whether self-identified or otherwise. The Board's diversity policy requires the Nominating and Governance Committee to actively consider diversity in its regular assessments of board composition and in its efforts to identify potential director candidates, including specifically requiring that one or more female, underrepresented minority (defined below) or LGBTQ+ candidates be included in formal searches for new directors.

The Board's diversity policy also includes aspirational diversity targets, to demonstrate its commitment to improving diversity. As specified therein, the Board endeavours to generally maintain diversity within its membership such that at least thirty percent (30%) of the Board will be comprised of persons who self-identify as female or as an underrepresented minority or LGBTQ+. On gender diversity specifically, the Board committed to maintaining at least

three female Board members by April 2022, and over time aims to reach and maintain a minimum of at least 30% female representation on the Board, through the natural attrition of directors rather than further increases to the Board's size. For purposes of these targets, an underrepresented minority is a person who self-identifies within one or more of the following categories that have been established by the U.S. Equal Employment Opportunity Commission: Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Other Pacific Islander or two or more races or ethnicities.

The Board is composed of twelve directors who possess a broad range of backgrounds in the insurance and financial industries, as well as skills and experience in areas necessary to navigate our business, including investment, strategy, governance, risk management, operational and technological expertise. As of 31 March 2022 and through the end of the year, at least thirty percent (30%) of the Board was comprised of persons who self-identified as female or as an underrepresented minority or LGBTQ+, and the Board maintained at least three self-identified female directors. To read further about the skills and backgrounds that our directors bring to the Board, please see our 2022 Proxy Statement.

Some highlights of our corporate governance structure that promote objectivity and effective oversight include:

- Separating the roles of Chairman and CEO
- Chairman is an independent director

- Majority of the Board consists of independent directors
- Fully declassified Board
- 100% independent Audit, Human Resources and Compensation, Nominating and Governance, and Risk Committees
- Annual Board / committee self-evaluation process
- Before or after regularly scheduled Board meetings, independent directors meet in executive session

Enstar is committed to a robust set of governance policies and practices, which are regularly reviewed against corporate governance developments and stakeholder feedback to ensure continued effectiveness. This includes:

- Effective board composition
- Director independence
- Balanced and aligned effective compensation
- Business ethics
- Cybersecurity and data privacy

Enstar has organised its overall sustainability and corporate responsibility approach along ESG principles. It has been planned around Enstar abiding by and upholding ESG principles as a part of our corporate strategy to become a top performing company.

Additional information regarding Enstar's Corporate Governance may be found on the company website at <https://www.enstargroup.com/corporate-governance/>.



Ethics and Compliance

OVERSIGHT OF OUR COMPLIANCE PROGRAMME

Enstar's Group General Counsel and the Group Head of Compliance oversee the Company's ethics and compliance programmes, including its business ethics, compliance with applicable laws and regulations and efforts with respect to anti-corruption and avoiding anti-competitive behaviour.

Overall responsibility of the Compliance Programme has been assigned to the Group Head of Compliance.

RESPONSIBLE SUPPLY CHAIN

Enstar recognises that our vendors play an important role in our success. Enstar strives to conduct business with suppliers with high ethical standards and who operate in a socially responsible manner. Our Vendor Code of Conduct (the "Vendor Code"), located on our Company website, sets out our expectations for vendors providing goods or services to follow the basic principles to support our long-term growth and add value to the firm.

Our Vendor Code asks Vendors to adopt appropriate standards and strategies to meet the following aims:

- Conduct business responsibly, in accordance with all legal, regulatory, and moral expectations;
- Maintain high standards of welfare for individuals, including staff and all those involved in the supply chain; and
- Minimise impact on the environment through adoption of 'green' initiatives wherever possible.

SUPPLIER MONITORING AND ENGAGEMENT

As noted in our Vendor Code, Enstar expects its suppliers to establish and implement sustainability goals that minimise environmental impact, and to manage their overall sustainability and corporate responsibility. Enstar incorporates ongoing compliance with the Vendor Code into its business relationships, procurement decisions and our vendor evaluation process. The consideration of ESG will ensure that suppliers view these matters in a manner that is consistent with Enstar's values. A Vendor's violation of the Vendor Code may lead to termination of the Vendor's relationship with the firm.

BUSINESS ETHICS / CODE OF BUSINESS CONDUCT AND SUPPORTING POLICIES

Enstar is committed to conducting its business in accordance with the highest ethical and social standards, and in full compliance with all applicable laws and regulations in Bermuda and in other jurisdictions in which Enstar operates or does business.

Enstar's Global Compliance Function is responsible for managing compliance risks and sustaining all aspects of compliance management across Enstar's businesses, functions, legal entities, and countries of operation. This includes overseeing the culture of ethics and integrity.

Enstar's Code of Conduct (the "Code") provides an ethical and legal framework for business practices and conduct applicable to all employees, officers, and directors. The Code is reviewed and updated regularly to recognise and remain current with regulations and best practices. Any changes to the Code are approved by the Board of Enstar Group Limited.

Each year, Enstar's employees certify that they have reviewed and will comply with the principles of the Code. The Code is reviewed annually and updated as necessary and approved by the Board each year.

In addition, Enstar consultants are expected to adhere to the spirit of the Code, the Enstar Vendor Code of Conduct (as discussed below in the Responsible Supply Chain section), and to any applicable contractual provisions when working on behalf of Enstar companies.

Enstar's success over the past three decades has been underpinned by its culture of ethics and compliance. Strong policies underlie this culture, which has been instilled by its senior leadership. Ethics-related training, such as Diversity & Inclusion, is provided to all staff, and an anonymous Whistleblowing Hotline is available to all staff and other stakeholders to raise concerns.



OUR POLICIES

- Code of Business Conduct and Supporting Policies
- Policy Against Discrimination, Harassment and Bullying
- Governance Practices
- Oversight of Our Compliance Programme
- Responsible Supply Chain
- Supplier Monitoring and Engagement
- Slavery & Human Trafficking Policy

Key matters addressed in the Enstar Code of Conduct:

- Diversity and equal opportunity
- Discrimination and harassment-free workspace and treating each other with fairness, dignity, and respect
- Workplace safety and security
- Protecting information and data
- Data privacy and security
- Avoiding insider trading
- Potential conflicts of interest
- Entertainment and gifts
- Abiding by anti-bribery and corruption and avoiding “facilitation payments” in foreign countries
- Political contributions and activities
- Keeping accurate business records and reporting
- Maintaining a safe working environment
- Channels to anonymously raise concerns

SUPPORTING POLICIES

The Code and supporting policies set our standards for making decisions consistent with our ethical and regulatory frameworks and govern the way we conduct business.

Enstar employees are required to abide by our Global Conflicts of Interest Policy, which instructs colleagues on how to identify, prevent, and manage potential conflicts of interest in order to ensure that all employees perform, and are perceived to perform, their work in an objective and unbiased manner.

Enstar’s Anti-Bribery and Corruption Policy prohibits making or offering bribes to public officials or for commercial purposes and facilitating payments to governments and related parties. It provides guidance on the relevant actions and key terms, such as bribes, gifts, entertainment and political contributions. The policy is supplemented with guidance in the Code, which outlines that all employees have a responsibility to know and follow the policy, and to report actual suspected violations of the policy.

Our Sanctions Policy applies to all Enstar entities globally, which are subject to various sanctions laws and regulations where we operate. Enstar utilises automated sanctions screening technology to scan transactions for sanctions-related risks and has operating guidelines requiring that suspicious transactions be appropriately reported.

POLICY AGAINST DISCRIMINATION, HARASSMENT AND BULLYING

In addition to our Code, we have a separate policy that specifically addresses our commitment to providing a workplace that is free of harassment and offensive behaviour.

Enstar employees are encouraged to speak with management, Human Resources, or their compliance officers if they need to address compliance and ethical issues.



Risk Management

Enstar is a leading run-off insurer with global operations and geographically diversified exposures. We recognise that embedding a sound risk management culture and practices are integral to our ongoing success and contribute to our operational resilience. We proactively seek to identify, analyse, treat and report on all risks including those with ESG implications, in order to have a firm understanding of how these risks will influence the way we conduct business. Enstar's Enterprise Risk Management (ERM) Framework outlines the processes and mechanisms in place to ensure that risks are appropriately assessed and managed.

The ERM Framework consists of numerous processes and policies that have been designed by management, with oversight by the Board of Directors and its committees and implemented by employees across the organisation. The objective of Enstar's ERM Framework is to achieve the following:

- Support the achievement of business strategy and objectives in accordance with the Board-approved risk appetite.
- Ensure appropriate methods for the identification and mitigation of risk are in place and operating as intended.
- Support good risk governance, responsibility and accountability.
- Ensure a consistent approach to risk management is embedded across the Group.

Through our ERM Framework, we aim to embed ESG considerations through all aspects of our business. The ERM Framework and its key components are outlined in the schematic.

Enstar's risk management approach is applied to the "extended" organisation, including our outsourced arrangements. As outlined in our Procurement, Outsourcing and Third-Party Management Policy, we take steps to understand the nature of the risks associated with our third-party service providers, and through carrying out due diligence, risk

assessments and other oversight activities, gain assurances that our business partners are conducting our business to the expected standard.

Enstar's Business Continuity (BC) Framework is an important component of the business strategy, due to the role it plays in ensuring resilience, especially with the potential for unforeseen circumstances to derail our operations and those of our third-party service providers.



The key elements of the BC Framework are:

Mitigation

Ensuring there is a sound infrastructure in place

Preparedness

Ensuring there are appropriate governance, processes and procedures in place

Response

Ensuing mitigating actions are designed to expedite an efficient and effective response

Recovery

Ensuring there is a clear, understood and communicated plan for a return to normalcy

The effectiveness of our BC Framework was proven during the COVID-19 pandemic. Despite global disruption, Enstar's operations continued with minimal impact.



RISK STRATEGY KEY PRINCIPLES

Ten key principles underpin Enstar's Risk Management Strategy. These are that Risk Management is:

- an integral part of the organisational processes
- part of decision making
- addressing uncertainty
- systematic, structured and timely
- based on best information
- tailored
- transparent and inclusive
- dynamic, iterative and responsive to change
- facilitating/driving continual improvement
- focused on protecting our stakeholders and policyholders

RISK APPETITE FRAMEWORK

The Risk Appetite Framework ("RAF") is in place at both the Group and its regulated subsidiaries monitors risk taking throughout the business by linking business strategy and planning with available capital and risk. It undergoes an annual update process to ensure alignment to changes in business strategy and risk strategy. At its core, it is designed to:

- protect the Group and its subsidiaries from an unacceptable level of loss, compliance failures and/or adverse reputational impacts; and
- support the wider strategic decision-making process, for example by ensuring that risk associated with proposed transactional activity is identified, evaluated and understood as part of the wider due diligence process and is consistent with approved appetite.

Our Framework includes an ESG appetite statement and supporting metrics.

RISK GOVERNANCE

The Three Lines Model (Management, Risk & Compliance and Internal Audit) helps to create and protect value throughout the organisation, which is supported by explicit ownership of the risks and a clear allocation of responsibilities for their day-to-day management.

Enstar and its subsidiaries have internal controls in place, designed to manage risks to acceptable levels, and the effectiveness of controls is regularly considered in managing and balancing risk and appetite. These are implemented within each line of the Three Lines Model.

Additional information regarding our risk management strategy can be found in Item 1. Business – Enterprise Risk Management of our Annual Report on Form 10-K for the year ended 31 December 2022.

FIRST LINE		
Function(s)	Reporting Lines	Key Roles and Responsibilities
Management, comprising senior corporate executives and their function leaders and risk owners	Executive Committee	<ul style="list-style-type: none"> Drive a strong culture of risk management. Design and implement effective business processes so that risk is managed within appetite. Follow defined processes and controls when delivering business services. Risk and control owners perform quarterly attestations considering the effectiveness of design and operation of controls and risk ratings. Provide risk metric data on a quarterly basis to allow for the effective tracking of risk. Report incidents to the Risk Management team. Work with Risk Management to design and undertake both routine and ad-hoc stress and scenario testing.
SECOND LINE		
Function(s)	Reporting Lines	Key Roles and Responsibilities
Risk Management	CEO and EGL Risk Committee and subsidiary Boards	<ul style="list-style-type: none"> Ensure independent review and challenge of first line activities. Develop, maintain and implement the ERM Framework across the Group. Oversee the operation of the ERM framework, ensuring emerged and emerging risks are identified on an ongoing basis. Lead and facilitate the ongoing maintenance of a robust RAF to provide a holistic view and ongoing assessment of risk for the Executive and Board (including the EGL Risk Committee), guiding and informing enterprise risk management. Identify, measure, manage and monitor the risk profile of the company to inform the decision-making process. Ensuring high rated risks have appropriate controls which are tested on a frequent basis. Conduct comprehensive risk assessments on strategic initiatives (e.g., transactions, investment reallocations). Investigate, remediate and (where appropriate) escalate both control failures risk appetite breaches to the appropriate governance forums (e.g., Management Risk Committee ('MRC'), EGL Risk Committee). Promote the consideration of Environmental (specifically, climate-related), Social and Governance risks in the business planning and strategic priorities process. Oversee, collate and include stress and scenario testing into the wider framework, and where appropriate ensure risk mitigation measures are designed and implemented. Perform Root Cause Analysis as appropriate over reported incidents/risk events.
Compliance	EGL Board and subsidiary Boards	<ul style="list-style-type: none"> Develop, maintain and execute a Compliance Framework supported by an annual testing programme where applicable. Investigate, remediate and where appropriate escalate compliance failures. Provide advice and recommendations on compliance laws, rules and standards.
THIRD LINE		
Function(s)	Reporting Lines	Key Roles and Responsibilities
Internal Audit	EGL Audit Committee and subsidiary Boards	<ul style="list-style-type: none"> Provide independent and objective assurance on the adequacy and effectiveness of governance and risk management and controls. Execute an annual risk-based internal audit plan ensuring all material activities, controls and areas of greatest perceived risk are reviewed on a regular basis.

Summary

2022 Highlights

Expanded suite of ESG related metrics into our Risk Appetite Framework

Expanded climate scenario analysis across the Group

Implemented our GHG emissions monitoring programme

Robust training for all employees on data protection, IT security and financial crime

100% employees annually certified with our Code of Conduct

Embedded our climate change approach and ESG into our Global Risk Management Framework

2023 Priorities

Continue to develop processes and capabilities over climate change and ESG related risks, as managed within our Global Risk Management Framework, including subsidiary Risk Appetite Frameworks

ESG Training Programme to be issued and completed by all staff

Continue to seek to improve our data privacy and data security

Continue to drive operational sustainability practices

Develop and implement an ESG Objectives Scorecard linked to remuneration

Creation of internal business function contingency plans

Testing of critical third-party contingency plans

Implementation of a Global Compliance Assurance Programme

Investigate the implications of implementing a Net Zero plan



Important Information Regarding Forward-looking Statements

This report may include certain forward-looking statements regarding our current views with respect to future events, risks and uncertainties. These statements are intended as “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Actual events and results may differ materially from those set forth in the forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. For a complete description of the risks and factors that could cause actual results to differ from our current expectations, please see our annual report on Form 10-K and quarterly reports on Form 10-Q filed with the SEC. Any forward-looking statement you see in this report reflects Enstar Group Limited’s current views with respect to future events and is subject to these and other risks, uncertainties and assumptions.