ENSTAR

# CLIMATE CHANGE (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES) REPORT

**FOR THE YEAR ENDED** 31 DECEMBER 2022

Realising Value

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# INTRODUCTION

**Enstar supports the objectives of the Paris Agreement and the Task Force on Climate-related Financial Disclosures ('TCFD') recommendations. This is our second Climate Change (TCFD) report, which details Enstar's approach to managing climate-related risks and opportunities, including our recent progress.**

During 2022, we expanded our suite of climate-related risk metrics that form part of our Risk Appetite Framework; evolved our ESG governance and management; expanded our coverage of our climate-related risk scenario analysis to our subsidiaries; and established our greenhouse gas ('GHG') emissions monitoring programme.

# GOVERNANCE

Enstar Group has a strong governance framework, with the Enstar Group Limited ('EGL') Board of Directors ('EGL Board') overseeing the interests of all stakeholders.

The EGL Board is comprised of Executive, non-Executive, and Independent Directors, and is primarily responsible for the group's strategic plan, risk appetite, systems of internal control and corporate governance policies, to ensure the long-term success of the group. It retains control of key decisions and ensures there is a clear division of responsibilities. The EGL Board also has responsibility for the Enstar Group's environmental, social and governance ('ESG') programme, which includes a climate change commitment focusing on managing and mitigating the three types of climate risk (physical, transition and liability risk) that may affect the sustainability of the insurance contracts we assume, in line with our board-approved Enterprise Risk Management ('ERM') Framework and Risk Appetite Framework.

The EGL Board and its supporting committees receive quarterly ERM reports providing information regarding aspects of climate change risk (e.g. insurance litigation and market risks). Comprehensive climate change training has been provided to directors, to support climate-related discussions and the identification of both the risks and opportunities presented by climate change.

One of the six committees that supports the EGL Board is the EGL Risk Committee. The EGL Board has delegated responsibility for oversight of our ESG programme to the EGL Risk Committee, in coordination with other committees of the EGL Board as appropriate. The EGL Risk Committee promotes a risk-aware culture throughout the group. Its oversight responsibilities include reviewing and evaluating the risks to which Enstar Group is exposed. This includes the monitoring and oversight of the guidelines and policies that govern the processes by which we identify, assess, manage, monitor, and report our exposure to risk (both emerged and emerging), including ESG and climate-related risks. Where required, the EGL Risk Committee recommends specific actions to the EGL Board to ensure that risks continue to be managed to appetite. These actions are formally tracked through to resolution. The EGL Risk Committee is chaired by a non-executive director and meets at least quarterly. The EGL Risk Committee is comprised entirely of independent directors.

Our Audit Committee periodically reviews the preparation and review processes applied to Enstar Group's ESG disclosures and confirms that they are acceptable. Ownership and governance for sustainability-related risks and sustainability commitments are embedded within our business. At the management level, responsibility for climate-related risks and opportunities sits with our Group Chief Risk Officer and our Group Head of ESG.

In September 2021, management established the ESG Oversight Group, comprising senior executives from key functional areas, to oversee the implementation of our ESG (including climate-related) strategy. The Oversight Group is chaired by our Group Chief Risk Officer, who has the Executive-level responsibility for ESG and who is ultimately responsible for integrating climate-related risks into the EGL ERM Framework. The ESG Oversight Group is responsible for implementing and reporting on the group's ESG programme to the EGL Board and its committees via quarterly ERM reports.

The ESG Oversight Group is supported by the ESG Working Group, a cross-functional forum comprising management level representation from across the organisation (Finance, Treasury, Investments, Risk, Compliance, HR, Legal, Operations, Communications) who are responsible for the implementation of our ESG strategy. Beginning on 1 January 2023, the ESG Working Group is chaired by our Group Head of ESG and considers emerging ESG issues, which may become material to the business and affairs of our group.

# STRATEGY

Enstar is a leading global insurance group which acquires or reinsures legacy insurance portfolios usually already in run-off and is not a live underwriter of new policies. Currently, our exposure to climate-related underwriting risks is limited to:

- a limited number of in-force policies that may form part of a wider acquired portfolio predominately comprised of expired risks from prior underwriting years;
- a small number of multi-year contracts previously written by one of our active underwriting subsidiaries which were subsequently put into run-off in 2020; and
- some legacy D&O polices that have potential exposure to climate-related litigation.

Any in-force policies acquired within the overall portfolio are also run off and are not generally renewed upon their expiry (please refer to our Sustainability (SASB) Report for more information on the nature of Enstar's portfolios' exposure to weather-related perils).

**These exposures in aggregate are de minimis and considered immaterial in relation to the Group's total liabilities as confirmed by stress testing, detailed in the Risk Management section below.**

In assuming future insurance run-off liabilities, as part of our disciplined due diligence approach, we insist upon informed excellence in risk selection. Given the potential impacts of climate change, our risk selection includes:

- consideration of climate-related risk exposures and the impact of potential concentrations on our existing liabilities; and
- ESG investment risk exposures in our asset portfolios.

Climate change presents risks and opportunities to the sustainability of our business. Enstar's business strategy is exposed to the following risks over the short (<2030), medium (<2040) and longer- (≥2040) term time horizons, across three major types of climate risk:

- **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.

  Our exposure to physical risks stem from our operations and investments portfolios (i.e. physical risks of the underlying companies we are invested in). Other physical risk exposures can stem from either the administration of very limited in-force catastrophe exposures acquired through transactions, or through the running off of the multi-year construction policies previously written by StarStone SE and placed into run-off in 2020. Since we no longer underwrite live insurance contracts, this risk is of minimal consequence.

  Our operations may be impacted by physical risks affecting our offices, key supporting infrastructure and/or our outsourced service providers. The impact and likelihood of this risk is considered to be low, given our global presence and the Business Continuity Framework and procedures we have in place.

- **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.

  In the near term, our investment portfolio could be exposed to the loss of value in specific investments due to disruption to the underlying assets/companies caused by transitioning to a lower carbon-emitting economy. The impact could increase over time if part of the transition to a greener economy is associated with increased production costs. Certain sectors could be subject to significant impairments due to changing consumer demand, the repricing of assets or changing regulatory requirements.

  The recent geo-political tensions resulting from the Russia-Ukraine conflict have the potential to accelerate these traditional risks through the need to diversify existing energy sources, including increased investment in energy derived from more sustainable sources.

# STRATEGY

- **Liability risks (Short to Medium-Term)** include third-party exposures, such as claimants who have suffered climate change-related losses/damage and seek compensation. Liability risks also include the unknown and potentially high costs of dealing with losses or damage from physical or transition risk factors. Liability risks can be particularly high for those directors and officers who do not properly manage and report climate-related risks and commit errors and omissions.

  As we acquire liabilities, there is a risk that our current practices and processes do not successfully identify and/or price the risks arising from Climate Change, resulting in actual returns deviating adversely from those assumed when the transaction was priced.

  Many of our underlying portfolios contain lines of business that could potentially, at the industry-wide level, be exposed to significant Climate Change risk (e.g. Environmental claims, Professional Lines etc.). Given Enstar's business model of acquiring and efficiently settling legacy claims, we do not underwrite new exposures. Therefore, we do not extend the ability of 'brown' industries (i.e. those which contribute to adverse climate change effects) to continue. Instead, we facilitate the orderly running down of those industries and their involvement within the financial services industry.

In order to quantify the financial impact of risks/opportunities brought about by the climate-related risks set out above, we undertake periodic analysis to quantify the potential impact on both our assets and liabilities. Stress and scenario testing conducted in 2022 indicates that the impact of physical, transition and liability risks on Enstar's portfolios is low. Details on the outcomes of this work are covered in the Risk Management section below.

Enstar has a low appetite for physical risks and a medium appetite for liability and transition risks, as detailed within the Group's Risk Appetite Framework. Supporting ESG metrics covering investments, acquisition of liabilities, impact on reserves/concentrations and successful execution of climate-related projects are also tracked.

# RISK MANAGEMENT

**Enstar has comprehensive risk management processes in place for identifying, assessing, managing and reporting on all material risk exposures, including climate-related risks. The Risk Appetite Framework, which forms an integral part of the overall ERM Framework, plays a key role in ensuring that climate-related risk exposures remain within the limits set by the EGL Board at a Group and subsidiary level. Quarterly reports, which include climate-related risk metrics and commentary, are compiled by the Risk Function, and shared with Senior Management and the EGL Board, further embedding the effective management of these risks throughout the organisation.**

The Risk function works closely with the business to identify sources of material risk and regularly provides challenge to ensure the robustness of ongoing risk management activities, as they relate to climate risk exposures. For more information on Enstar's ERM Framework and key risk management processes, please refer to our ESG Report, on the Sustainability section of enstargroup.com.

## Assessing Climate Change Risks

Enstar assesses climate change risks primarily through risk assessments and comprehensive climate change scenario analysis supported by an independent third party. As part of this analysis, existing and emerging regulatory requirements, as well as political, coordinated action plans related to climate change (along with other relevant factors), form key inputs into the overall process.

The scenario analyses used to evaluate the exposure to investment risks (from physical and transition risks) and liability risks, and the potential impacts to Enstar, are set out oppposite.

## Transition and Physical Risks

The assessments focus on the loss in market value of companies that fail to mitigate, adapt or disclose climate related risks. To determine the exposure to and potential impacts of transition and physical risk to our investment portfolio, three key scenarios are undertaken:

**1. Lowest common denominator (current policies)**

A "business as usual" outcome where current policies continue with no further attempt to incentivise further emissions reductions. Socioeconomic and technological trends do not shift markedly from historical patterns.

**2. Global co-ordinated action (Paris Agreement)**

Policy makers agree on and immediately implement policies to reduce emissions in a globally co-ordinated manner. Companies and consumers take the majority of actions available to capture opportunities to reduce emissions.

**3. Climate emergency (Net Zero by 2050)**

A more ambitious version of the Global coordinated action scenario, where more aggressive policy is pursued and more extensive technology shifts are achieved, in particular the deployment of Negative Emissions Technologies at scale.

The analysis was conducted at the asset class level, using the Group's portfolio asset allocations. Net Present Value (NPV) impacts were calculated and converted into percentage per annum impacts, based on the assumption that the impact each year will be equal and compound annually. For each of these scenarios, the impact has been estimated at <0.5% per annum over a 20-year time horizon.

The analysis concluded that that the impact of transition and physical risks on Enstar's investment portfolio in any of the three climate scenario outcomes is relatively low, and whilst there is no requirement for immediate action to be taken, Enstar will continue to periodically review its exposure to transition and physical risks.

## Liability Risks

The liability risk assessments focus on the potential for societal, political and regulatory responses to lead to claims on our already-acquired liabilities. To determine the exposure to and potential impacts of liability risk to our most exposed lines of business, two key scenarios were developed, based on the seven hypothetical legal cases used for the Climate Biennial Exploratory Scenarios guidance issued by the Prudential Regulation Authority in June 2021. The scenarios undertaken were:

1. Power plant claims[1]; and
2. Fossil fuels claims[2].

The analysis concluded that Enstar's overall exposure to litigation risk across its existing lines of business is low, and whilst there is no requirement for immediate action to be taken, Enstar will continue to periodically review its liability exposure to climate-related litigation.

## Setting Risk Appetite

Enstar has developed detailed Risk Appetite Statements for risks associated with climate change, in order to facilitate achievement of its business plan and strategic priorities relating to the acquisition of insurance liabilities and the management of the assets that back those liabilities. As such, the Risk Appetite Statements have been articulated using the following key information:

- Definition of the Climate Change risk for which the appetite is being set.
- Articulation of Enstar's risk appetite for the Climate Change risk under consideration using broad risk classifications (high, medium, low, etc).
- Rationale behind the setting of the risk appetite and the allocated risk classification, including consideration of the results of the scenario analysis.
- A high-level assessment of the risk and business impact.

**Enstar has a low appetite for physical risks and a medium appetite for liability and transition risks.**

[1] Example: A series of wildfires caused extensive damage to residential properties in a US state (the Event). Lawsuits were brought against plant operators and owners by governments, consumers, and industries who sustained various damages arising from natural disasters. They allege, amongst other things, that GHG emissions from the defendants' plant had made 'causal contribution' to climate change, which resulted in the increased frequency and severity of natural disasters.

[2] Example: Thousands of climate change litigations have been brought in the US against large/medium-sized oil & gas and mining companies. Lawsuits were brought against oil and gas companies by governments, consumers, and industries who sustained various damages arising from natural disasters. They allege, amongst other things, GHG emissions from the consumption of fossil fuel products manufactured, distributed and/or marketed by the defendants had made causal contributions to climate change, which resulted in the increased frequency and severity of natural disasters.

# METRICS & TARGETS

## Climate Change Risks

In order to enable the business to adhere to these appetite goals, calibrated metrics have also been approved for us to monitor against.

The scenario analysis identified higher risk sectors emanating from **transition risks** on Enstar's investment portfolio. An ESG Investment Risk Framework has been developed, to help us more accurately assess the ESG risks associated with different investment holdings. The new framework relies on issuer-level factors such as ESG rating and Weighted Average Carbon Intensity of an issuer. The approach allows for a more accurate and particular assessment of the ESG risk. The limits set up for the metrics have been provided to our asset managers, to enable them to monitor on an ongoing basis and ensure alignment of the portfolio's ESG risk levels with the framework's limits. Exposures to higher risk sectors identified through the scenario analysis continue to be tracked. In making investment decisions, the Enstar Investments Team 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.

In assuming future insurance run-off **liabilities**, as part of our disciplined due diligence approach, we insist upon informed excellence in risk selection, including considering climate-related risk concentration. This enables Enstar to ensure the price of the transaction reflects such exposures and concentrations. As part of the independent risk reviews and due diligence performed on potential new M&A transactions, the following information will be assessed:

- Exposure of contracts to high litigation risk economic sectors.
- Exposure of contracts to high litigation incidence by geographical and legal jurisdictions.
- Exposure to classes of business with a higher likelihood of climate change litigation activity.
- Analysis of contract characteristics specific to climate change litigation triggers (e.g. claims occurring, claims made, buy-out clauses, etc).
- Analysis of mitigation profile (e.g. reinsurance, contract clauses, underwriting years, etc) of the business being acquired.

For already-acquired liabilities, Enstar monitors reserve development on reported and new claims related to climate change liability risk across all impacted lines of business (e.g. General Liability, Directors & Officers, Professional Indemnity and Errors & Omissions).

Global litigation trends across jurisdictions are actively monitored, to assess their likelihood and impact on Enstar's climate risk-exposed business.

## Ongoing cyclical process

Monitoring and managing climate change risks on an ongoing, business-as-usual basis, is an integral part of Enstar's ERM Framework. Key activities include:

- Completing annual qualitative analysis to ensure the risk appetite statements align with the overall ESG strategy.
- Keeping abreast of regulations, to monitor any changes in climate risk initiatives and update metrics/framework as appropriate.
- Continuing to develop risk analysis frameworks, to better capture and comprehend the risk universe relating to climate change and relevant metrics (for example our ESG Investment Framework and supporting risk metrics).
- Completing annual scenario analysis and stress testing (both regulatory and internal), reviewing the appropriateness of our risk metrics based on the outputs of these exercises and updating as appropriate.
- Monitoring external developments and repeating scenario analyses where necessary, based on changes in pathways and initiatives triggered by future global co-ordinated actions coupled with regulatory reaction/ initiatives to these changes.
- Monitoring our internal loss experience and portfolio valuation volatility, with the objective of adapting risk tolerances to emerging trends.
- Continuing to enhance our M&A due diligence framework, to incorporate the likely impact of climate risk on new portfolios being acquired.
- Providing quarterly monitoring and updates to the EGL and subsidiary Boards, including any climate-related metric breaches and associated remediation plans.

## Climate-Related Metrics - Scope 1 and Scope 2 GHG Emissions

### Metrics Coverage

Calculating our carbon emissions and climate-related metrics is key for understanding and communicating our impact on the environment to stakeholders.

Our first reporting of emissions metrics covers Scopes 1 and 2. We have focused on emissions arising from sources that are either within our direct control and/or where the methods and tools for collecting underlying activity data are more readily available.

As with other businesses, we recognise that our Scope 3 emissions, particularly those that relate to our investment portfolio and our supply chain, are likely to be larger than the emissions we report here for Scopes 1 and 2. This is an evolving process, and we will strive to incorporate reporting of Scope 3 emissions over time.

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.

### Methodology

The methodology used to calculate our GHG emissions metrics is the GHG Protocol - A Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol)[3], defined by the World Resources Institute/World Business Council for Sustainable Development.

Our carbon emissions have been calculated in conjunction with a third party, Ecometrica, using their Sustainability Reporting software solution. These calculations use the energy content and emission factors considered most relevant to each of our regions, based on information sourced from:

- UK Government conversion factors for GHG reporting. Department for Business, Energy and Industrial Strategy, London ('BEIS') (2021);
- US Environmental Protection Agency ('EPA'): Emission Factors for GHG 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: $CO_2$ Emissions from Fuel Combustion, 2020 edition;
- Better Buildings Partnership ('BBP') (2020). 2019 Real Estate Environmental Benchmarks ('REEB').

Data collection, preparation and reporting is managed by Enstar Group's Central Operations Department. The prepared data is uploaded to Ecometrica's Sustainability Reporting software solution, where it is converted into $tCO_2e$ using Ecometrica's database of emission factors and assumptions.

Ecometrica's Sustainability Analyst team advised on the most appropriate methodologies, based on the available activity data and best fit emission factors. The team also checked input data, emission factors and calculations to ensure data integrity.

Our emissions data covers global operations for which we have operational control and is reported on a calendar year basis, i.e. for the 12 months from 1 January to 31 December.

We have established 2022 as our baseline year for tracking our carbon emissions. This has been determined to be the most suitable year as it most accurately represents the size, structure, and scale of our operations under a business-as-usual scenario.

### Metrics

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 $tCO_2e$ for the year, made up of 8.86 $tCO_2e$ (1.6%) of Scope 1 emissions and 528.30 $tCO_2e$ (98.4%) of location-based Scope 2 emissions.

[3] https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf

# METRICS & TARGETS

**A summary of our Scope 1 and 2 operational emissions is provided in the table below.**

| GHG EMISSIONS SOURCES | UNIT | 2022 | 2021 | YOY CHANGE 2021 - 2022 (%) |
|---|---|---|---|---|
| **Scopes 1 - 2** | | | | |
| Scope 1 Direct Emissions[4,5] | $CO_2e$ tonnes | 8.86 | 7.97 | 11.20 |
| Scope 2 Indirect Emissions - market-based[6] | $CO_2e$ tonnes | 583.48 | 822.57 | -29.10 |
| Scope 2 Indirect Emissions - location-based[7] | $CO_2e$ tonnes | 528.30 | 778.37 | -32.10 |
| Total GHG Emissions (Scopes 1, 2)[8] | $CO_2e$ tonnes | 537.16 | 786.34 | -31.70 |
| **Energy** | | | | |
| Total Energy Consumption (Scopes 1 and 2)[9] | MwH Total | 1,438.15 | 2,247.45 | -36.00 |
| **Intensity Metric[10,11]** | | | | |
| GHG Emissions per FTE (Scope 1 and 2)[12] | $CO_2e$ tonnes / FTE | 0.68 | 0.95 | -28.20 |

This is the first year we have started collating underlying activity data and measuring and reporting our $CO_2$ emissions. This has enabled us to gain a better understanding of the environmental impact of our operations and to disclose the above $CO_2$ emissions information.

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.

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 $CO_2e$, which is a term used to describe different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, $CO_2e$ signifies the amount of $CO_2$ which would have the equivalent global warming impact.

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

[5] 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.

[6] 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).

[7] 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.

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

[9] 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.

[10] 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.

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

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

# METRICS & TARGETS

## Initiatives to reduce GHG Emissions

We have continued to rationalise and reduce our global office portfolio in 2022. This included further office closures/lease terminations, sub-leasing 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.

- Implementation of measures to reduce standby power consumption for power banks and office audio-visual equipment.
- The piloting of a scheme to measure the impact of optimising the use of lighting, heating, and cooling during office hours.
- Drawing on 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.

## Climate-Related Targets

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 in 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.

## 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.

**TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT**

For the year ended 31 December 2022