



TEXEL

UNEP FI

Principles for Sustainable Insurance

2023 report

Introduction

The Texel Group (“Texel”) is a specialist credit insurance broker based in London with offices in Brussels, Singapore, New York and Los Angeles. As a global insurance broker we help our clients mitigate credit and political risks with innovative and bespoke solutions.

In 2015 we established the [Texel Foundation](#) and partner with charities and social enterprises that drive sustainable impact. We support charities that promote health, education, social mobility and artistic opportunity. During 2023 we supported 17 grants across seven countries.

In 2021, Texel became a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI). The PSI initiative is the largest collaborative initiative between the UN and the insurance industry. As a signatory to the PSI, Texel is committed to providing an annual disclosure of the progress we have made in implementing the principles into our business.

Below is a report of the key actions we took during 2023 for each of the four principles.

The principles

1

We continue to embed environmental, social and governance issues relevant to our business in our decision making

ESG committee

In 2023 the Texel Board approved an overarching Environmental, Social and Governance (ESG) strategy which is being implemented via a company ESG committee.

Our ESG strategy has three central objectives:

1. To reduce Texel's carbon emissions to the greatest extent possible via a carbon emission travel cap for each office;
2. Apply an annual levy based on the UK Government's carbon price to the remaining emissions. This amount will be invested in businesses who are positively impacting the environment (including businesses investing in carbon capture where possible);
3. To encourage our clients to participate in more sustainable transactions and also ensure that Texel's own revenue from these transactions has a positive environmental impact through the implementation of our Green Impact Investment Contribution.

Given our commitment to ESG and increased awareness and interest across Texel, we welcomed an additional member onto the committee in 2023. The committee now consists of six employees who meet regularly to identify, assess, manage and monitor ESG issues across our business. The committee reports to the Board on a regular basis and delivers quarterly presentations to the whole company updating on progress against our strategy, initiatives underway and opportunities to enhance our ESG strategy.

Diversity, Equity & Inclusion (DE&I) committee

Texel is committed to ensuring we provide an inclusive working environment and culture, one that celebrates and reflects the diversity of our people, our clients and our markets. In 2022 we created our DE&I committee; seven people sit on this committee including the Managing Director of our Singapore office and our Head of HR. The committee helps educate the business on issues, challenges and opportunities through training, workshops, external speaker events and sharing relevant literature.

Following its creation we engaged an external DE&I consultant to help tailor a bespoke, anonymous survey for our staff to ascertain perceptions of DE&I within Texel. The findings of the survey shaped and influenced our DE&I action plan, ensuring that it responded to the comments and actions that were raised by our people.

In 2023 we held a series of internal workshops on topics such as neurodiversity and allyship. 19% of our employees identify as neurodivergent and Texel prides itself on fostering an inclusive environment where everyone feels supported and listened to. We arranged for Theo Smith, a celebrated podcast host and author, to facilitate workshops for our employees focused on gaining a better understanding of what neurodiversity means, what the advantages of a neurodiverse team are and how to be a neurodiverse aware leader.

We have created channels across Texel, such as a virtual Microsoft Teams group and physical bookshelves, to share literature on DE&I. We have also devised an annual DE&I calendar outlining monthly educational events.

Gender parity is a key focus in our recruitment process. In fact, as of the end of 2023 the balance moved slightly in favour of female employees (56% compared to male 44%). We have recently partnered with a women's network based in Atlanta, who ran a workshop on how to support women with networking in the insurance industry, and we also offer all women returning from maternity leave access to an external mentor using a company called 'Untappd'.

The Texel Foundation

Our Foundation is the philanthropic arm of Texel. It centres around extending opportunities and nurturing potential, working with charities and social enterprises that focus on one of our four pillars, of which education is one. During 2023 the Foundation has continued to provide career development workshops and bursaries to academically high-achieving pupils from lower socio-economic backgrounds at the London Academy of Excellence in Tottenham (LAET), North London. Following the successful pilot of the three-week paid internship programme for LAET students in 2022, we welcomed three LAET students on an internship in 2023. Additionally we launched a year long mentorship programme for 20 LAET alumni; 20 students were matched with Texel employees who mentor them on multiples topics including the students' studies, life at university and career paths.

Tierra MGA

In 2021 Texel set up a Managing General Agent called 'Tierra', which provides credit insurance to support green project finance transactions focused on the decarbonisation of the economy. In 2023, Tierra supported 17 clients on 23 transactions totaling more than USD 600m of insured exposure.

Green Impact Investment Fund

Following the launch of our Green Impact Investment Contribution (GIIC) in 2022, we have continued to invest the Group's net profit earned from sustainable transactions into an environmentally focused impact investment portfolio; this portfolio is managed by award-winning impact wealth manager Tribe Impact Capital. In 2023, we invested a total amount of USD 186,000 across 44 transactions.

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We continue to work together with our clients and business partners to raise awareness of environmental, social and governance issues, managing risk and developing solutions

New business proposals

ESG continues to play a critical role in the tenders we participate in, ensuring that prospective clients are aware of its importance to Texel and how we can support their own ESG strategy and requirements. A critical element of our dialogue with clients and insurers is highlighting Texel as a signatory to the UN PSI and to promote the principles themselves.

ESG mapping

We encourage our clients to participate in more sustainable transactions by publicising the increasing demand of insurers for sustainable assets. We are also in the process of screening transactions closed for our multilateral development bank (MDB) clients in 2023 against the UN Sustainable Development Goals (SDGs) as a framework for assessing the Group's MDB portfolio through an ESG lens. We are planning to publish the 2023 results for MDBs in order to increase awareness among our partners and wider community. We are also hoping to be able to expand this analysis in the future to cover all our clients.

External recognition

In 2023 Texel was awarded "[Employer of the Year](#)" by The Insurance Insider, a leading publication in the insurance industry read by insurers, distributors, service providers and investors. We were specifically praised for our ESG approach and DE&I committee; the judges commented that "*Texel is a business that puts its people first and really lives the philosophy of putting wellbeing at the core of what they do.*"

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Working together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues

Industry engagement

Alongside being a signatory to the UN PSI, Texel continues to be a prominent member of the International Trade and Forfeiting Association (ITFA). One of Texel's ESG committee members sits on ITFA's ESG committee helping to fully integrate ESG into a trade finance context, and to deliver relevant, practical and neutral content to ITFA members.

At the end of 2023 Texel also joined ITFA's newly formed working group looking to develop ESG certification standards for common, consistent and comparable reporting for the trade finance ecosystem.

Texel Foundation's engagement with stakeholders

Every year Texel allocates 10% of net profits to the Texel Foundation, funding charitable grants promoting health, education, social mobility and artistic opportunity across the globe. Since the Texel Foundation was established in 2015, it has donated in excess of GBP 3,000,000, supporting more than 100 programmes across 24 countries.

We are also a proud member of [IVAR's](#) Open and Trusting Grant-Making Pledge. IVAR works with charities, foundations and public agencies to strengthen communities across the UK through action research. Our Foundation Programme Director is a member of IVAR's steering group, which seeks to redress the power imbalance between funders and charities.

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Demonstrating accountability and transparency in regularly disclosing publicly our progress in implementing the Principles

External ESG rating

In 2023 we received a 'Commitment' badge from EcoVadis, a company that helps others assess and manage sustainability practices within their supply chain. This badge means Texel achieved a 'good' performance in the EcoVadis methodology and it is indicative of our commitment to achieving a strong sustainability rating. We continue to put in place practices and policies to continue to improve the rating.



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